2023 ANNUAL REPORT

For the financial year end 31 December 2023

Supplying critical natural graphite and anode products at commercial scale

SYRAH RESOURCES

We are a globally significant vertically integrated graphite and battery anode company, supplying battery and industrial markets with high quality, environmentally differentiated and customer qualified products.

350 KTPA
Balama graphite production capacity

11.25 KTPA
Vidalia initial AAM production capacity

634
Total Syrah Group employees as at 31 December 2023

1.2 TRIFR
Syrah Group as at 31 December 2023

OUR VISION

To be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

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Vidalia AAM facility

2023 Highlights

OPERATIONAL

Continuing vertically integrated production with a cost focus

LIMITING OPERATIONS

94kt

Total Balama graphite production

85kt

Total graphite sales to 3rd party customers

- Balama graphite production in campaign operations due to finished product inventory constraints and lower product sales
- Lower natural graphite sales to Chinese anode customers due to high downstream inventory positions, significant synthetic graphite supply and substitution and Chinese export license controls

FINANCIAL

Maintaining financial position to preserve growth options

SIGNIFICANT CASH ON BALANCE SHEET

$46.7m

Unrestricted cash as at 31 December 2023

$38.2m

Restricted cash as at 31 December 2023

- Commercial arrangements with tier 1 active anode material ("AAM") customers underpinning Vidalia development
- Construction of the Vidalia 11.25ktpa AAM facility ("Vidalia Initial Expansion") progressed to completion
- Definitive feasibility study on the expansion of Vidalia to a 45ktpa AAM production capacity ("Vidalia Further Expansion")

Balama mine

SUSTAINABILITY

Ensuring our people work safely and have an opportunity to develop, whilst building community and stakeholder relationships, and proactively minimising our environmental footprint

1.2

Syrah Group TRIFR
as at 31 December 2023

20%

Female participation total
Syrah workforce

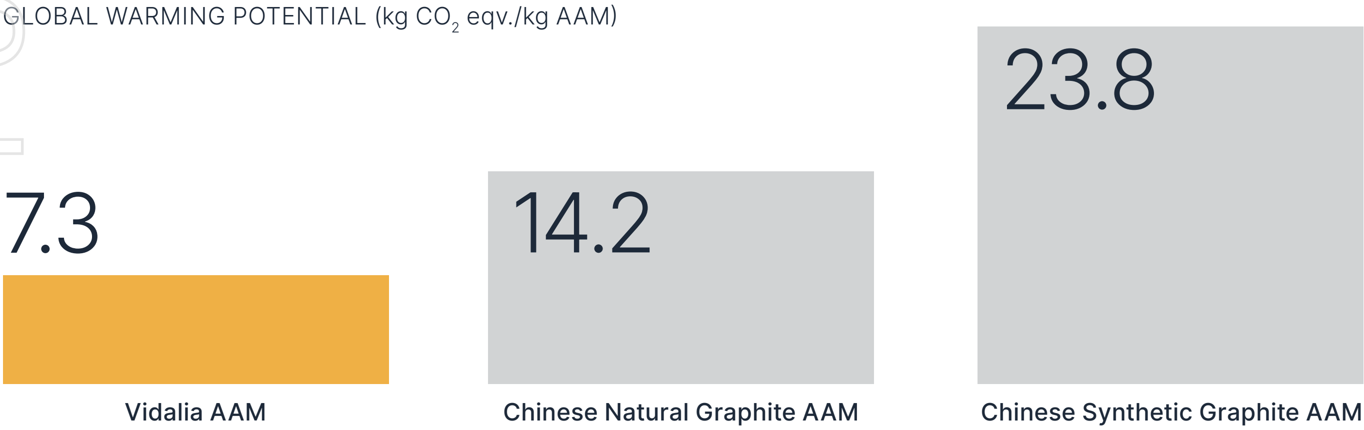
Tree planting in host communities - Muapé Village

392 Members of the community trained at the Balama Training Centre in mechanical and electrical fields

3 Large-scale community development projects underway in Balama

- $4m community development investment committed in Balama across a range of community initiatives selected in partnership with the Mozambique Government and host community leaders (from 2017 to end of 2023)
- To further strengthen its ESG performance, Syrah will undertake an independent third-party audit of Balama against the Initiative for Responsible Mining Assurance ("IRMA") Standard for Responsible Mining in Q1 2024

GLOBAL WARMING POTENTIAL (kg CO_2 eqv./kg AAM)



Source: Minviro Ltd's lifecycle assessment on Syrah. Note: Global Warming Potential ("GWP") is defined as the cumulative radiative forcing, both direct and indirect effects, over a specified time horizon resulting from the emission of a unit mass of gas related to some reference gas [CO2: (IPCC 1996)]. GWPs shown are a forecast life of operation average for Vidalia based on detailed engineering and include scope 1, scope 2 and scope 3 greenhouse gas emissions. Syrah's LCA meets the requirements of ISO14040/14044 standards and has been critically reviewed by a third-party.

Chairman's Letter

Syrah's deep understanding of the operating environment and stakeholders relevant to the Balama operation in Mozambique has seen strong support, despite challenging market conditions.

Jim Askew
Chairman

Graphite market developments over 2023 both cast a shadow on Balama sales and production momentum, countered by shining a light on the Company's strategic position in global battery anode and natural graphite markets. Syrah's lower Balama production, natural graphite sales, and weighted average prices in 2023 compared with 2022 were impacted by synthetic graphite capacity expansion and government policy influence on the Chinese anode customer market, inhibited Balama from achieving its world-class potential. Development of our downstream facility at Vidalia approaches completion in its mission of becoming the first commercial-scale vertically integrated natural graphite active anode material supplier outside of China for ex-Asia battery manufacturers and auto OEMs.

In 2023, Balama operated in campaign plant operations through most of the year. Measures under this operating mode better positioned the Company from an inventory management and cash flow perspective, considering volatile Chinese customer demand. Although Balama operations were adapted, operating costs were higher than breakeven levels. Operational performance was stable with good product quality and grade, however, processing instabilities in stop-start plant operations impacted graphite recoveries. Vessel service and container availability was significantly improved from 2022 and did not constrain Balama operations and sales. One of the largest on-site solar and battery systems in Africa commenced operations at Balama during the year, representing an important first step in abating the environmental impacts of our operations. Syrah completed four Pemba breakbulk shipments during the year with each shipment, highlighting opportunities for future logistics efficiencies. A sustainable cost position at Balama can be achieved as production rates increase, with uninterrupted operations underpinned by higher product sales. US, EU, and China policy developments have resulted in much greater interest in Balama product purchases from ex-China anode customers and greater access to supply from battery manufacturers and auto OEMs over the medium-term. We are increasingly optimistic about the demonstration of the tier one potential of Balama as these higher volume and margin sales opportunities are progressed.

Enormous progress was made towards completing the Vidalia AAM facility in Louisiana, the foundation of Syrah's downstream strategy. Off-site equipment fabrication and on-site construction activities ramped up to peak intensity throughout the year, with a focus on safety by the project team and our contractors. Our operations team was fully established, focused on high local employment, in readiness for operations. Commissioning and operations of various process areas in the facility were completed through the latter part of 2023 and in January 2024. In early February 2024, the Company made a huge step forward with the commencement of commissioning AAM production from the commercial-scale facility. It is the culmination of over

Syrah has a great future opportunity with its first-mover strategic position at Vidalia and the globally significant graphite resource and operation at Balama.

seven years of downstream technology development and over five years of product and facility development at Vidalia by Syrah. We are also completing a definitive feasibility study on a significantly larger expansion at Vidalia and are now progressing development steps towards a final investment decision. High demand for Vidalia AAM is underpinned by Syrah being a first-mover in commercial development for US integrated supply, progress in customer qualification processes, cost and quality advantages in vertical integration with Balama, and a leading ESG position. Importantly, strong recognition of the need for US and European auto OEMs and battery manufacturers to have access to local independent supply has led to significant US Government agency support for Syrah in delivering our vision and growth strategy - delivering mutual benefit through potential funding opportunities and direct and indirect tax incentives under the US Inflation Reduction Act.

Syrah's deep understanding of the operating environment and stakeholders relevant to the Balama operation in Mozambique has seen strong support, despite challenging market conditions. Our workforce, who are predominantly local, continue to develop well and are supportive of the flexibility that has been required. The security environment in Cabo Delgado province improved during the year, with no issues affecting the Company's operations. Syrah's environmental, social and governance ("ESG") activities are fundamental to our operating strategy for both Balama and Vidalia and have underpinned our activities since the first planning of the Balama mine. The Company is committed to being an exemplary corporate citizen in Mozambique and to the host communities, with commitments to local employment and development, with ongoing community projects under the Livelihood Development Program, sustainable income generation in the district, and alignment to leading practice ESG frameworks. The Vidalia production facility and expansion project is providing clear economic benefits to Concordia Parish in Louisiana and Syrah is proactively engaging with its community to ensure this project and operations remain well supported.

The Board thanks the Syrah management team for its unwavering commitment to the Company's strategy and working through unforeseen external challenges. Syrah has a great future opportunity with its first-mover strategic position at Vidalia and the globally significant graphite resource and operation at Balama providing a marked lead time advantage. 2024 will be a year of transition and milestones for the Company – with future leverage toward ex-China markets and higher Balama capacity utilisation under long-term offtake commitments, ramp-up of operations and commercial sales from the 11.25ktpa AAM Vidalia facility, advancing the Vidalia Further Expansion project and pursuing commercial opportunities resulting from Syrah's leading market position to create shareholder value.

On behalf of the Board, we thank stakeholders for their support and patience as we continue our mission of consolidating our leading position as the front-runner ex-China source of premium graphite feedstock and AAM products. Increased market recognition of our ascendency is apparent, and we aim for this to translate into increasing stakeholder interest in Syrah.

Syrah's ESG activities are fundamental to our operating strategy for both Balama and Vidalia.

The US Inflation Reduction Act for ex-China critical mineral sourcing reinforces battery supply chain focus on Vidalia.

Jim Askew
Chairman

Managing Director and CEO's Letter

We are committed to building on Syrah's achievements and capitalising on our competitive advantage in 2024 to cement our leading position in the global natural graphite and AAM markets.

Shaun Verner
Managing Director and
Chief Executive Officer

It is my privilege to present the 2023 Syrah Annual Report to shareholders. 2023 was a challenging year in sales, operations and cash flow. However, there were critical development milestones, important political and policy developments, and structural market flux, which have created great opportunities for the Company in the coming years considering Syrah's position in the market – a position that has been created with significant capital investment, years of operational experience, deep customers relationships, and intellectual property development. Fundamentally, Syrah remains exposed to the rapidly growing EV and battery end-markets vital to decarbonisation. In developing the first integrated natural graphite mining and AAM option outside China, the Company is creating a meaningful advantage in both timing and scale, and opportunity to grow quickly, to provide customers with a sourcing diversification option at a time of geopolitical and commercial uncertainty.

Throughout the year, the Company had to be agile in Balama operations, considering volatile sales demand conditions and weaker prices. By designing and fully implementing a campaign operating mode to reduce operating cash-out flows and maintain market presence, Syrah sought to navigate an uncertain natural graphite market constrained by synthetic graphite AAM overcapacity, and the implementation of China export licence controls both suppressing demand. We made very strong progress in our downstream strategy to become a vertically integrated producer of natural graphite AAM with the continuing development of the 11.25ktpa AAM Vidalia facility.

Our performance in Health, Safety and Environment was excellent with campaign plant operations at Balama, the commissioning of the solar and battery system at Balama, and as the Vidalia Initial Expansion transitioned through peak staffing and people hours to demobilisation of major contractors from site. The Company was successful in operating safely and driving Critical Risk Management Standards forward, setting a new baseline for future operating safety. The Total Recordable Injury Frequency Rate for the Syrah Group was 1.2 at year end and no lost time injuries were sustained to our workforce during the year. The Company remains intently focused on its safety management systems to avoid potential incidents and injuries to our workforce. We have implemented standard operating procedures and are conducting operational readiness training for our operating workforce at Vidalia to ensure safe and efficient commissioning and operations of the AAM facility.

Syrah's commitment to local employee development at Balama and Vidalia remains very strong. Of more than 1,250 direct and contractor employees at Balama, 97% are Mozambican and 42% are from the local host communities surrounding Balama. Of more than 100 direct employees at Vidalia, 59% are from Louisiana and 75% are from the local "Miss-Lou" region. We have a deep commitment to localisation and a demonstrated history of skills and career development through our teams, with opportunity arising through our investments and the rapidly evolving position in global graphite product markets. Syrah has invested significantly in training and development since 2016, and both low turnover and high employee satisfaction evidence the importance of the time and resource allocated.

Syrah is committed to maintaining the highest standards of conduct in all business activities and promoting a culture of integrity, transparency and corporate social responsibility. To achieve this, we pursue alignment with leading practice ESG frameworks including the International Council on Mining and Metals ("ICMM") Mining Principles, the United Nations Sustainable Development Goals, the Global Reporting Initiative, and the International Finance Corporation Performance Standards on Environmental and Social Sustainability. To further strengthen its differentiated ESG performance, the Company is well progressed in an independent third-party audit of Balama against the Initiative for Responsible Mining Assurance ("IRMA") Standard for Responsible Mining, which is one of the most comprehensive and rigorous mining certification processes in the world. Syrah's pursuit of an IRMA certification is a first across the global graphite industry.

Balama operations were hugely impacted by China's dominance of, and Government policy intervention in, the synthetic graphite, natural graphite and AAM markets throughout the year, impacting Chinese spherical and anode customer demand for Syrah's products. These unanticipated impacts resulted in Balama production and natural graphite sales in 2023 being significantly lower than in 2022. It is essential for the Company to maintain operating capacity and market presence, whilst managing cash, for natural graphite supply to Vidalia and in readiness for improved Chinese and international customer demand. Matching Balama sales and production for a cash flow breakeven position is an urgent objective for the Company. However, Balama unit costs trended higher with lower production constraints and operating cost pressures. We remain very confident of a low cost operation at Balama as future sales volumes drive increased utilisation, with the solar and battery system now operating and with State-based diesel prices continuing to moderate.

Major progress was made in our medium-term natural graphite sales strategy to balance integrated consumption through Vidalia, with an increasing proportion of sales volume ex-China, and residual sales volumes to China. Several long-term offtake agreements are in place with incumbent and new entrant customers developing ex-China anode facilities. These commercial sales arrangements with ex-China anode customers and Government policy developments highlight the strategic importance of Syrah to the global battery and anode supply chain, considering its offering of large volume, reliable source of natural graphite supply outside of China, which is significantly differentiated in quality and ESG standards in production. Whilst it has taken some time, these developments represent a turning point in the structure of global natural graphite and AAM markets.

Commencing production from the 11.25ktpa AAM Vidalia facility is a huge step forward in Syrah's evolution making it the first commercial-scale, vertically integrated natural graphite AAM supplier outside China. The downstream integration is the culmination of over seven years of technology development, feasibility, procurement, engineering, construction and commissioning work undertaken by the Syrah team and its service providers. I congratulate the whole Syrah team on achieving this important milestone with a strong focus on safety, capital cost controls and schedule. We also appreciate the support from City of Vidalia, the State of Louisiana, the US Department of Energy and the local, state and federal authorities in developing Vidalia to this point and into the future. Syrah looks forward to positively contributing to the communities around

Of more than 1,250 direct and contractor employees at Balama, 97% are Mozambican and 42% are from the local host communities around Balama. Of more than 100 direct employees at Vidalia, 59% are from Louisiana and 75% are from the local "Miss-Lou" region.

Balama operations were impacted by China's dominance of, and Government policy intervention in, the synthetic graphite, natural graphite and AAM markets throughout the year.

Vidalia and the Company's stakeholders in the US for many years to come. Our Vidalia operation is strategic for both Syrah and the North American battery supply chain and is the foundation of our downstream growth strategy.

In April 2023, Syrah announced the completion of a definitive feasibility study on the expansion of Vidalia's production capacity to 45ktpa AAM, inclusive of the 11.25ktpa AAM facility, which confirmed that the project is technically viable, financially robust and is expected to deliver significant value for Syrah shareholders and other stakeholders. Whilst focussing on cost management, Syrah is progressing transition engineering, permitting and other long lead procurement activities on the expansion of Vidalia's production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM ahead of a final investment decision proposal to be considered by the Syrah Board. The Company is progressing offtake agreements and preparing the project for final investment decision readiness. Financing considerations will determine timing of this next step.

The ongoing momentum towards decarbonisation of the global transport sector via electrification of vehicles continued in 2023. EV markets exhibited remarkable growth throughout the year with global EV sales increasing 37% year on year to 15 million units and monthly global EV sales approached two million units in December 2023. The global graphite and anode market is in a state of structural flux – realigning along geopolitical lines, with downstream supply chain participants focused on security of supply. Our strategy is supported by strong EV-driven demand globally, recognition of the importance of independent natural graphite AAM critical mineral supply, and differentiation in terms of emissions intensity of production and provenance of supply. The importance of Balama and Vidalia is reinforced by China's implementation of export licensing controls on natural and synthetic graphite products, and US Treasury guidance on the definition of Foreign Entity of Concern ("FEOC") governing eligibility for the consumer tax credit when purchasing a new electric vehicle, as legislated by the Inflation Reduction Act.

Balama Ativa pit

We are committed to building on Syrah's achievements and capitalising on our competitive advantage in 2024 to cement our leading position in the global natural graphite and AAM markets. Our core focus in 2024 is:

- Improving Balama's sales composition to achieve higher and more stable utilisation of Balama's production capacity, reducing unit costs;
- Progressively increasing throughput of the 11.25ktpa AAM Vidalia facility whilst increasing process consistency, ensuring product quality and maintaining safety;
- Completing qualification of the 11.25ktpa AAM Vidalia facility processes with our target customers;
- Commenced commercial AAM sales from the 11.25ktpa AAM Vidalia facility including under our offtake agreement with Tesla, Inc.;
- Progressing offtake agreements and DOE loan financing process, and preparing the Vidalia Further Expansion project for FID readiness; and
- Continuing to develop options to further accelerate capacity expansion in the graphite and anode supply chain.

I acknowledge that recent years have been extremely challenging for Syrah shareholders and stakeholders, with many market and government driven disruptions, but the Company's focus is on preserving control of assets, generating funding options to accelerate shareholder value creation, and continuing to progress development. The Company is uniquely positioned to benefit from the electrification of the vehicle fleet, increasing EV adoption across global consumer markets, battery supply chain development, focus on critical battery mineral supply in the United States and Europe, and more favourable natural graphite market conditions.

With the support of the US Department of Energy and US International Development Finance Corporation, Mozambican stakeholders, our shareholders and increasingly, ex-China customers, we are pursuing multiple years of high margin, market-driven benefit. With ex-China AAM capacity growth, the need for Balama natural graphite volume grows, and Vidalia's continuing development provides opportunity into very strong US demand for IRA compliant non-FEOC product.

Syrah's leadership and teams across the business continue to forge the path for ex-Asia natural graphite and AAM supply, demonstrating commitment, fortitude, and long-term vision. Our operational, commercial, and functional teams are the critical element to our future success, and the leadership team is committed to a culture which enables continuation of our work towards growing shareholder value through Syrah's unique and advantaged position at both Balama and Vidalia.

In April 2023, Syrah announced the completion of a definitive feasibility study on the expansion of Vidalia's production capacity.

Syrah's leadership and teams across the business continue to forge the path for ex-Asia natural graphite and AAM supply.

Shaun Verner
Managing Director and Chief Executive Officer

Vidalia AAM facility milling area

About Syrah

OUR BUSINESS OVERVIEW

Our vertically integrated operations are strategically positioned to supply into increasing global, and principally ex-China, demand for natural graphite and AAM products

Large-scale natural graphite and AAM production is required for the key decarbonisation trends of transport fleet electrification and energy storage.

Syrah is rapidly advancing towards becoming the pre-eminent ex-Asia vertically integrated natural graphite and AAM supplier for global battery manufacturers and auto OEMs, underpinned by Balama's world-class natural graphite resource and large-scale, low-cost operations.

Syrah employee at Balama solar array

PRODUCTS AND TECHNOLOGY

Differentiated natural graphite and active anode material products

Natural Graphite

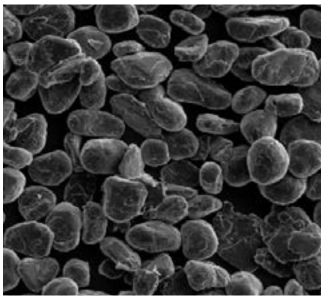
Syrah produces 23 natural graphite products across eight different mesh sizes at Balama. Balama's natural graphite product mesh sizes range from +50 mesh (coarse or large flakes) to -100 mesh (fines flakes). Balama also supplies flake with properties outside of typical market specifications to special purpose customers. Balama natural graphite products have a fixed carbon content of between 94% and 98%.

Natural graphite

Active Anode Material

Syrah is developing AAM products from Vidalia for mass market and commercial sales. Syrah's high purity AAM products are being developed alongside customers, industry participants, laboratories and universities and are designed to drop into existing battery manufacturing facilities and processes.

The company has executed commercial supply agreements for AAM from Vidalia with tier 1 integrated battery manufacturers and auto OEMs.

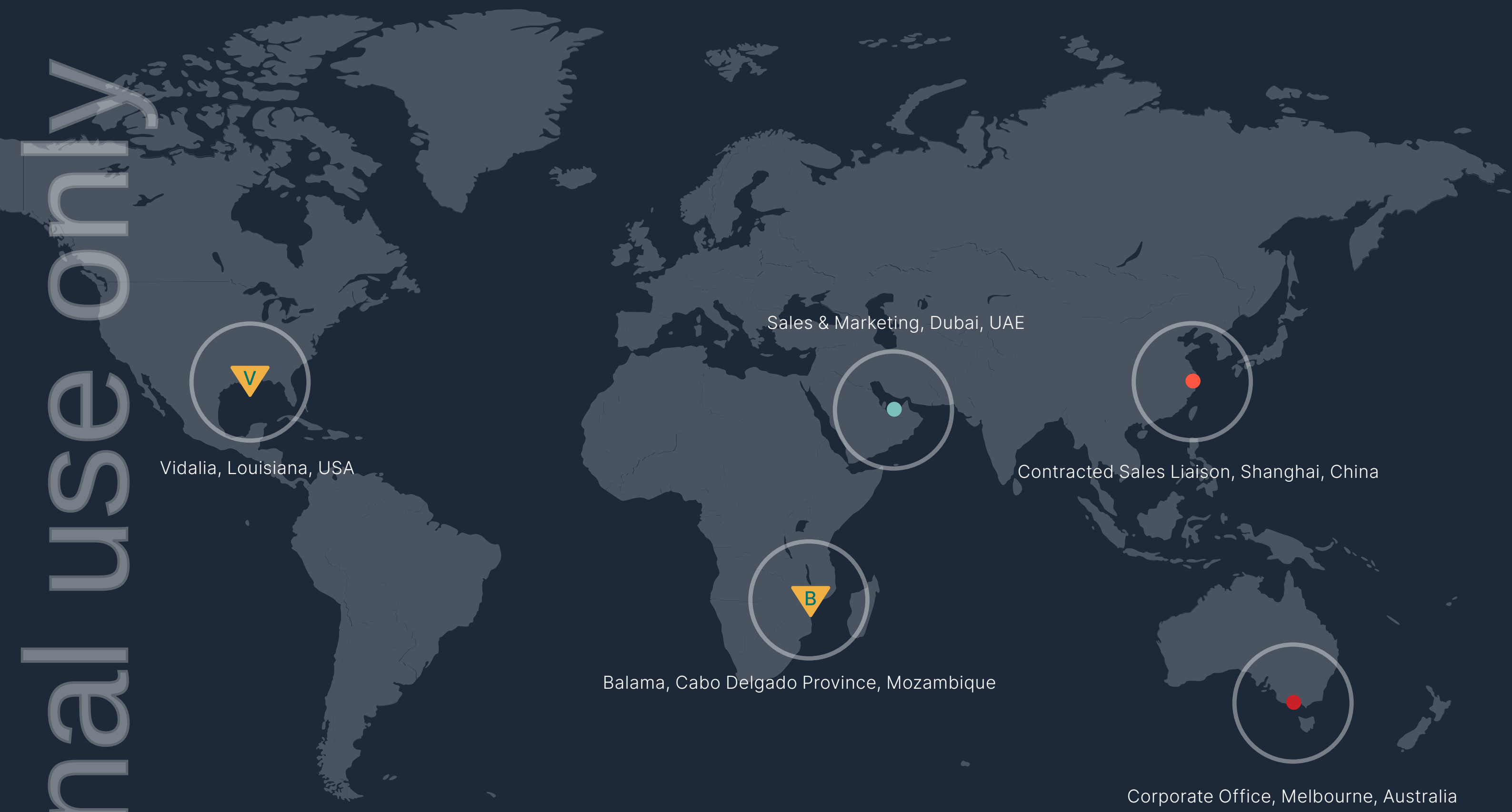


Scanning electron microscope images of AAM

OUR VALUES

We are committed to working as a team and acting as owners to deliver shareholder value.

- **Good health and working safely at all times**
- **Challenge and support our people to achieve their potential**
- **Partnering with the community and stakeholders for sustainability**
- **Integrity and fairness in all our business dealings**
- **Being accountable for our decisions and actions**



A global business to supply rapidly growing customer markets with natural graphite and AAM products.

Syrah is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream AAM facility in the United States.

50+ YEARS
Balama mine life

350 KTPA
Balama graphite production capacity

11.25 KTPA
Vidalia Initial Expansion capacity under construction

45 KTPA
Vidalia Further Expansion capacity under feasibility study

OUR VALUE PROPOSITION

Vertical Integration

- Natural graphite from Balama for AAM producers
- AAM from Vidalia for battery makers and auto OEMs

Operations and Development

- Largest integrated natural graphite operation globally
- First vertically integrated natural graphite AAM supplier outside of China

Cost Position

- Cost competitive AAM supply from Vidalia
- Sustainable and low cost curve position at Balama with project development capital already fully invested

ESG Position

- Leading ESG standards and sustainability frameworks
- Low greenhouse gas emissions footprint
- Single chain of custody offers full auditability and transparency

Expansion Potential

- Significant downstream expansion potential at Vidalia and in ex-China markets
- Upstream brownfield expansion potential at Balama

Our Assets

BALAMA GRAPHITE OPERATION

Balama processing plant

94kt natural graphite produced at 74% recovery, with lower production year on year. Operational performance was affected by processing instabilities with campaign plant operations through the year. Graphite recoveries were lower and grade was stable year on year.

85kt natural graphite sold to 3rd party customers and 9kt shipped to Vidalia. Completed four ~10kt breakbulk shipments from Pemba port to China for fines customers supplemented by Nacala shipments to global destinations and customers. Vessel service and container availability was significantly improved from 2022.

Syrah's weighted average price for natural graphite sales to 3rd party customers decreased to US$582 per tonne (CIF) in 2023 highlighting the significant disruption to graphite consumption and demand in the Chinese anode industry from high downstream inventory positions, significant synthetic graphite supply and Chinese Government actions.

94kt
Total Balama graphite production

110Mt
Ore Reserve Estimate (16% TGC)

80%
Fines flake (-100 mesh)

KEY FEATURES

Location	Southern Cabo Delgado Province, Mozambique
Reserve	110Mt Ore Reserve Estimate (16% TGC)
Resource	1,035Mt (12% TGC) Graphite Mineral Resource
Life of mine	50+ years
Mining	Simple, low strip, open pit mining
Processing	Conventional crushing, grinding, flotation, filtration, drying, screening and bagging
Plant capacity	2Mtpa ore throughput yielding ~350ktpa graphite

Product	94% to 98% fixed carbon graphite concentrate. 80% fine flake (-100 mesh)
Power	15.4MW on-site diesel power station (comprised of seven 2.2MW generators) and 11.25 MWp solar photovoltaic array (comprising 20,832 solar modules) combined with an 8.5 MW/MWh battery energy storage system and automated power management system
Global Warming Potential	0.42kg CO_2 equivalent per kg graphite (Balama origin to Nacala port)

VIDALIA AAM FACILITY

Vidalia AAM facility

Syrah made exceptional progress in its strategy to become a vertically integrated natural graphite AAM supply alternative for USA and other ex-China supply chain participants and OEM customers.

Construction of the Vidalia Initial Expansion project advanced considerably towards completion in 2023 with commissioning progressed in certain process areas. By year end, ~$200 million in capitalised development costs had been invested and Vidalia's operations team was fully staffed.

Syrah's offtake agreement and exercised option with Tesla accounts for most of the supply from the 11.25ktpa AAM and the potential 45ktpa AAM facility at Vidalia. Commercial negotiations advanced toward additional offtake with Ford Motor Company & SK On, LG Energy Solution, Samsung SDI and other target customers for uncontracted AAM production from Vidalia.

$308m

Assets under construction as at 31 December 2023

11.25kt pa

Initial AAM production capacity of Vidalia AAM facility

7.3kg

CO_2 equivalent per kg AAM (Balama origin to representative Vidalia AAM customer locations)

KEY FEATURES

Location	Vidalia, Concordia Parish, Louisiana, United States
Land size	38 acres
Value add processing	Milling, purification and surface treatment
Vidalia Initial Expansion project	11.25ktpa AAM facility under construction
Vidalia Further Expansion project	45ktpa AAM facility pre-final investment decision
Product	18-micron coated purified spherical graphite
Global Warming Potential	7.3kg CO_2 equivalent per kg AAM (Balama origin to representative Vidalia AAM customer locations)

Our Markets

New shore cranes at Nacala port

OUR UNIQUE SUPPLY CHAIN POSITION

Syrah believes it is the most progressed vertically integrated natural graphite AAM supply alternative for US and other ex-China battery supply chain participant and OEM customers, which are currently highly reliant on China for their battery anode supply chains.

The progress at Vidalia and its vertical integration with Balama is a unique value proposition to Governments, auto OEMs and battery supply chain participants, specifically: scale; independence and co-location with USA battery production; critical mineral security; and ESG auditability back to the source.

Current battery supply chain is totally reliant on Asia for AAM

The battery anode supply chain is highly dependent on value adding processing facilities in China, Japan and South Korea, with China producing almost all of natural graphite-based anode precursor material (purified spherical graphite). AAM is not homogenous. This material requires a high level of processing expertise and extensive qualification processes with customers prior to commercial arrangements and consumption in battery cell manufacturing. The full qualification process for AAM can take as long as two years.

NEWS

In April,
Syrah signed

A$150m

in new convertible note funding from AustralianSuper

In September,
Syrah signed a

$150m

conditional loan commitment from US DFC for Balama

SYRAH IS UNIQUELY POSITIONED TO TAKE ADVANTAGE OF MARKET EVOLUTION, BATTERY SUPPLY CHAIN DEVELOPMENT AND ELECTRIC VEHICLE ADOPTION

Balama is a "market-critical" natural graphite operation – **largest integrated mining and processing operation globally.**

Syrah's natural graphite sales price **decreased by ~23%,** with decreasing spot fines prices and stable coarse prices, **over the last 12 months.**

Global EV sales **increased by 37% in 2023** year on year to 15 million units.

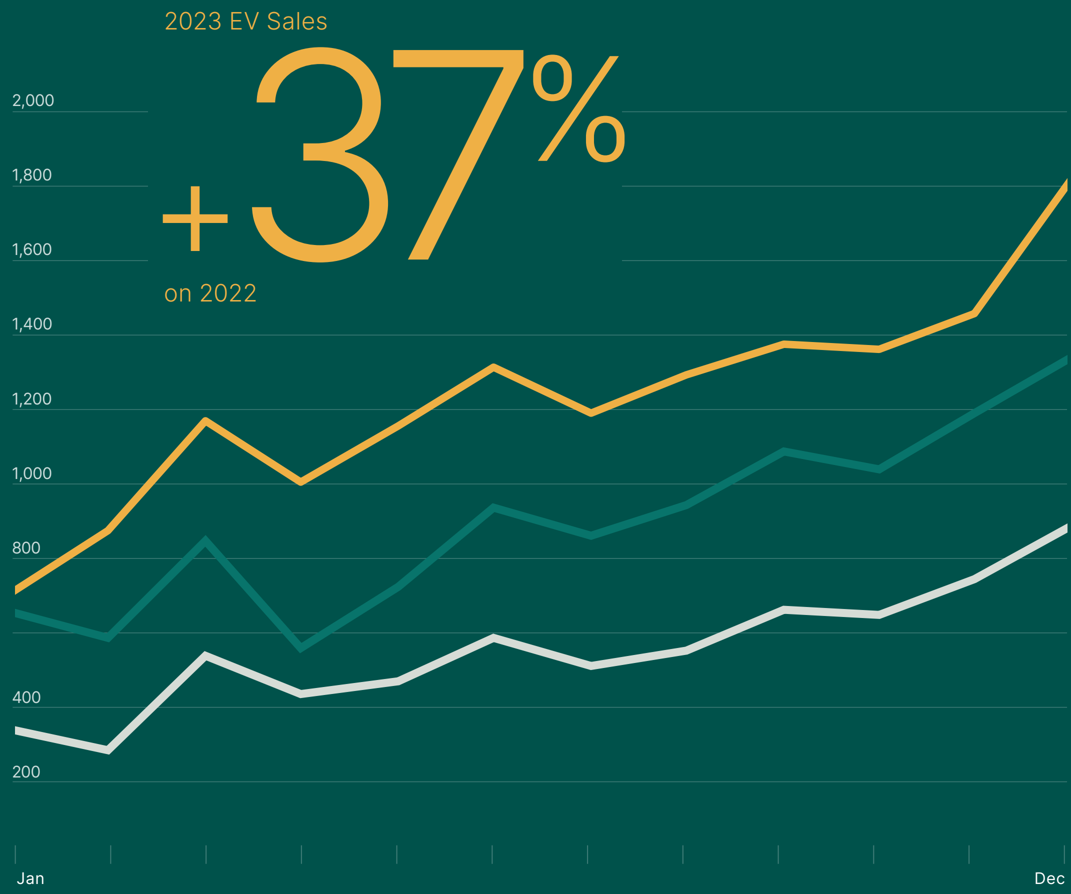
Global anode material production **increased by 28% in 2023 year on year** and inventory drawdown was apparent.

Balama is the largest imported natural graphite supplier to the Chinese anode and emerging ex-China anode customers.

Commercial arrangements in place with **tier 1 AAM customers.**

EV SALES VOLUMES CONTINUE TO STRENGTHEN

('000 Units)*



- 2023
- 2022
- 2021

*Sources: GlobalData and ICC Sino

Sales, Marketing and Logistics

85kt

Natural graphite sales and shipments to 3rd party customers

$582/t

Weighted average price for 3rd party natural graphite sales

72%

Fines proportion of 3rd party sales by volume primarily sold to the battery market

53%

Proportion of 3rd party sales to China by revenue

OUR SALES & MARKETING CAPABILITY

Syrah Global DMCC, our UAE-based sales and marketing entity, is responsible for:

- Customer relationship management and sales contracting.
- Sales and operational planning linking production to market delivery.
- Land and ocean transport and logistics management.
- Short-term market analysis and reporting.
- Technical marketing and value-in-use.

The Syrah Global team possesses significant expertise in natural graphite, including both coarse and fines, as well as AAM market development, commercial, and technical marketing. This team also manages a sales liaison office in China. Syrah's sales and marketing capability in industrial and battery anode markets has developed in line with customer qualification and product development requirements.

Balama lab workers separating samples

OUR LOGISTICS CAPABILITY

Balama natural graphite products are exported through Nacala and Pemba ports in Mozambique.

At Nacala, Syrah has exclusive access to a state-of-the-art Cross Dock Facility, enabling short lead times from warehouse to ship, and good access to major container shipping lines, which provide ex-Nacala services to global destinations in Asia, India, Europe, and the USA. Nacala port was upgraded in 2023 with new shore cranes, enabling services from larger vessels, improved productivity and handling of ~30% more container volumes through the port.

Pemba port is a major logistics and export option in breakbulk shipments for Syrah. This export route also allows for greater vessel charter options through a network of reliable owners with suitable vessels to cater for our customer requirements. Four breakbulk shipments were completed during 2023. A new warehouse facility was commissioned during 2023, which provides Syrah with storage capacity inside Pemba port for more efficient transfer of product to vessels.

Balama product warehouse

OUR UNIQUE SELLING PROPOSITION

Balama Natural Graphite

Large-scale, high volume and year-round production.

Consistent product specification and graphitic carbon content.

Particle size distribution optimal for active anode material yield.

Excellent cost curve position at increasing volume.

Vidalia AAM

Standard natural graphite AAM product parameters and high performance.

Mass-market, “drop-in” substitute for existing AAM supply.

Long-term vertical integration with Balama for product consistency.

Supply security and diversification through localised USA supply.

Sales, Marketing and Logistics continued

SUPPLY CHAIN DIVERSIFICATION

Syrah has a proven track record of product delivery to global destinations across China, North America, Europe, Middle East, India and East Asia and to a broad range of customers in steel, battery manufacturing and auto OEM sectors.

OUR MARKET POSITION

Balama and Vidalia product quality

- Balama natural graphite is extensively consumed in battery anode and industrial supply chains globally.
- Balama and Vidalia utilise industry standard production processes, optimised for ESG performance.
- Production processes ensure product consistency – products are qualified by industry leading customers.

Environmentally differentiated production processes

- Global Warming Potential of 7.3kg CO_2 equivalent per kg Vidalia AAM, which is ~30% and ~50% of the Global Warming Potential of synthetic and natural graphite AAM, respectively, from benchmarked Chinese supply routes.

Vidalia integrated with Balama's globally significant asset providing high volume, consistent production

- Produce, supply and ship products through all seasons of the year.
- Production scale and life to provide long term, high volume integrated supply.

Strong corporate values embedded with ESG focus

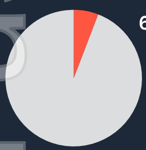
- Transparent and accountable with periodic public sustainability and financial reporting.
- Recipient of numerous industry awards, recognising best practice achievements.
- ESG performance auditable and verifiable across the full supply chain from mine to AAM delivery.
- Transparent approach to greenhouse gas emissions reporting and quality-system audits.

Balama product warehouse

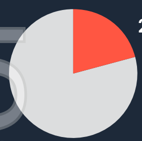
SYRAH IS AN ACTIVE ANODE MATERIAL SUPPLY OPTION FOR USA AND EUROPEAN MARKETS

Vidalia AAM Facility

Initial Expansion
AAM Production: 11.25ktpa
Graphite Feed: 21ktpa

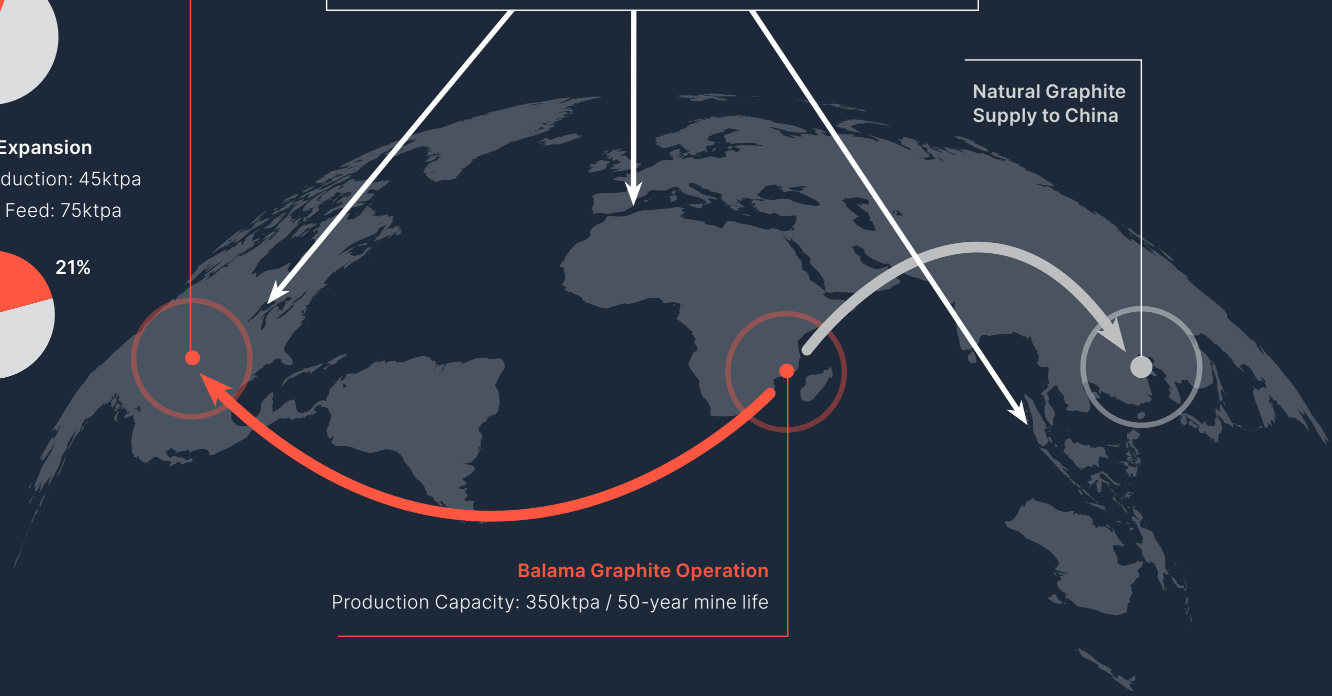


Further Expansion
AAM Production: 45ktpa
Graphite Feed: 75ktpa



Balama Natural Graphite Offtake and Marketing Strategy

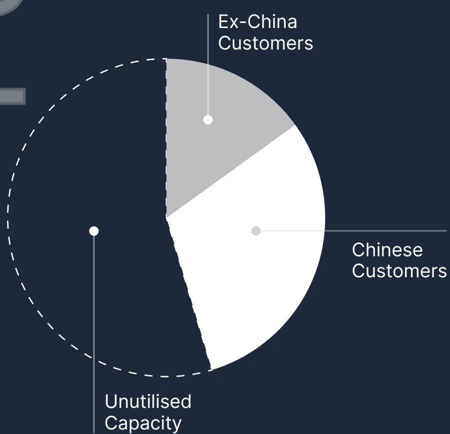
Geographic diversification in Balama natural graphite sales to AAM and battery markets from 2024, through developing AAM facilities in the US, Canada, South Korea, Europe, Indonesia, India and Africa. Targeting 100ktpa Balama fines sales to third-party AAM customers ex-China from 2026



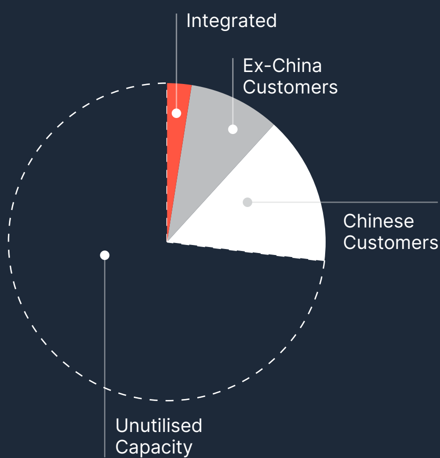
Balama Graphite Operation
Production Capacity: 350ktpa / 50-year mine life

SYRAH NATURAL GRAPHITE SUPPLY COMPOSITION

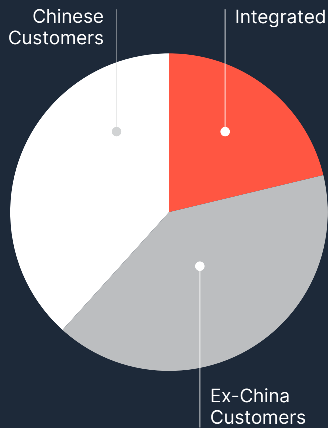
2022



2023



2026



Sustainability

HEALTH AND SAFETY

We adopt a whole-of-business approach to maintaining a strong health and safety culture across the company

Balama product warehouse

- Our well-established Health and Safety Management System includes Critical Hazard Management Standards which underpin the risk assessment process, associated controls and management actions.
- The Critical Hazard Management Standards and Syrah's rigorous Risk Management process demonstrates that we understand our major risk exposures and have adequate controls in place to mitigate critical risks and prevent fatalities.

0 WORKPLACE FATALITIES PROJECT TO DATE

NUMBER OF DAYS SINCE LOST TIME INJURY

646 Balama

597 Vidalia

ENVIRONMENT

We recognise that how we manage our impact on the environment can affect our stakeholders and livelihoods of local communities

- We are committed to identifying, measuring, and reducing greenhouse gas emissions from our operations. To this effect, we have commissioned an independent LCA of our integrated operations, from Balama origin to Vidalia customer gate to quantify the GWP of our products.
- During Q4 2023, Syrah achieved full operations of its solar & battery system at Balama. The system takes advantage of the high solar irradiation potential of the site location, and power generated from the 11.25 MWp solar photovoltaic array and battery energy storage system can displace ~35% of total diesel consumption on average per annum.

Balama solar and photovoltaic array

COMMUNITY AND STAKEHOLDERS

We recognise that maintaining strong relationships with our key stakeholders will help to ensure that business activities generate mutual benefit and continue to have a positive impact on the communities in which we operate

- At Balama, our Sustainable Income Generation Activities ("SIGA") program aims to consolidate and deliver small-scale community development projects in parallel to the execution of large-scale community projects ensuring continuity of local development initiatives and community engagement.
- At Vidalia, through regular engagement with all levels of Government, community groups, academic institutions, and local businesses, we have identified and delivered several community initiatives that will create positive outcomes for Concordia Parish and the state of Louisiana.

3 LARGE SCALE COMMUNITY DEVELOPMENT PROJECTS UNDERWAY IN BALAMA

- Primary school build
- Surgery facility Wholesale
- Wholesale central market

$4m
Community development investment committed (from 2017 to end of 2023)

392
Members of the community attended the Balama Training Centre to obtain training in mechanical & electrical fields

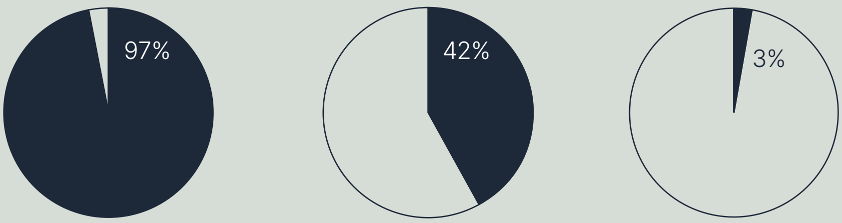
PEOPLE

We have established and continue to drive a high-performance culture founded on the Company Values where employees, contract partners and value chain participants are treated with fairness and respect, and where ethical business practices are upheld

- We commit to supporting and empowering our people, to upskilling our local workforces and building internal succession capability to advance our long-term localisation strategy.
- We are also committed to achieving and maintaining a diverse and inclusive workforce that is representative of the communities and markets in which we operate as well as protecting and respecting the human rights of all employees, contractors, and industry participants and this includes modern slavery risk mitigation.

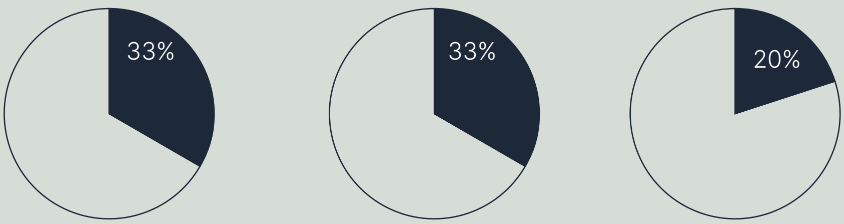
Syrah employees at Vidalia

WORKFORCE IN MOZAMBIQUE (Employees and contractors)



Mozambican nationals | Local (Balama) employment | Expatriates

GENDER DIVERSITY – FEMALE EMPLOYMENT



Syrah Board of Directors | Syrah Senior Leadership Team | Total Syrah Group employees

Directors' Report

DIRECTORS

The following persons were Directors of Syrah Resources Limited during the financial year and up to the date of this report, unless otherwise stated:

James Askew
Non-Executive Chairman

Shaun Verner
Managing Director and Chief Executive Officer

José Manuel Caldeira
Non-Executive Director

Lisa Bahash
Non-Executive Director

Sara Watts
Non-Executive Director

John Beevers
Non-Executive Director

COMPANY SECRETARY

Melanie Leydin
Company Secretary

INFORMATION ON DIRECTORS

The information on Directors in office as at the date of this report is as follows:

James Askew

Non-Executive Chairman

Mr Askew is a mining engineer with over 40 years broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. He has been continuously involved with the African mining industry since 1985.

Other current directorships in listed entities:

- Non-Executive Director of Evolution Mining Limited

Directorships of listed entities within the past three years:

- Non-Executive Director of Endeavour Mining PLC (retired May 2023)

Special responsibilities:

- Member of the Remuneration, Nomination and Governance Committee

Length of service:

- 9 years and 5 months

Interest in shares, NED rights and performance rights:

Securities	Number
Ordinary shares	706,937
Performance rights	Nil
NED rights	678,436

Shaun Verner

Managing Director and Chief Executive Officer

Mr Verner is a senior resource industry executive with extensive general management and cross-functional commercial, operations, supply chain, and leadership experience. Prior to joining Syrah in October 2016, Mr Verner was at BHP Limited for 20 years in a variety of executive roles, with extensive international, commercial and operational experience across a range of commodities including copper and base metals, uranium and thermal and metallurgical coal.

Other current directorships in listed entities:

- None

Directorships of listed entities within the past three years:

- None

Special responsibilities:

- Managing Director and Chief Executive Officer

Length of service:

- 7 years and 2 months

Interest in shares and performance rights:

Securities	Number
Ordinary shares	3,645,127
Performance rights	1,894,615[1]

(1) The 1,894,615 Performance Rights noted above for S Verner are current as at the date of the Director's Report. 787,727 Performance Rights lapsed on 5 February 2024 and are not included in this number.

José Manuel Caldeira

Non-Executive Director

Mr Caldeira is a prominent and senior lawyer in Mozambique with over 30 years commercial and government experience. He is a senior partner at Sal and Caldeira Advogados, Lda in Mozambique, one of the leading law firms in Mozambique and a former judge of the Maputo City Court.

Other current directorships in listed entities:

- None

Directorships of listed entities within the past three years:

- None

Special responsibilities:

- Member of the Audit and Risk Committee
- Member of the Sustainability Committee

Length of service:

- 9 years and 7 months

Interest in shares, NED rights and performance rights:

Securities	Number
Ordinary shares	12,082
Performance rights	Nil
NED rights	210,849

Lisa Bahash

Non-Executive Director

Ms Bahash has over 30 years' experience in the automotive OEM, Tier 1 supplier and aftermarket sectors. Her prior roles included Senior Vice President, Automotive and Transportation with Jabil Inc., one of the world's leading electronics manufacturing services companies, and Group Vice President and General Manager of Johnson Control's Power Solutions business, one of the world's largest automotive battery manufacturers, leading the OEM and technology strategies including advanced energy storage and lithium-ion battery technologies.

Other current directorships in listed entities:

- None

Directorships of listed entities within the past three years:

- Non-Executive Director of Shawcor Ltd (TSX Listed)

Special responsibilities:

- Chair of the Remuneration, Nomination and Governance Committee
- Member of the Sustainability Committee

Length of service:

- 5 years and 9 months

Interest in shares, NED rights and performance rights:

Securities	Number
Ordinary shares	15,583
Performance rights	Nil
NED rights	220,027

Sara Watts

Non-Executive Director

Ms Watts has been a director and audit and risk chair for 15 years across a range of sectors including technology, logistics, arts and disability. She has over 30 years of financial, operational and international experience and has been involved in multiple technology transformation projects. Her executive experience includes Head of Internal Audit for IBM Asia Pacific, Chief Financial Officer of IBM Australia/New Zealand, Vice-Principal (Operations) at the University of Sydney, and interim CEO of City West Housing.

Other current directorships in listed entities:

- Non-Executive Director of Trajan Group Holdings Limited
- Non-Executive Director of Nuix Limited

Directorships of listed entities within the past three years:

- None

Special responsibilities:

- Chair of the Audit and Risk Committee
- Member of the Remuneration, Nomination and Governance Committee

Length of service:

- 4 years and 10 months

Interest in shares, NED rights and performance rights:

Securities	Number
Ordinary shares	148,113
Performance rights	Nil
NED rights	32,132

John Beevers

Non-Executive Director

Mr Beevers has over 35 years of experience in the resources, mining services and chemical industries. His qualifications include a Degree in Engineering (Mining) and a Master of Business. He has held operational and leadership roles both locally and internationally, and specifically in Manufacturing operations, Technology and Marketing. Prior executive roles include CEO of Orica Mining Services and, MD & CEO of GroundProbe, and is also an experienced company director.

Other current directorships in listed entities:

- Non-Executive Director of Orica Limited
- Non-Executive Director of Lynas Rare Earths Limited

Directorships of listed entities within the past three years:

- None

Special responsibilities:

- Chair of the Sustainability Committee
- Member of the Audit and Risk Committee

Length of service:

- 3 years and 10 months

Interest in shares, NED rights and performance rights:

Securities	Number
Ordinary shares	38,593
Performance rights	100,000
NED rights	60,342

COMPANY SECRETARY

Melanie Leydin

Company Secretary

Melanie Leydin has over 30 years' experience in the accounting profession and over 20 years' experience as a Company Director, including as nominated Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganization of Companies, initial public offerings, secondary raisings and shareholder relations.

Melanie holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a Member of the Institute of Chartered Accountants, a Fellow of the Governance Institute of Australia and is a Registered Company Auditor. Melanie founded and was principal of a renowned Australian professional services firm from February 2000. In November 2021 Vistra Group acquired that business and Melanie is now Vistra Australia's Managing Director.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Group (being Syrah Resources Limited and its subsidiaries) during the year consisted of:

- Production of natural graphite products from the Balama Graphite Operation 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 in the production of anode material and industrial products;
- Operation and expansion of the Vidalia AAM facility including operation of a qualification facility, construction, commissioning and operation of the Vidalia 11.25ktpa AAM facility and advanced development 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 of offtake arrangements.

DIVIDENDS

There were no dividends paid, recommended or declared during the current financial year or previous financial year.

REVIEW OF OPERATIONS

OPERATING REVIEW

Sustainability

The aim of Syrah's Sustainability Strategy is to ensure the Company operates safely, ethically and efficiently to create value for our people and stakeholders. This strategy focusses on six key performance areas: health & safety, people, environment, community development, stakeholder management and governance. Both Balama and Vidalia have been established in line with leading practice sustainability standards, with ISO:45001 (Occupational Health and Safety Management Systems) and ISO:14001 (Environmental Management Systems) certifications maintained at Balama since 2018, and Vidalia maintaining its certification in ISO:9001 (Quality Management Systems) since 2021. It is intended that all three ISO certifications will continue to be maintained.

A robust Corporate Governance Framework has been embedded across the Syrah Group to enhance the Company's overall performance and shareholder value. Syrah adopts a risk and opportunities based approach to managing key material sustainability matters across the business with all relevant information captured under the Company's Risk Management Framework. Risks are reviewed by the Syrah Senior Leadership Team and Executive Committee at least monthly.

Syrah remains committed to pursuing alignment with leading practice Environmental, Social & Governance ("ESG") frameworks including the International Council on Mining & Metals ("ICMM") Mining Principles, the United Nations Sustainable Development Goals, the Global Reporting Initiative ("GRI"), and the International Finance Corporation ("IFC") Performance Standards on Environmental and Social Sustainability. To further strengthen its ESG performance, in Q1 2024 the Company will also undertake an independent third-party audit of Balama against the Initiative for Responsible Mining Assurance ("IRMA") Standard for Responsible Mining, which is one of the most comprehensive and rigorous mining standards in the world. Syrah believes that, in partnership with its key stakeholders, it has built a strong foundation to achieve an IRMA certification level. More information regarding IRMA is available on the website: https://responsiblemining.net.

People

At Syrah, our people are our point of difference. In pursuit of our Vision, we have established and continue to drive a high performance culture founded on the Company Values where employees, contract partners and value chain participants are treated with fairness and respect, and where ethical business practices are upheld.

Syrah is committed to supporting and empowering its people to achieve their potential by providing a strong foundation for ensuring all employees have the opportunity to develop professionally and advance their careers. We remain committed to upskilling our local workforces and building internal succession capability to advance the Company's long term localisation strategy. At Balama, 97% of our workforce are Mozambican nationals with 42% local (host community) employment. At Vidalia, 75% of the current Syrah team are local hires from the "Miss-Lou" region (6% increase on 2022 reported figure).

In 2023, the second edition of the Company-wide biennial employee engagement pulse survey was launched across the business to give employees an opportunity to provide feedback regarding their experiences at work. The survey covers a range of topics from employee experience and engagement to diversity and inclusion performance, leadership, company communication, and compliance and governance. The survey had a high participation rate across all Company work locations and provides valuable insights into our employee's experiences at work. Feedback from the survey was very positive with questions relating to health and safety scoring particularly strongly. The survey also provides a mechanism to identify opportunities for further improvements to the Company's workplace culture.

Health and Safety

The health, safety and wellbeing of employees, contractors and key stakeholders remains Syrah's highest priority, with the Company adopting a whole- of- business approach to maintaining a strong health and safety culture across the Group.

Syrah's health and safety performance remained strong during the year with a Company Total Recordable Injury Frequency Rate ("TRIFR") of 1.2 as at 31 December 2023.

The Company's well-established Health and Safety Management System includes Critical Risk Management Standards ("CRMS") which underpin the risk assessment process, associated controls and management actions. Syrah's CRMS and rigorous Risk Management Framework demonstrates that we understand our major risk exposures and have adequate controls in place to mitigate critical risks and prevent fatalities. Visible leadership is a crucial part of ensuring the effectiveness of the systems and controls we have in place and ensuring that employees (and contractors alike) understand the Company's expectations with regards to safety.

Balama's Malaria Mitigation Program continued through 2023 aimed at protecting the health and well-being of our people and reducing lost time due to illness. The program includes mosquito trapping and mapping, hot and cold outdoor fogging, regular indoor residual spraying, education and awareness campaigns, a strictly enforced camp dress code and Ultra-sensitive Rapid Diagnostic Testing of all camp residents to identify and treat pre-symptomatic cases of malaria. A total of 9,115 tests were conducted in 2023 recovering approximately 315 days that would have otherwise been lost to illness.

Environment

Syrah is committed to partnering with its stakeholders for environmental sustainability. We recognise that responsible management of the impact our business has on the natural environment can directly, indirectly, or cumulatively impact our stakeholders, including the livelihoods of local communities. We achieve environmental sustainability and responsibility by maintaining our strong ESG performance and seeking to continually strengthen our systems, processes and frameworks over time.

In 2023, Balama's comprehensive Environmental Monitoring Program ("EMP") continued in line with its Environmental License conditions with no significant incidents or major non-compliances reported to date. Monitoring activities under the EMP include the measurement of surface and ground water quality, noise levels, dust levels, geo-hydrology, radiation and air quality. At Vidalia, all necessary environmental regulatory requirements are in place including permits for air emissions and water discharge.

An independent lifecycle assessment ("LCA") of Syrah's integrated operations, from Balama origin to Vidalia customer gate, has been completed by Minviro Ltd. LCA is a globally recognised and scientifically validated methodology to quantify direct and embodied environmental impacts along the life cycle of a product or process. The Global Warming Potential ("GWP") of producing natural graphite from Balama and transporting it to Nacala Port is estimated to be 0.42kg CO_2 equivalent per 1kg of natural graphite. The GWP of producing AAM from Vidalia, using natural graphite from Balama, is estimated to be 7.3kg CO_2 equivalent per 1kg of AAM, including the impact of producing natural graphite at Balama and transporting it from Balama gate to Vidalia gate. The GWP of Vidalia AAM is ~50% lower than natural graphite AAM produced from a benchmarked supply route in Heilongjiang Province, China and is ~70% lower than synthetic graphite AAM produced from a benchmarked supply route in Inner Mongolia Province, China.

During Q4 2023, Syrah achieved full operations of its solar & battery system at Balama. The system takes advantage of the high solar irradiation potential of the site location, and power generated from the 11.25 MWp solar photovoltaic array and battery energy storage system can displace ~35% of total diesel consumption on average per annum. Additionally, the Company is continuously evaluating further opportunities to reduce the environmental impacts of its operations at both Balama and Vidalia.

Community Development

Syrah recognises that maintaining strong relationships with its key stakeholders will help to ensure that business activities have a lasting positive impact on the countries and local communities in which we operate.

The Company has established a Local Development Agreement ("LDA") with the Mozambique Government which defines how we will contribute to the sustainable development of the local community for the duration of the Mining Agreement across following key areas:

- Education, training and local employment;
- Health promotion and awareness raising;
- Youth and leadership development;
- Agricultural / livelihood development;
- Food / nutrition and water security;
- Maintenance of cultural heritage; and
- Development of vulnerable people

The signing of the LDA led to the establishment of a Local Development Committee ("LDC"). The LDC provides a structured framework to prioritise the sustainable development needs of the Company's eight host communities and ensure Syrah deploys resources responsibly and effectively in line with the commitments under the LDA.

To ensure the fair and transparent management of community projects and associated expenditure, LDC membership includes representatives from each of the eight host communities, Company representatives and Government (District and Provincial) representatives. The LDC meets quarterly to collectively agree on community development projects that are aligned with the evolving needs of the community. Syrah's well-established Community Investment Guidelines are designed to ensure that all community projects put forward by the LDC are aligned with the commitments under the LDA, provide mutual benefit for all parties of the LDC, align with Syrah's Values, and contribute to advancing the Company's broader Community Relations strategy.

Community development projects progressed via the LDC in 2023 include the construction of a third local primary school, a wholesale central market and a surgery facility. The Sustainable Income Generation Activities ("SIGA") Program also continued within the community throughout the year including improved vegetable production, poultry farming, cashew production, beekeeping and supporting the growth of local associations and collectives.

Community initiatives for Vidalia also continued during 2023 through ongoing stakeholder engagement with community groups, local academic institutions, Government agencies, and local businesses including suppliers and service providers.

During 2023, Syrah was pleased to announce its partnership with Concordia Parish School Board based in Vidalia, Louisiana. As part of this collaboration, Syrah has donated U.S. $150,000 to aid in the development of vocational-technical ("vo-tech") training programs at three local high schools in Concordia Parish. This investment is being used to update high school buildings to accredited standards and teach National Center for Construction Education and Research ("NCCER") core curriculum. These initiatives will contribute to the creation of successful vo-tech opportunities for students and allow them to develop practical skills in high demand industries.

FINANCIAL REVIEW

CONSOLIDATED RESULTS

All financial data presented in this report is quoted in United States Dollars (US$) unless otherwise stated.

Statement of Comprehensive Income

The loss for the consolidated entity after income tax for the financial year ended 31 December 2023 was $85.3 million (2022: loss after income tax of $26.8 million).

Revenue for the year ended 31 December 2023 comprised sales of natural graphite products of $47.7 million (2022: $106.2 million) and interest income of $1.7 million (2022: $2.1 million) from cash reserves placed on term deposits during the year.

Cost of sales reported for the financial period was $72.5 million (2022: $92.9 million), mainly comprised of mining and production costs of $65.4 million (2022: $70.4 million), logistics costs of $14.0 million (2022: $18.2 million), and depreciation and amortisation expense relating to Balama of $12.0 million (2022: $10.5 million). Total other expenses for the financial period were $45.3 million (2022: $39.7 million) and included the following:

- Distribution costs of $16.9 million (2022: $33.4million), of which $13.2 million (2022: $31.2 million) were shipping costs;
- Administrative expenses of $14.1 million (2022: $12.0 million), of which $9.5 million (2022: $8.3 million) related to employee benefits;
- Write-down of inventories due to valuation of inventories at the lower of cost or net realisable value of $13.2 million (2022: $6.1 million); and
- Other expenses of $1 million (2022: other income of $11.9 million) on foreign currency transactions and balances principally in the Australian Dollar (AUD).

Net finance expense of $12.1 million (2022: net finance expense of $3.0 million) mainly related to interest incurred on the Convertible Notes of $10.7 million (2022: $5.6 million) and Leases of $1.9 million (2022: $1.0 million).

Finance income of $1.7 million during the financial period (2022: $2.1 million) is attributed to interest earned on cash balance.

Total comprehensive loss for the year was $89.2 million (2022: $33.9 million).

Statement of Financial Position

Total Assets of the consolidated entity as at 31 December 2023 were $700.0 million (2022: $570.0 million), with the increase as a result of higher Non-Current Assets due to increases in Property, Plant and Equipment.

The consolidated entity's Cash and Cash Equivalents as at 31 December 2023 were $84.9 million (2022: $90.4 million). The net decrease in Cash and Cash Equivalents is principally as a result of increased spending for the Vidalia Initial Expansion Project and challenging market conditions that resulted in lower revenue.

Mining Assets decreased to $119.4 million as at 31 December 2023 (2022: $119.9 million) mainly due to amortisation of $3.1 million during the year for Balama assets and offset by an increase of $1.6 million in rehabilitation estimation and an additional of $1 million in mining assets.

Property, Plant and Equipment increased to $425.2 million as at 31 December 2023 (2022: $274.5 million), with the majority of the increase relating to capitalisation of the costs associated with Balama Tailings Storage Facility Cell 2 and progression of the Vidalia Initial Expansion project.

Non-Current Trade and Other Receivables decreased to $3.4 million as at 31 December 2023 (2022: $10.3 million) with the decrease due to return of the deposit placed as security for an environmental guarantee in favour of the Ministry of Mineral Resources and Energy in Mozambique of $8.4 million (2022: $8.5 million), offset by an increase in outstanding Input Tax Credits in Mozambique of $3.8 million (2022: $1.8 million). During the year ended 31 December 2023 cash refunds totaling $0.4 million were received for Input Tax Credits (2022: $4.7 million).

The consolidated entity had Total Liabilities of $346.4 million as at 31 December 2023 (2022: $131.8 million), which includes Trade and Other Payables of $28.5 million (2022: $27.3 million); a provision for decommissioning and rehabilitation for Balama of $6.9 million (2022: $5.3 million); a provision for Balama community development of $8.5 million (2022: $8.6 million); borrowings from the issue of Convertible Notes and US Department of Energy loan ("DOE loan"), including capitalised interest charges, transaction costs and borrowing costs of $279.9 million (2022: $70.9 million), and Lease Liabilities of $15.9 million (2022: $14.6 million).

Net assets of the consolidated entity decreased during the financial period to $353.6 million as at 31 December 2023 (2022: $438.2 million). Movement in equity was mainly attributable to issuance of share-based payments to employees and comprehensive loss for the year.

Statement of Cash Flows

Cash Flows from Operating Activities

Net cash outflow from operating activities for the year ended 31 December 2023 was $59.9 million (2022: $31.2 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 Flows from Investing Activities

Net cash outflow from investing activities was $138.6 million for the year (2022: $103.5 million) and principally consisted of payments for progression of the Vidalia Initial Expansion project.

Cash Flow from Financing Activities

Net cash inflow from financing activities was $195.6 million during the year ended 31 December 2023 (2022: $172.3 million) and principally consisted of net proceeds received from issuance of Convertible Notes 4, 5 and 6 along with the drawdown of the DOE loan.

SEGMENT REVIEW

BALAMA GRAPHITE OPERATION

Financial Summary

The segment result for Balama for the year ended 31 December 2023 was EBITDA of -$43.1 million (2022: EBITDA of -$13.3 million).

Revenue of $47.7 million from sales of natural graphite products (2022: $106.2 million) was offset by Cost of Goods Sold of $72.5 million (2022: $92.9 million). Write-down of Inventories due to valuation of inventories at the lower of cost or net realisable value of $13.2 million (2022: $6.1 million) and Shipping Costs of $13.2 million (2022: $31.2 million).

Total segment assets for Balama were $295.3 million as at 31 December 2023 (2022: $310.5 million) and principally comprised of Mining Assets of $119.4 million (2022: $119.9 million); Property, Plant and Equipment and Right of use Assets of $116.7 million (2022: $110.2 million), Deferred Tax Assets of $21.7 million (2022: $24.9 million) inventories of $29.1 million (2022: $25.2 million), and Trade and Other Receivables of $8.4 million (2022: $30.6 million).

Following are the key activities and achievements at Balama during the financial year.

Production

Total Balama production for 2023 was 94kt (2022 production: 163kt). Balama reported lower production in 2023 versus 2022 with production completed in campaign operations followed by non-operating periods through most of the year. Lower graphite recoveries and stable grade and product quality were achieved. Weaker sales to Chinese anode customers for Balama fines products and maximum finished product inventory positions in Mozambique constrained Balama's production potential. Vessel service and container availability were significantly improved.

Progress in China export control licensing, curbing of synthetic graphite supply and natural graphite sales to ex-China anode customers will enable higher production levels and improved economies of scale at Balama over a short-term horizon. Continued growth in lithium-ion battery and EV production globally and the pace of development of anode processing facilities outside of China, including Vidalia, is expected to underpin higher utilisation of Balama's processing capacity over a longer-term horizon.

Graphite Ore Reserves Estimate

The Balama Graphite Ore Reserve Estimate in this Annual Report has been approved by Mr Jon Hudson who is an employee of Snowden Optiro and a Fellow of the South African Institute of Mining and Metallurgy. Mr Hudson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

The model underpinning the Ore Reserve Estimate is effectively unchanged from that reported as of 31 December 2022. Only basic model depletion has been completed for mining activities during 2023 at Ativa and adjustments of stockpiles. There is no change to the Mepiche or Mualia Ore Reserve Estimates as these pits were not mined in 2023.

Depletion was completed as

a. there was no change to the underlying resource model (as there was no material additional drilling completed), and

b. there was no material change to the long-term modifying factor assumptions, despite continued challenges around short-term demand pricing and its impact on production and unit costs. Independent price forecasts from Benchmark Minerals Intelligence (as sourced by Syrah) indicate a long-term basket price that is similar to that used for the 2022 ORE. The market (demand and pricing) remains the highest risk for the Balama operation going forward.

TABLE 1: ORE RESERVE ESTIMATE AT 7.2% TGC CUT-OFF GRADE

	31-Dec-23			31-Dec-22		
	Tonnes (Mt)	TGC (%)	Graphitic carbon (Mt)	Tonnes (Mt)	TGC (%)	Graphitic carbon (Mt)
ATIVA	**17.2**	**18.4**	**3.2**	**17.8**	**18.5**	**3.3**
Proved	-	-	-	-	-	-
Probable	17.2	18.4	3.2	17.8	18.5	3.3
MUALIA	**37.7**	**17.6**	**6.6**	**37.7**	**17.6**	**6.6**
Proved	-	-	-	-	-	-
Probable	37.7	17.6	6.6	37.7	17.6	6.6
MEPICHE	**53.4**	**14.9**	**8.0**	**53.4**	**14.9**	**8.0**
Proved	-	-	-	-	-	-
Probable	53.4	14.9	8.0	53.4	14.9	8.0
STOCKPILES	**1.8**	**11.4**	**0.2**	**1.4**	**11.1**	**0.2**
Proved	-	-	-	-	-	-
Probable	1.8	11.4	0.2	1.4	11.1	0.2
TOTAL	**110.1**	**16.4**	**18.0**	**110.3**	**16.4**	**18.0**
Proved	-	-	-	-	-	-
Probable	110.1	16.4	18.0	110.3	16.4	18.0

Explanation of Material Changes:

- There is no material change to the Ore Reserve Estimate from 31 December 2022.

Graphite Mineral Resource Estimate

The Balama Graphite Mineral Resource Estimate in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by Competent Persons as reported in the ASX announcement dated 30 March 2023.

The Balama Graphite Mineral Reserve Estimate statement in this Annual Report has been approved by Mr Julian Aldridge who is an employee of Snowden Optiro and a Chartered Geologist with the Geological Society of London (Number 1014722). Mr Aldridge has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

The model underpinning the Mineral Resource Estimate is effectively unchanged from that reported as of 31 December 2022. Only basic model depletion for mining activities at Ativa during 2023 and adjustments of stockpiles has been completed. There is no change to the Mepiche or Mualia Mineral Resource Estimate as these pits were not mined in 2023.

Depletion was completed as:

a. there was no change to the underlying resource model (as there was no material additional drilling completed), and

b. there was no material change to the long-term modifying factor assumptions, despite continued challenges around short-term demand pricing and its impact on production and unit costs. Independent price forecasts from Benchmark Minerals Intelligence (as sourced by Syrah) indicate a long-term basket price that is similar to that used for the 2022 Ore Reserve Estimate. The market (demand and pricing) remains the highest risk for the Balama operation going forward.

TABLE 2: GRAPHITE MINERAL RESOURCE ESTIMATE

	31-Dec-23			31-Dec-22		
	Reporting cut-off grade 5% TGC			Reporting cut-off grade 5% TGC		
	Tonnes (Mt)	TGC (%)	Graphitic carbon (Mt)	Tonnes (Mt)	TGC (%)	Graphitic carbon (Mt)
ATIVA	**95.2**	**12.4**	**11.9**	**96.1**	**12.5**	**12.0**
Measured	21.2	16.9	3.6	21.7	17.0	3.7
Indicated	30.8	11.6	3.6	31.0	11.6	3.6
Inferred	43.2	10.8	4.7	43.4	10.8	4.7
MUALIA	**226.4**	**12.4**	**28.0**	**226.4**	**12.4**	**28.0**
Measured	-	-	-	-	-	-
Indicated	86.9	12.7	11.1	86.9	12.7	11.1
Inferred	139.5	12.1	16.9	139.5	12.1	16.9
MEPICHE	**711.8**	**11.2**	**79.9**	**711.8**	**11.2**	**79.9**
Measured	-	-	-	-	-	-
Indicated	120.9	13.6	16.4	120.9	13.6	16.4
Inferred	590.9	10.7	63.5	590.9	10.7	63.5
STOCKPILES	**1.8**	**11.3**	**0.2**	**1.4**	**11.1**	**0.2**
Measured				-	-	-
Indicated	1.8	11.3	0.2	1.4	11.1	0.2
Inferred	-	-	-	-	-	-
TOTAL	**1,035.2**	**11.6**	**119.9**	**1,035.7**	**11.6**	**120.0**
Measured	21.2	16.9	3.6	21.7	17.0	3.7
Indicated	240.4	13.0	31.3	240.2	13.0	31.2
Inferred	773.6	11.0	85.1	773.8	11.0	85.1

Explanation of Material Changes:

There is no material change to the Mineral Resource Estimate from 31 December 2022.

Notes:

- Rounding may result in some slight apparent discrepancies in totals.
- The reporting cut-off grade is 5% TGC.
- The MRE has been reported in consideration of reasonable prospects for eventual economic extraction (RPEEE) through the application of an economic pit shell derived using a price of US$1,090/t for a 95% TGC product.
- All stockpiles are classified as Indicated Resources; there may be some low-grade stockpiles that are not included.
- For the stockpiles, only total carbon was assayed. To calculate TGC for this material, a regression was applied for paired data in the Ativa weathered zone. TGC was identified as 97% of the total carbon, and a factor of 0.97 has been applied.
- Mineral Resources are reported as dry tonnes on an in-situ basis.

Governance and Controls Statement

The Company engaged independent consultants to prepare the mineral resource and reserve estimates.

The consents by the Competent Persons remain in place for subsequent release by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcements.

Sales and Marketing

Total natural graphite sales to 3rd party customers for 2023 were 85kt (2022 natural graphite sales: 162kt) at a weighted average price of US$582 per tonne (CIF) (2022: US$661 per tonne (CIF)).

Sales of Balama natural graphite products decreased in 2023, compared with 2022, with disruption to graphite consumption and Balama fines sales to Chinese anode customers caused by significant synthetic graphite supply and high downstream inventory positions. Unanticipated Chinese Government export licence controls affected anode inventory rebalancing late in the year. Coarse flake demand was strong. However, considering inventory and campaigned production, availability of coarse flake for sales was constrained.

Syrah's weighted average price for natural graphite sales to 3rd party customers decreased to US$582 per tonne (CIF) with a lower proportion of fines sales in 2023 and lower fines prices. Consumption of downstream inventory positions and aggressive synthetic graphite AAM price discounting in China depressed China fines prices through the year. Coarse flake prices were stable.

EV sales grew 37% year on year in 2023 to nearly 15 million units[1] and Chinese AAM production increased 28% year on year in 2023 with significant synthetic graphite AAM production[2]. AAM inventory drawdown was apparent through the year.

The announcement and implementation by the Chinese Government of export licence controls for designated graphite products caused a major immediate disruption to global natural graphite and anode material markets. Following this announcement on 20 October 2023 and ahead of implementation on 1 December 2023, there was a significant increase in exports of potentially impacted graphite products from China, reducing finished product inventories in China. However, Chinese and global trade activity in these products evaporated in December 2023 to the lowest monthly levels in several years with uncertainty over the Chinese Government's intent, and lack of clarity on the license process and implementation. Limited export licences were granted for December 2023 shipments by significant AAM and anode precursor suppliers exporting to certain countries including South Korea but not US, Japan and most European countries.

EV and battery manufacturing companies continue to commit to substantially expanding global EV and battery manufacturing capacity to meet growing demand across all geographies, including in the USA, and development is advancing rapidly. Anode processing facilities outside of China, which will require significant volumes of ex-China natural graphite feedstock, are in various stages of development. The structure of global natural graphite and AAM markets, and ex-China supply chain development, is being encouraged by Government policies (e.g. US Inflation Reduction Act and EU Critical Raw Materials Act).

1 Source: GlobalData.

2 Source: ICCSino.

VIDALIA ACTIVE ANODE MATERIAL FACILITY

Financial Summary

The segment result for the Vidalia AAM Facility for the year ended 31 December 2023 was EBITDA of $33 thousand (2022: EBITDA of -$0.3 million).

Total segment assets for Vidalia AAM Facility were $357.4 million as at 31 December 2023 (2022: $167.9 million) and principally comprised of capitalised construction costs of $308.1 million (2022: $163.7 million) for the Vidalia Initial Expansion project and restricted cash of $38.2 million (2022: nil).

Total segment liabilities for Vidalia AAM Facility were $112.8 million (2022: $10.0 million), primarily comprising of the DOE loan, along with associated interest charges and borrowing costs.

In 2023, Syrah continued to make exceptional progress in its strategy to become a vertically integrated natural graphite AAM supply alternative for USA and other ex-China battery supply chain participants and OEM customers.

The Vidalia Initial Expansion project advanced considerably to completion in 2023. Remaining equipment deliveries were received, and all permanent buildings were completed by June 2023. Mechanical and electrical & instrumentation work proceeded at high intensity through the middle of the year with significant contractor resourcing onsite. In the last quarter of the year, the work program focused on electrical loop tests, pre-start up safety reviews, and commissioning activities. Commissioning and production through the various process areas at Vidalia was completed by year end, with extensive involvement from Syrah's operations team and a focus on safety as each area of the plant became available for handover. Syrah produced unpurified spherical graphite from the milling area from October 2023 to build inventory in precursor value-added material in preparation for commissioning of the purification and furnace areas. Purification and furnace areas were commissioned, following a delay caused by freezing weather conditions in Louisiana, and first integrated production of AAM was achieved after year end.

Commercial negotiations were meaningfully advanced toward additional offtake agreements for Vidalia AAM supply with tier 1 customers. Syrah executed an offtake agreement with Tesla, Inc ("Tesla") to supply 8ktpa AAM from the 11.25ktpa AAM Vidalia facility in December 2021[3,4].

3 Refer to ASX release 23 December 2021.

4 Refer to ASX release 29 December 2021.

New facility qualification processes have begun and offtake sales will commence following completion of product qualification, to Tesla's satisfaction, and achievement of threshold production rates.

Tesla exercised an option to offtake an additional 17ktpa AAM from a 45ktpa AAM Vidalia facility in December 2022 and the Company is working towards finalising a second binding offtake agreement with Tesla for this volume.[5] Syrah executed non-binding memoranda of understanding with LG Energy Solution[6], Ford Motor Company and SK On Ltd[7] and Samsung SDI[8] to evaluate AAM supply from Vidalia and work towards binding offtake agreements. The Company also advanced commercial engagement with additional customers and supply chain participants.

Syrah completed a definitive feasibility study, transition engineering, permitting and other long lead procurement activities to prepare for a final investment decision for the Vidalia Further Expansion project.

The Company continued fully integrated production of AAM from its qualification facility at Vidalia for iterative testing processes in relation to qualification with multiple target customers.

BALAMA VANADIUM PROJECT

In addition to Balama's substantial graphite Ore Reserves, the deposit also hosts a significant vanadium deposit.

Vanadium (a designated critical mineral) in the processed Balama graphite ore, which would otherwise report to tailings, can be refined into a saleable product (V_2O_5) and presents a medium term, high value opportunity.

The vanadium resource at Balama is under review and will be updated in 2024. Work commenced on a Pre-Feasibility Study ("PFS") for the Balama vanadium project in 2023.

Sampling and analysis of vanadium content within the graphite processing circuit was completed in 2019, which confirmed prior understanding of vanadium concentrations in key process streams in the Balama graphite circuit and will be used to inform metallurgical test work as the project progresses. Syrah is advancing metallurgical studies as part of the PFS on the Balama vanadium project.

5 Refer to ASX release 23 December 2022.

6 Refer to ASX release 20 October 2022.

7 Refer to ASX release 22 July 2022.

8 Refer to ASX release 9 August 2023.

CORPORATE

Financial Summary

The segment result for Corporate for the year ended 31 December 2023 was EBITDA of -$13.7 million (2022: EBITDA of $1.6 million).

This loss principally consisted of bank interest income of $1.7 million (2022: $2.1 million), offset by net FX loss of $1.3 million (2022: net FX gain of $11.1 million), employee benefits costs of $9.5 million (2022: $8.3 million), legal and consulting costs of $2.9 million (2022: $1.6 million), general corporate administration costs of $1.7 million (2022: $1.7 million). These costs include 'non- cash' costs of $4.6 million (2022: $4.0 million), relating to share-based payments.

Total segment assets were $47.4 million as at 31 December 2023 (2022: $91.5 million), with the decrease mainly driven by lower Cash and Cash Equivalents closing balance.

Corporate segment assets as at 31 December 2023 includes $46.7 million (2022: $90.4 million) of unrestricted Cash and Cash Equivalents which will be used to fund:

- Ongoing working capital for Balama;
- Additional capital expenditure relating to Balama;
- Capital expenditure relating to the Vidalia Initial Expansion project and its subsequent ramp-up;
- Capital expenditure relating to the Vidalia Further Expansion project; and
- General corporate and administrative activities.

Total segment liabilities were $188.3 million (2022: $72.9 million), with the increase primarily due to the issuance of Convertible Notes 4, 5 and 6 during the financial period.

FUTURE OUTLOOK

The likely developments in Group operations for future financial years include:

Balama Graphite Operation

Maintaining Balama's position in the natural graphite market, targeting:

- Preserve capability to increase natural graphite production with production informed by market demand;
- Average product fixed carbon ("FC") grade of 95% with target range of 95% - 97% FC; and
- Cash (C1) operating cost structure (FOB Port of Nacala/Pemba) of US$580 to US$620 per tonne at an annualised production rate of 120,000 tonnes per annum (10,000 tonnes per month) and US$430 to US$480 per tonne at an annualised production rate of 240,000 tonnes per annum (20,000 tonnes per month).

Sales and Logistics

Balama product differentiators will be further developed to drive pricing benefit. In particular:

- Product quality (fixed carbon grade, impurities and particle size distribution);
- Capability as a base load supplier of natural graphite into the battery anode material supply chain, including for developing anode precursor and integrated AAM suppliers outside of China; and
- Syrah's best practice ESG credentials and relative GWP impact.

Vidalia

Execution of Syrah's downstream strategy will continue to be strategically important with 2024 focus areas being:

- Increasing throughput and process consistency, whilst ensuring product quality and maintaining safety at the 11.25kt per annum AAM facility at Vidalia;
- Completing qualification of Vidalia AAM from the 11.25ktpa facility with target customers;
- Execution of additional sales/offtake agreements for Vidalia AAM supply;
- Progressing workstreams for final investment decision readiness for the Vidalia Further Expansion project; and
- Securing funding commitments for the Vidalia Further Expansion project.

Balama Vanadium Project

The Vanadium resource at Balama is an attractive future growth option for the company.

The Company will progress the evaluation of the Balama vanadium project, including completing a PFS.

MATERIAL BUSINESS RISKS

The Group continues to assess and manage various business risks with the potential to have a material impact on the Group's operating and financial performance and its ability to successfully achieve its corporate objectives. Set out below are the business risks identified as having the potential to have a material impact on the Group.

The matters listed below are not listed in order of importance and are not intended to be an exhaustive list of all the risks and uncertainties affecting the business.

Market Risk

The demand for, and the price of, natural flake and spherical graphite is highly dependent on a variety of factors, including international supply and demand of graphite and substitutes, the price and availability of substitutes, actions taken by governments, and global economic and political developments (including, without limitation, global events such as geopolitical events and conflicts and extreme health events).

Syrah's operational and financial performance, as well as the ongoing economic viability of Balama, is heavily reliant on the price of graphite, among other things. In this respect, at present, there is no transparent market for graphite pricing; rather, prices are negotiated on a bilateral basis and therefore subject to factors including those set out below as well as the preferences and requirements of customers.

Depressed graphite prices and/or the failure by Syrah to negotiate favourable pricing terms (which may provide for fixed or market-based pricing) may materially affect the profitability and financial performance of Syrah.

Further, failure by Syrah to negotiate favourable terms with agents or other third parties engaged to market and/or sell graphite and/or of Vidalia graphite products ("Products") on its behalf, or failure by such agents or third parties to sell Products at favourable prices, may have a similar effect. Any sustained low price for Products (or low sale price achieved by Syrah, whether directly or via agents or other third parties) may adversely affect Syrah's business and financial results, its ability to finance, and the financing arrangements for its future activities or its planned capital expenditure commitments.

Key factors which affect the price for the Products (many of which are outside the control of Syrah) include, among many other factors, the quantity of global supply of Products as a result of the commissioning of new mines and manufacturing facilities, and the decommissioning of others; political developments in countries which produce and consume material quantities of Products; the weather in such countries; the price and availability of substitutes; introductions of export controls which impact the sourcing variety for consumers; advancements in technologies and the uses and potential uses of the Products, and the demand for the applications for which the Products may be used (including, for example, in the steel, manufacturing, construction, and battery industries); the grade, quality and particle size distribution of the Products produced; and sentiment or conditions in the countries and sectors in which Syrah and its business/commercial partners sell or intend to sell the Products.

Such sentiment or conditions are further affected by global trends and/or events such as geopolitical events and conflicts and extreme health events.

Given the range of factors which contribute to the price of the Products, and the fact that pricing is subject to negotiation and supply chain costs it is difficult for Syrah to predict with any certainty the prices at which Syrah will sell its Products. The effect of changes in assumptions about future prices may include, amongst other things, changes to Mineral Resources and Ore Reserves estimates and the assessment of the recoverable amount of Syrah's assets.

Mineral Resources and Ore Reserves

Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economic extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). JORC Code compliant statements relating to Syrah's Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change and may be updated from time to time. This may result in alterations to mining plans or changes to the quality or quantity of Syrah's Ore Reserves and Mineral Resources, which may, in turn, adversely affect Syrah's operations.

Mineral production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.

No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during production or that the indicated level of recovery rates will be realised. Additionally, material price fluctuations, as well as increased production and operating costs or reduced recovery rates, may render any potential mineral Resources or Reserves containing relatively lower grades uneconomic or less economic than anticipated, and may ultimately result in a restatement of such Resource or Reserve. This in turn could impact the life of mine plan and therefore the value attributable to mineral inventory and/or the assessment of recoverable amount of Syrah's assets and/or depreciation expense.

Moreover, short term operating factors relating to such potential mineral Resources or Reserves, such as the need for sequential development of mineral bodies and the processing of new or different mineral types or grades, may cause a mining operation to be unprofitable in any particular period. In any of these events, a loss of revenue or profit may be caused due to the lower than expected production or ongoing unplanned capital expenditure in order to meet production targets, or higher than expected operating costs.

Operational Risk

At Balama, there is a risk that difficulties may arise as part of the processing and production of minerals, including failures in plant and equipment, difficulties in obtaining and importing replacement equipment, and difficulties with product liberation, separation, screening, filtration, drying and bagging.

Other risks include, but are not limited to, weather, availability of materials, availability and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment IT failures or disruptions, security concerns globally and in Mozambique, unanticipated changes in government regulation and risks associated with increased global uncertainty and/or global events such as military conflicts and extreme health events (including the national or regional governmental response to such events). Failures or deficiencies in processes, systems, plant and equipment required for Balama may be uncovered, and addressing such failures or deficiencies may result in

Syrah incurring unexpected costs and production ramp-up delays. Any of these outcomes could have a material adverse impact on Syrah's results of operations and financial performance.

In addition, there is a risk that unforeseen geological or geotechnical issues may be encountered when developing and mining ore reserves, such as unusual or unexpected geological conditions, pit wall failures, tailings storage facility failures, rock bursts, seismicity and cave ins. In any of these events, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or ongoing unplanned capital expenditure in order to meet production targets.

Due to the remoteness of Balama, Syrah is subject to an increased number of risks including a lack of access to key infrastructure, security requirements, rising fuel costs, changes to transport route conditions and requirements, unexpected delays and accidents that could, singularly or collectively, materially negatively impact upon Syrah's financial performance and position. Any prolonged interruption or negative changes in access to key infrastructure and logistics processes, including, for example, road access and integrity, bridge access and integrity, transport of product to the Port of Nacala, clearing of product through customs and shipping from the port, including shipping delays and rescheduling, could have significant adverse effects on the Syrah's ability to produce and sell product and therefore generate revenue, and/or the cost of those activities. Further, as Balama is located in a remote part of Africa, it is particularly susceptible to the availability of personnel, specialist services, parts, equipment and supplies on a timely basis.

Any inability to resolve any unexpected problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, Mineral Resources and Ore Reserves estimates and the assessment of the recoverable amount of Syrah's assets.

Production guidance and targets are as always subject to assumptions and contingencies which are subject to change as operational performance and market conditions change or other unexpected events arise. Any production guidance is dependent on a number of factors including maintenance and operation of the mine and plant without material equipment failure, loss of continuity of experienced personnel and achievement of recovery rates from the resource.

At Vidalia, there is a risk that difficulties may arise as part of the production of nature graphite active anode material, including failures in plant and equipment, difficulties in obtaining and importing replacement equipment, and difficulties with milling, purification or surface treatment.

Given the vertical integration of Vidalia and Balama, any difficulties or delay impacting the Balama Graphite Operation may have a flow on effect on the Vidalia AAM Facility.

Vidalia Initial Expansion

Expansion of the Vidalia AAM facility is subject to a range of risks and variables which may impact upon Syrah's ability to achieve large scale Active Anode Material production at the site.

Syrah continues to rely on a number of third-party contractors and suppliers to finalise the expansion of the Vidalia site through construction and then to undertake operation of the expanded facility. If Syrah and those contractors or suppliers do not manage the project effectively or consistently with Syrah's expectations, construction may be delayed or cost more than anticipated, or not operate as anticipated. Such contractors or suppliers may not be available to perform services for Syrah when required or may only be willing to do so on terms that are not acceptable to Syrah.

Further, construction and operations may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment, materials and staff shortages, weather impacts, importation issues, industrial and environmental accidents, industrial disputes and unexpected increases in the costs of labour, consumables, spare parts, plant and equipment, and IT failures or disruptions and other global trends or events (such as global geopolitical uncertainty and extreme health events and national or regional governmental response to such events). In the event that a contractor or supplier underperforms or is terminated by Syrah, Syrah may not be able to find a suitable replacement on satisfactory terms within a reasonable time or at all. These circumstances may have a material adverse effect on the timeliness and cost of the construction of the expansion at Vidalia or its operations.

Further, expansion of the Vidalia operation may not deliver the volumes, production efficiencies or product quality expected by Syrah. This could occur where plant and equipment does not perform as required or as expected, including in accordance with its nameplate design capacity. In such circumstances, Syrah maybe required to make additional investments in plant and equipment.

Delays in construction or underperforming operations could result in cost overruns, or impact customer arrangements, which may result in a reduction in revenues, contractual claims against Syrah by customers, or deteriorating relationships with customers. Cost overruns may also result in the plant expansion not delivering the returns Syrah expects, and as a result negatively impact its financial performance.

Syrah is progressing transition engineering, permitting and other long lead procurement activities on the expansion of Vidalia's production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM ahead of a final investment decision proposal to be considered by the Syrah Board. The expansion has a capital expenditure estimate of US$539m as evaluated in the Definitive Feasibility Study and other associated costs of the project. The expansion is dependent on Syrah obtaining appropriate and timely funding, securing sufficient offtake arrangements, and on the timing of the final investment decision. These factors are interdependent and there is no guarantee that they will resolve simultaneously or when desired by Syrah.

Shipping Constraints

Syrah's sale of graphite from Mozambique is dependent on the global shipping market. Disruption, delays and/or limited capacity in shipping lines may therefore impact Syrah's business.

For most of 2023, global shipping conditions were better than in prior COVID and capacity constrained years on the back of additional supply capacity stemming from improved shipping line schedule reliability and new vessels entering the market. In Mozambique, service options improved with an upgrade to the Nacala Port which included shore cranes for increased productivity and added capacity with extra vessels from shipping lines. Syrah did still face some capacity issues due to equipment imbalance and competition to secure container allocation, primarily coming from the seasonal agriculture sector. Infrastructure and poor conditions of roads especially during rainy season remain a risk for our road logistics between Balama and the Ports of Nacala and Pemba.

Towards the end of 2023, the global shipping industry faced major disruption due to Houthi rebels from Yemen firing missiles at commercial vessels in the Red Sea region. Shipping lines made the decision to stop vessels transiting the Suez Canal and reroute vessels and services. This had a major impact on services to and from Europe including East Africa. Vessels were rerouted via the Cape of Good Hope and costs increased due to longer voyage time and additional fuel. Shipping lines are expected to seek to pass these costs on to customers in 2024. Additionally, Syrah notes the possibility of port congestion and an imbalance of container availability on some services.

Offtake Agreements

As announced to ASX on 23 December 2021 and 29 December 2021, Syrah entered into an offtake agreement with Tesla to supply 8kt per annum of AAM from Vidalia. The offtake obligation is subject to the satisfaction of certain conditions described in those ASX announcements and in the ASX announcement made on 23 December 2022. If any of the conditions are not satisfied, then the agreement with Tesla may be terminated, which would result in significant excess production capacity at Vidalia.

Further, while Syrah will seek to secure other offtake agreements in respect of the excess production capacity not taken by Tesla, there is no certainty that Syrah will be able to enter into such agreements in a timely manner, with acceptable parties, for sufficient volumes or on reasonable terms with new customers. Our potential customers tend to be large organisations. Large organisations often undertake a significant evaluation process that results in a lengthy sales cycle. In addition, purchases by large organisations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, large organisations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers. Any of these circumstances may delay or prevent the entry by Syrah into offtake agreements which would adversely impact Syrah's financial performance and position including by resulting in Syrah generating less revenue than anticipated.

Counterparty Risk

The ability of Syrah to achieve its stated objectives will depend on the performance of contractual counterparties.

Syrah has entered into sales, marketing and distribution agreements for Balama, and will seek to renew or replace contracts in order to match anticipated production over time or as those agreements approach their respective expiry dates. Global demand may fluctuate (based on steel production, electric vehicle and energy storage system battery demand in particular) and there is no guarantee that sales forecasts or timing will be achieved, or that supply and demand analysis will be accurate.

The agreements are a mix of term agreements and spot sale agreements. Syrah's revenue and profitability depends on counterparties performing on their obligations under such agreements, and on counterparties with term agreements continuing to enter into new agreements at the end of the existing term and spot sale counterparties entering into new sales. Global events and/or trends such as geopolitical conflicts and extreme health events may also affect the ability of Syrah's customers to carry out their obligations under such agreements and/or influence renewal or subsequent contracting decisions.

In addition, the sale of Products by Syrah is subject to commercial verification and qualification processes to ensure any Products produced meet the specifications for industrial supply required by customers (including the industrial graphite markets and the battery sector). The qualification process may require approval from multiple parties in the supply chain and not just those parties with whom Syrah has contractual arrangements. Failure of Syrah's Products to qualify for purchase, or any unanticipated delay in qualifying Syrah's Products, may adversely impact Syrah's financial performance and position (including by resulting in Syrah generating less revenue or profit than anticipated and/or incurring higher costs than anticipated).

Syrah has entered into various agreements for Balama and the Vidalia Initial Expansion project (including as applicable, the supply of key goods and services including diesel fuel supply, logistics, equipment supply, contract mining, engineering and other services). Risks associated with such agreements, some of which have arisen, include rising contract prices as well as disputes regarding variations, extensions of time and costs, and global events impacting contract performance and liability (such as geopolitical events and conflicts and extreme health events) all of which may give rise to delays and/or increased costs. Furthermore, the risk of variations in contract prices is a function of the inclusion of certain 'rise and fall' provisions in some of Syrah's operational agreements. Such provisions provide a mechanism by which prices charged for certain inputs are periodically adjusted based on movements in certain indices. Should any of these risks materialise, this could have a material adverse impact on Syrah's profitability, financial performance and position.

If Syrah's counterparties default on the performance of their respective obligations, for example if the counterparty under a sales agreement defaults on payment or a supplier defaults on delivery, unless Syrah is protected by a letter of credit (which is often, but not always the case in sales agreements), it may be necessary to approach a Mozambican, US or other international court to seek enforcement or some other legal remedy, if no alternative settlement can be reached. Such legal action can be uncertain, lengthy and costly. There is a risk that Syrah may not be able to seek the legal redress that it could expect under Australian law against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms

As the Company expands its manufacturing capabilities at Vidalia, the Company will rely on third-party suppliers for components and materials. Any disruption or delay in the supply of components or materials by our key third-party suppliers or pricing volatility of such components or materials could temporarily disrupt production until an alternative supplier is able to supply the required material. In such circumstances, the Company may experience prolonged delays, which may materially and adversely affect our results of operations, financial condition and prospects. The Company may not be able to control fluctuation in the prices for these materials or negotiate agreements with suppliers on terms that are beneficial to us. The Company is exposed to multiple risks relating to the availability and pricing of such materials and components. Substantial increases in the prices for our raw materials or components would increase our operating costs and materially impact our financial condition. Currency fluctuations, trade barriers, extreme weather, pandemics, tariffs or shortages and other general economic or political conditions may limit our ability to obtain key components or significantly increase freight charges, raw material costs and other expenses associated with our business, which could further materially and adversely affect our results of operations, financial condition and prospects.

Syrah has entered into various agreements for the supply of natural graphite active anode material from the Vidalia facility. Risks associated with such agreements include counterparty contract performance, delay or failure of the active anode material to meet product qualification and of products not meeting the contractual specifications contained in such agreements, including in respect of product volume, flake size and percentage of graphitic carbon. Non-compliance may result in reputational damage to Syrah, reduced likelihood of further offtake agreements, penalties for non-compliant product or legal claims, including for breach of contract.

Health, Safety, Environment and Community

Environmental regulations in the jurisdictions in which Syrah has operations impose significant obligations on companies that conduct the exploration for and mining of commodities. These regulations also cover the processing of ores into final products and subsequent transportation of those produced minerals as well as the possible effects of such activities upon the environment and local communities.

Syrah must comply with all known standards, existing laws, and regulations in each case which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how vigorously and consistently the regulations are administered by the local authorities.

There are inherent environmental risks in conducting exploration and mining activities, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. These risks include the occurrence of incidents such as uncontrolled tailings containment breaches, subsidence from mining activities, escape of polluting substances and uncontrolled releases of hydrocarbons that may lead to material adverse impacts on Syrah's people, host communities, assets and/or Syrah's licence to operate.

Changes in environmental laws and regulations or their interpretation or enforcement may adversely affect Syrah's operations, including the potential profitability of its operations. Further, environmental legislation is evolving in a manner which may require stricter standards and enforcement (with associated additional compliance costs) and expose relevant operators to the risk of increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Syrah's operations.

Syrah currently holds an Environmental License for Balama (valid to January 2025), having successfully renewed this license for a further five-year period in January 2020. Renewal of the license is conditional on the update and resubmission of the Environmental Management Plan and associated monitoring program data. Syrah's practices are reflected in the ISO14001 (Environmental Management Systems) certification of Balama. However, there are no guarantees that environmental issues or concerns will not arise. If such issues or concerns were to arise, this may have an adverse effect on Syrah's ability to operate, reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.

Syrah is also required to close its operations and rehabilitate the mining concession that it disturbs in accordance with environmental licence conditions and applicable laws and regulations.

To this effect, Syrah has developed a Mine Closure Plan for Balama to ensure full compliance with all regulatory requirements and including an estimate of closure and rehabilitation liabilities. These estimates of closure and rehabilitation liabilities are based on current knowledge and assumptions however actual costs at the time of closure and rehabilitation may vary.

For the current Vidalia 11.25ktpa AAM facility in the USA, all regulatory air and water environmental discharge requirements have been met based on current qualification volumes.

There can be no guarantee that Syrah will be able to successfully obtain, maintain or renew relevant authorisations in a timely manner or on acceptable terms to support its ongoing activities. An inability to obtain and maintain the necessary titles, authorisations, permits and licences could have a material adverse effect on the Vidalia operations and the recoverable amount of assets.

Mining, construction, production and logistics are potentially hazardous activities. There are numerous occupational health risks associated with mining and production operations and associated supporting activities such as logistics. If any injuries or accidents occur, this could have negative employee, community and/or financial implications for Syrah including potential delays or stoppages in mining, production and/or logistics activities. In addition, the location of Balama means Syrah's employees and contractors could be affected by mosquito borne diseases such as malaria which could adversely impact operations.

Syrah also faces the risk of increasing public scrutiny, and more extensive laws and regulations related to environmental, social and governance factors. Failure to act responsibly in various environmental, social and governance areas, such as corporate governance, transparency and support for local communities, and address issues like modern slavery in all aspects of its business could impact Syrah financially and reputationally, and also expose Syrah to potential legal risks.

Changes in health, safety and environmental laws and regulations or their interpretation or enforcement or unexpected global health risks and/or events may adversely affect Syrah's obligations and/or operations.

Syrah's mining activities may cause issues or concerns with the local community in connection with, among other things, the potential effect on the environment as well as other social impacts relating to employment, use of infrastructure and community development.

In response to such risks, for the Balama operation Syrah has signed a Community Development Agreement with local key stakeholders and established ongoing engagement and management programs focused on optimising positive impacts and minimising the risk of negative impacts on the community. However, these programs are no guarantee that other issues or concerns will not arise with the local community. If such issues or concerns were to arise, this may have an adverse effect on Syrah's reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.

Sovereign Risk

Syrah's operations could be affected by political instability in Australia, Mozambique, the USA, UAE, China, or other countries or jurisdictions in which it has operations, investment interests, conducts exploration activities or has sales into. Syrah is therefore subject to the risk that it may not be able to carry out its operations as it intends or to ensure the security of its assets and its people. Syrah is subject to the risk of, among other things, loss of revenue, property and equipment as a result of expropriation, war, insurrection, civil disturbance, acts of terrorism, geopolitical uncertainty, political/civil unrest, violent criminal acts and displacement of people that has taken place as a result of this activity primarily in the north of Mozambique. While this activity has primarily occurred more than 300km from Balama, a number of security incidents have taken place closer to the mine and product transport routes, leading to precautionary measures being taken which led to temporary suspensions of production and transportation.Accordingly, Syrah has significant security measures and protocols in place, however such security measures and protocols do not guarantee that such risks will not arise.

As with any mining operation, Syrah is also at adverse impact from natural disasters, both to the mine site and also to the logistics chain, which may include among other matters, abnormal or severe weather conditions, floods and cyclones or unexpected global trends (such as geopolitical events and conflicts and extreme health events).

The effect of these risks is difficult to predict and any combination of one or other of the above may have a material adverse effect on Syrah. Syrah has a limited ability to insure against some of these risks and other 'force majeure' risks (such as natural disasters, or geopolitical events and conflict).

Balama is located in Mozambique and so it is subject to risks associated with operating in that country. Risks of operations in Mozambique may include economic, social or political instability or change, hyperinflation, widespread health emergencies or pandemics, reduced convertibility of local currency, sovereign loan default or collapse of the country's financial system, difficulty in engaging with the local community, instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licencing, export duties, security unrest, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations, profitability or the recoverable amount of the assets of Syrah.

Regulatory Risk

Syrah's businesses are subject, in each of the countries in which it operates, or the countries into which it sells its Products, to various national and local laws and regulations relating to, among other things, construction, exploration and mining activities as well as the import, export, marketing and sale of goods. A change in the laws which apply to Syrah's businesses or the way in which they are regulated, or changes to the laws affecting the sale of the Products such as trade sanctions or tariffs could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Syrah's businesses and financial condition.

Balama is subject to the laws of Mozambique. Under those laws, certain rights are granted in favour of the Mozambique Government and certain obligations imposed on Syrah.

To manage the impact of this risk, Syrah through its subsidiary, Twigg Exploration and Mining Limitada, has entered into a binding and enforceable agreement with the Mozambique Government ("Mining Agreement"). The Mining Agreement consolidates all prior project documents and approvals. It also provides the Company with clarity around the governing laws and includes provisions concerning the mining rights and other obligations for Balama in Mozambique. A summary of the key commercial terms of the Mining Agreement can be found in the Company's ASX Release dated 27 September 2018. Syrah's operations could be adversely affected by government actions in Mozambique which alter the terms or operation of the Mining Agreement in respect of Balama or otherwise impact upon the manner in which Syrah conducts its operations and/or Syrah's relationship with, and obligations to, the Mozambique Government. Such government action could adversely impact Syrah's financial and operational performance and its financial position, in particular if it results in an increase in royalty payments, taxes or similar payments that Syrah is required to make or if it otherwise reduces the proportion of revenues or profits derived from Balama which Syrah is entitled to retain.

Syrah's business activities are also subject to obtaining, and maintaining the necessary titles, authorisations, permits and licences and associated land access agreements with the local community and various levels of Government which authorise those activities under relevant laws and regulations. There can be no guarantee that Syrah will be able to successfully obtain, maintain or renew relevant authorisations in a timely manner or on acceptable terms to support its ongoing activities. An inability to obtain and maintain the necessary titles, authorisations, permits and licences could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Syrah's businesses and financial condition.

Liquidity And Capital Management

The Group requires significant capital to develop and grow its business and expects to incur expenses, including those relating to construction, procurement of equipment, research and development, regulatory compliance, operations, sales and distribution as the Group builds its brand and market its products and general and administrative costs as the Group scales its operations. The Group's ability to become profitable in the future will depend on its ability not only to successfully market its products, but also to control its costs, and will require the company to obtain additional funding.

In particular, Syrah's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to continue to satisfy conditions and meet obligation of the US Department of Energy loan (DOE Loan)[9], generate free cash flow, to raise funds for operations and growth activities and to service, repay and refinance debts as they fall due. While the Group is producing saleable Products from Balama, it is not yet cash flow positive. Syrah may also require additional financing, in addition to cash reserves, to meet operational and capital expenditure requirements for Balama, Vidalia AAM facility activities and general administrative expenditures, as well as acquisitions and new or existing projects. This includes any further optimisation projects (including Vanadium) at Balama for which Syrah may require additional funding in the future to execute on that strategy.

While Syrah believes there are a number of funding alternatives (including, but not limited to a potential loan of up to $150m from the United States International Development Finance Corporation)[10], there can be no guarantee that Syrah will be able to raise additional funding on acceptable terms or at all. An inability to obtain finance on acceptable terms or at all may cause, among other things, substantial delays in, or prevent, the operation of Balama, potential Vanadium development and the operation and further expansion of the Vidalia AAM facility.

9 Refer ASX release 28 July 2022.

10 Refer ASX release 11 September 2023.

To the extent that Syrah does require funding for its future capital needs, the availability and terms of such funding are uncertain and may be less favourable to Syrah than anticipated, which may negatively impact Syrah's future profitability and financial flexibility. Funding terms, including under the DOE Loan, may also place restrictions on the manner in which Syrah conducts its business and impose limitations on Syrah's ability to execute its business plan and growth strategies (including its downstream strategy).

Under the terms of the Convertible Notes issued to AustralianSuper as summarised in Syrah's ASX announcements of 19 June 2019, 10 December 2020, 27 April 2023 and 26 June 2023, there is a possibility that the Notes may need to be redeemed (wholly or in part) either at maturity or earlier in accordance with the terms of the Convertible Notes. Specifically, Syrah may be required to redeem the Notes for cash, if: (i) AustralianSuper has not elected to convert the Convertible Notes prior to maturity (5 years from issue); (ii) a third party takeover offer or scheme of arrangement in respect of all of the shares of Syrah becomes unconditional, and AustralianSuper does not elect to convert the Convertible Notes into fully paid ordinary shares of Syrah; or (iii) AustralianSuper elects to redeem rather than convert the Convertible Notes in connection with an event of default (which includes customary events such as in relation to failure to repay amounts due, insolvency events, committing an event of default under any of its debt financing arrangements over an agreed cap, liabilities over an agreed cap, fundamental and material changes to business undertaking, ceasing to be listed on the ASX or any breach of warranty or representation). AustralianSuper and Syrah have agreed to revised terms and the conversion of the Series 1 and 3 convertible notes subject to Syrah shareholder approval.

If the Group raises additional funds through collaboration and licensing arrangements with third parties, the Group may have to relinquish some rights to technologies or product candidates on terms that may not be favorable. Any additional capital raising efforts may divert management from day- to-day activities, which may adversely affect the ability to develop and commercialize our current and future product candidates, if approved. If the Group is unable to raise capital when needed or on acceptable terms, the Group may be forced to delay, reduce or altogether cease certain operations or future commercialisation efforts.

Impairments

An adverse change in any of the significant assumptions used to determine the recoverable amount of the Group's non-current assets (including commodity price expectations, foreign exchange rates, discount rates, reserves and resources, and expectations regarding future operating performance and capital requirements) may give rise to the potential for impairment. The carrying amount of assets is tested against the recoverable amount where a trigger for impairment is identified. A trigger for impairment may include the market capitalisation of the Group compared to the net book value of the assets. A summary of the key assumptions used to determine recoverable amount can be found in the Group's 2020 Annual Report and the Interim Financial Statements for the period ending 30 June 2021.

Water Sources

Any restrictions on Syrah's ability to access water may adversely impact the costs, production levels and financial performance of its operations. There is no guarantee that there will be sufficient future rainfall, or that the water level at the Chipembe Dam will be sufficient, to support Syrah's water demands in relation to its sites and operations or that access to water will otherwise remain uninterrupted.

Likewise, the availability of water for the Vidalia plant cannot be guaranteed. Any interruption to water access could adversely affect production and Syrah's ability to develop or expand projects and operations in the future.

In addition, there can be no assurance that Syrah will be able to obtain access to them on commercially reasonable terms or at all in the event of prolonged drought conditions or other interruptions to existing water access arrangements.

Key Personnel and Labour Market Risk

Syrah has a number of key management personnel on whom it depends to manage and run its business. From time to time, Syrah will require additional key personnel or operational staff. In addition, Syrah has certain obligations regarding employment of local labour. The loss of any key personnel, coupled with any inability to attract additional or replacement suitably qualified personnel or to retain current personnel, could have a material adverse effect on Syrah's operational and financial performance. This difficulty may be exacerbated given the remoteness of facilities, the lack of infrastructure in the nearby surrounding areas (in respect of Balama), variability in production profiles and strategies in response to market conditions, the shortage of local, readily available skilled labour and global events/trends (such as geopolitical events and conflict or extreme health events), including the national or regional governmental response to such events, which may impact a number of factors including but not limited to personnel availability, mobility and health and safety. A limited supply of skilled workers could lead to an increase in labour costs and Syrah being ultimately unable to attract and retain the employees it needs. When new workers are hired, it may also take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely. Additionally, further illegal industrial action of the type seen at Balama in 2022 would have the potential to be disruptive to both key management personnel and the operational workforce.

Currency and Exchange Rate Risk

Syrah's activities may generate revenues, and Syrah may incur expenses, in a variety of different currencies, meaning its financial performance and position are impacted by fluctuations in the value of relevant currencies and exchange rates. In particular, Syrah is required to make certain payments under contracts for Balama in the local Mozambique currency. A lack of liquidity or depreciation in the value of the local Mozambique currency, or the failure of or difficulties in implementing exchange control mechanisms in Mozambique, could adversely impact the financial position and performance of Syrah, including by making it more difficult or costly to convert the local currency or transfer funds out of Mozambique. In addition, to date Syrah has raised capital in Australian dollars, while development costs are largely in US Dollars or other currencies. Syrah may also hold funds on deposit in a number of currencies. Changes in exchange rates may impact the extent to which Australian dollar denominated capital is able to fund development in other currencies. Syrah's natural graphite products are denominated in US Dollars, with a significant portion of sales to customers in China. Fluctuations in the value of the US Dollar may impact the competitiveness of Syrah's products to these customers. Syrah also purchases equipment and services for Balama and the development of Vidalia from a number of countries, which may also be impacted by currency fluctuations against the US Dollar in particular.

Competition

Competition from other international graphite producers (in relation to both natural and synthetic graphite) and explorers may affect the potential future cash flow and earnings which Syrah may realise from its operations. This includes competition from existing production and new entrants into the market. The introduction of new mining and processing facilities and any increase in competition and supply in the global graphite market could lower the price of this commodity. Syrah may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels. Syrah's Vidalia AAM facility may also be impacted by new entrants to the market, or existing graphite producers, pursuing a similar strategy aimed at qualifying spherical graphite or other AAM products for battery purposes.

Tax and Customs Risk

Syrah is subject to taxation and other imposts in Australia, Mozambique, the USA and the UAE, as well as other jurisdictions in which Syrah has activities, sales and investments. Changes in taxation, customs or importation laws (including double taxation treaties, royalties and similar levies, transfer pricing, tariffs and duties), or changes in the interpretation or application of existing laws by courts or applicable revenue authorities, may affect the taxation or customs treatment of Syrah's business activities and adversely affect Syrah's financial condition.

Syrah's international contractual arrangements, asset, liability, revenue and expense recognition and taxation administration requires management judgment in relation to the application of tax laws in a number of jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain or in relation to which tax authorities or adjudicating bodies may take a view which is different to the view taken by Syrah. Syrah recognises liabilities for tax, and if applicable taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

Further, there may be delays in processing tax or duty rebates or refunds for which Syrah has applied. Should it become unlikely that Syrah will recover such rebates or refunds, this could also adversely affect Syrah's financial condition and require a reclassification of assets or recognition of expenses in Syrah's accounts.

The revenue and profit from Balama is subject to certain payments to the Mozambique Government (including in the form of taxes and royalties) as provided for in the Mining Agreement (see above).

Insurance Risks

Syrah maintains insurance coverage as determined appropriate by its Board and management, but no assurance can be given that Syrah will continue to be able to obtain such insurance coverage at reasonable rates (or at all) for certain events, or that any coverage it obtains will be adequate and available to cover all claims.

Litigation

Syrah may be involved in litigation and disputes from time to time with its contractors, sub-contractors and other parties. Litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, Syrah. They can also take up significant time and attention from management and the Board. Accordingly, Syrah's involvement in litigation and disputes could have an adverse impact on its financial performance and position.

Global Economic Conditions

Economic conditions, both domestic and global, may affect the performance of Syrah. Adverse changes in macroeconomic conditions, including global and country specific growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, other significant global matters (such as geopolitical events and conflicts and extreme health events) among others, are variables which while generally outside Syrah's control, may result in material adverse impacts on Syrah's businesses and its operational and financial performance, and position.

Climate Change Risk

The impacts of climate change may affect Syrah's operations and the markets in which the Company sells its Products through regulatory changes, technological advances and other market/economic responses. The use of fossil fuels for energy is a significant source of greenhouse gases contributing to climate change, resulting in increasing support for alternative energy and making fossil fuels susceptible to changes in regulations, and potentially usage taxes. While the growth of alternative energy supply and storage options presents an opportunity for Syrah's strategy and products, the impacts of climate change may also affect the Company's assets and supply chain through:

- changes in rainfall patterns and more frequent or severe occurrences of extreme weather events or natural disasters, water shortages;
- changes to the regulatory environment for Syrah's business associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation, including the inclusion of climate change considerations in regulatory approvals, specific taxation or penalties for carbon emissions or environmental damage and the imposition of tariffs and other imposts on cross border supply chains;
- changes to the availability and accessibility of debt capital and insurance; and
- an increase in the ultimate cost of fossil fuels used in Syrah's operations for transport and power generation.

Direct impacts of climate change are likely to be geographically specific, and may include one or more of changes in rainfall patterns, drought-induced water shortages, increases in the occurrence and intensity of extreme weather events (including bushfires, storms, freeze events and floods), and rising temperatures. The occurrence of such events, or an increase in the frequency and severity of such events, could result in damage to Syrah's mine and processing sites and equipment, interruptions to critical infrastructure such as transport, water and power supply, or loss of productivity, and increased competition for, and the regulation of, limited resources (such as power and water). Each of the above events, either individually or in aggregate, may have a material adverse effect on Syrah's operational condition and financial performance.

Cyber Risk

Syrah relies on IT software and technology service providers to support its business operations, including its manufacturing operations. Syrah also holds sensitive employee and customer data, including such individuals' and entities' financial data. Syrah's IT systems may be adversely affected by damage to computer equipment or network systems, equipment faults, power failures, computer viruses, cyber-attack from malicious third parties, misuse of systems or inadequate business continuity planning. Any failure of Syrah's IT systems as a result of any of these factors may compromise Syrah's data integrity, which may result in an inadvertent security breach in relation to such employee or customer data, or its manufacturing and supply systems and processes, which may in turn adversely affect Syrah's reputation, business operations, and financial performance and profitability or expose Syrah to third party liability.

Costs Inflation

Higher than expected inflation rates generally, specific to the mining industry, or specific to the countries where Syrah operates or sources supplies, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such cost increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact Syrah's financial performance.

Risk Management

Syrah has developed and implemented a Risk Management Framework, endorsed by the Board of Directors and relevant sub-committees (which is subject to annual review), within which:

- An overarching risk management policy, which sets out its commitment to and the expected behaviours required of its employees and contractors. This is supported by a number of other more specific business policies that set out other key requirements of employees and contractors;
- A risk management process and risk assessment criteria that defines the key steps required to identify, analyse, treat, evaluate controls and monitor and report on the risks listed above and other risks on an ongoing basis;
- Risk tolerance and escalation criteria are specified;
- Accountabilities and responsibilities for overseeing, managing and monitoring these risks and other identified risks are clearly defined;
- Key priorities for management of risks are identified on a regular and ongoing basis; and
- Material or potentially material incidents that arise are reviewed and appropriate action taken.

The Executive Management team and the Board, through its sub-committees; the Audit and Risk Committee, the Sustainability Committee and the Remuneration, Nomination and Governance Committee, regularly review the Group's risks and the effectiveness of the Group's management of those risks. The Board, with Executive Management's input, regularly consider the nature and extent of the risks the organisation is prepared to take to meet the Group's objectives.

Other key risk management mechanisms for the Group include:

- Health, Safety and Environmental management systems across the organisation;
- Crisis and Emergency management and business continuity systems;
- Anti-Bribery & Corruption Policy and processes, and other processes to support business integrity and compliance; and
- Appropriate insurance programs to provide efficient and effective levels of risk transfer.

COMMUNITY RELATIONS

Syrah's mining and industrial materials processing activities may cause issues or concerns with the local community in connection with, among other things, the potential effect on the environment as well as other social impacts relating to employment, use of infrastructure and community development.

Syrah has established ongoing engagement and management programs focused on optimising positive impacts and minimising the risk of negative impacts on the community at Balama and Vidalia. These include well communicated mechanisms for community members and other local stakeholders to raise complaints and grievances with the Group through direct means or anonymously via whistleblower channels. However, these programs and mechanisms are no guarantee that other issues or concerns will not arise with the local communities. If such issues or concerns were to arise, this may have an adverse effect on Syrah's reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the nature of activities or the state of affairs during the current financial year other than those included in the Review of Operations.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 March 2024, Syrah announced to the ASX that it had signed a binding long-term offtake agreement with Posco Future M for Balama natural graphite product, the key terms of which include volume of up to 2,000 tonnes per month (24,000 tonnes per annum) in the year following commencement of the offtake agreement as notified by POSCO Future M, and up to 5,000 tonnes per month (60,000 tonnes per annum) at the option of Posco Future M with at least 6 months notice from the second year to the end of the term. The terms of the offtake is 6 years commencing on notification from Posco Future M which must occur on or before 31 December 2025. Price is to be negotiated on a quarterly basis over the term, referencing independently reported price indices for natural graphite fines with adjustment for product grade and volume.

On 13 March 2024, Syrah announced to the ASX that it would be raising approximately A$98.0 million (US$65.0 million) through a fully underwritten institutional placement and 1 for 10.2 pro rata accelerated non-renounceable entitlement offer and that proceeds of the raising will be used to preserve Balama operating mode optionality, fund Vidalia operating costs and reserve accounts under its loan with the US Department of Energy, support Vidalia's ramp-up and progress in product qualification, and accelerate AAM development. The institutional placement and institutional entitlement offer completed on 15 March 2024, together raising approximately A$80.0 million (US$53.0 million) at a fixed price of A$0.55 per new share. The institutional placement and institutional entitlement offer settled on 21 March 2024 and the new shares commenced trading on 22 March 2024. The retail entitlement offer is also fully underwritten and is expected to raise A$18.0 million (US$12.0 million). It closes on 3 April 2024 and will be settled on 9 April 2024.

On 13 March 2024, the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3, which comprise US$77.8 million of borrowings at 31 December 2023, to amend the conversion price to A$0.6688 per share. AustralianSuper have committed to convert the notes into new shares. This conversion is subject to Syrah Resources shareholder approval, with AustralianSuper committed to the conversion within 5 business days of the approval.

Since year end, the Events of Default as at the end of the financial year and any subsequent Events of Default identified prior to the equity raising have been waived and, subject to meeting the requirements of the loan facilities going forward, the DOE loan and AustralianSuper Convertibles Notes Series 4, 5 and 6 would expect to be treated as non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date.

Immediately prior to the completion of these financial statements, management became aware of an additional Event of Default under the DOE loan, which could result in the DOE Loan and AustralianSuper Convertible Notes becoming payable under the terms of those facilities if either counterparty enforced their rights. Waivers were promptly sought from the counterparties and are currently being processed.

No other events have occurred subsequent to 31 December 2023 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Commentary on likely developments and expected results of operations is set out in the Review of Operations.

OTHER

The attached financial report for the year ended 31 December 2023 contains an independent auditor's report which highlights the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 1 in the financial report which highlights a number of initiatives that the Company is undertaking to mitigate this uncertainty in the near term, together with the auditor's report.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the financial year ended 31 December 2023, and the number of meetings attended by each Director was:

Director	Board		Audit And Risk Committee		Sustainability Committee		Remuneration, Nomination and Governance Committee	
	A	B	A	B	A	B	A	B
J Askew	9	9	-	-	-	-	4	4
S Verner	9	9	-	-	-	-	-	-
J Caldeira	9	9	4	4	4	4	-	-
L Bahash	9	9	-	-	4	4	4	4
S Watts	9	9	4	4	-	-	4	4
J Beevers	9	9	4	4	4	4	-	-

(A) Number of meetings attended, during the time the Director held office or was a member of the committee during the year ended 31 December 2023.
(B) Number of meetings held during the time the Director held office or was a member of the committee during the year ended 31 December 2023.

Remuneration Report

The Remuneration Report contains details of remuneration paid to the Non-Executive Directors, Executive Directors and Key Management Personnel of the Group as well as the remuneration strategy and policies that were applicable in the financial year ended 31 December 2023. The remuneration report is structured as follows:

(A) REMUNERATION GOVERNANCE

(B) DIRECTOR AND KEY MANAGEMENT PERSONNEL DETAILS

(C) KEY REMUNERATION OUTCOMES AND UPDATES

(D) REMUNERATION STRATEGY AND PHILOSOPHY

(E) REMUNERATION COMPONENTS

(F) DETAILS OF REMUNERATION EXPENSES

(G) EXECUTIVE SERVICE AGREEMENTS

(H) TERMS AND CONDITIONS OF SHARE-BASED PAYMENT ARRANGEMENTS

(I) DIRECTORS AND KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

(J) OTHER TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

(K) ADDITIONAL INFORMATION

(A) REMUNERATION GOVERNANCE

REMUNERATION, NOMINATION AND GOVERNANCE COMMITTEE

The Board has established a Remuneration, Nomination and Governance Committee consisting solely of independent, Non-Executive Directors to assist the Board in achieving its objective in relation to the following:

- having a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- having coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- observing those remuneration policies and practices;
- fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executives and industry remuneration conditions;
- the preparation of the Remuneration Report to be included in the Company's Annual Report;
- communicating the Company's remuneration policy to shareholders, any proposed changes to that remuneration policy and the Committee's work on behalf of the Board; and
- oversight and monitoring of the implementation of the Company's corporate governance systems and policies.

During the year ended 31 December 2023, the Remuneration, Nomination and Governance Committee comprised of Lisa Bahash (Committee Chair), James Askew and Sara Watts. John Beevers ceased to be a member of the Committee effective 1 January 2023.

The Charter for the Remuneration, Nomination and Governance Committee is available on the Company's website.

(B) DIRECTOR AND KEY MANAGEMENT PERSONNEL DETAILS

DIRECTORS

The following persons were directors of Syrah Resources Limited ("Syrah" or the "Company") during the financial year ended 31 December 2023 and up to the date of this report, unless otherwise stated:

Executive and Non-Executive Directors

Name	Position
James Askew	Non-Executive Chairman
Shaun Verner	Managing Director and Chief Executive Officer
José Caldeira	Non-Executive Director
Lisa Bahash	Non-Executive Director
Sara Watts	Non-Executive Director
John Beevers	Non-Executive Director

KEY MANAGEMENT PERSONNEL

The following persons were the Key Management Personnel of Syrah during the year ended 31 December 2023 and up to the date of this report, unless otherwise stated:

Key Management Personnel

Name	Position
Shaun Verner	Managing Director and Chief Executive Officer
Stephen Wells	Chief Financial Officer
Julio Costa	Chief Operating Officer

(C) KEY REMUNERATION OUTCOMES AND UPDATES

What has changed in relation to remuneration during the year ended 31 December 2023

NON-EXECUTIVE DIRECTOR REMUNERATION

The annual Non-Executive Director member fees increased from A$95,000 per annum (including superannuation) to A$105,000 per annum (including superannuation) effective from 1 January 2023. There were no changes to the Non- Executive Chairman's fees or Committee fees.

The Non-Executive Director Share Rights Plan ("NEDSP") was re-approved by shareholders at the Annual General Meeting held on 19 May 2023. The NEDSP enables Non-Executive Directors to receive a portion of their remuneration as Performance Rights and operates as follows:

a. The NEDSP commenced on 1 February 2020, and was originally approved by shareholders at the 22 May 2020 Annual General Meeting. The NEDSP was re-approved by shareholders at the Annual General Meeting held on 19 May 2023, in respect of FY23, FY24 and FY25;

b. Non-Executive Directors elect the proportion they would like paid in cash and paid in share rights;

c. The cash and share rights components will be settled at the end of each quarter (March, June, September and December); and

d. The amount to be settled in share rights on a quarterly basis will be determined using a 30-day VWAP at the end of the quarter.

In addition, shareholders approved an additional equity grant to Non-Executive Directors under the NEDSP in the form of Rights, at the Annual General Meeting held on 19 May 2023 in respect of FY23, FY24 and FY25 valued at A$40,000 per annum. The additional equity grant operates as follows:

a. Rights will be issued and granted annually after each AGM in FY23, FY24 and FY25;

b. The Equity Amount for FY23, FY24 and FY25 is A$40,000 for each NED;

c. The amount to be settled in Rights annually will be determined by dividing the Equity Amount by the 30-day VWAP up to and including 31 December of the prior year (e.g., for FY23, this would be up to and including 31 December 2022).

EXECUTIVE REMUNERATION

The Key Management Personnel received an increase in their remuneration during the year ended 31 December 2023.

The 'at risk' variable remuneration components (comprised of a Short-Term Incentive ("STI") component and a Long-Term Incentive ("LTI") component) were 75% and 100% of Total Fixed Remuneration ("TFR") respectively for the Managing Director and 50% of TFR for other executives in 2023.

In addition to the above remuneration components the 5YPRI program is described in more detail on pages 60 and 61.

STI OUTCOMES

The average STI outcome for the Managing Director and Chief Executive Officer and Key Management Personnel was 82.1% of Target opportunity for the year ended 31 December 2023 based on the assessment of corporate and personal performance metrics. This outcome reflects recognition of the contribution by the Managing Director and Chief Executive Officer and Key Management Personnel towards the Company's achievement of a number of its performance targets during a challenging year, discussed in more detail in Table 4 below.

FIVE YEAR PERFORMANCE AND RETENTION INCENTIVE OUTCOMES

The 5YPRI outcome for the Managing Director and Chief Executive Officer and Key Management Personnel was 60% of the maximum opportunity for the year ended 31 December 2023 based on the assessment of performance against the KPI's established under the 5YPRI program for the year. For the 5YPRI Performance Rights awarded during the 2020 financial year at the commencement of the program and tested for the 2023 financial year, 1,170,000 5YPRI Performance Rights became eligible to vest based on the outcome determined by the Board, with 780,000 5YPRI Performance Rights lapsing.

LTI OUTCOMES

For the Performance Rights awarded during the 2021 financial year and tested as at 31 December 2023, none vested, and as a result 1,972,078 Rights lapsed following the end of the financial year. This reflects the Total Shareholder Return ("TSR") performance of the Company during the three years to 31 December 2023 to the Absolute TSR ("ATSR") and Relative TSR ("RTSR") performance of the comparator group.

What changes are planned or approved for remuneration for the year commencing 1 January 2024

LTI PERFORMANCE HURDLES

The Board of Directors has resolved to adopt the same performance hurdles for the 2024 LTI Program as were used in 2023, based on 2 measures:

a. 50% will be based on the TSR performance of the Company over the relevant vesting period relative to companies in the S&P/ASX300 Index (ASX:XKO) as at 1 January 2024, classified under the "Materials" (previously "Metals & Mining") industry under the GICS classification system; and
b. 50% will be based on the absolute shareholder return performance of the Company over the relevant vesting period against threshold and maximum targets as set by the Board.

For the year commencing 1 January 2024, the Board of Directors has determined threshold TSR performance to be 8.6% compound annualised growth rate ("CAGR") and maximum TSR performance to be 18.8% CAGR.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Non-Executive Director Share Rights Plan ("NEDSP") is intended to continue, as re-approved by shareholders at the Company's Annual General Meeting held on 19 May 2023.

In addition, shareholders approved an additional equity grant to Non-Executive Directors under the NEDSP in the form of Rights, at the Annual General Meeting held on 19 May 2023 in respect of FY23, FY24 and FY25 valued at A$40,000 per annum.

(D) REMUNERATION STRATEGY AND PHILOSOPHY

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board policy is to remunerate Non-Executive Directors at market rates commensurate with time, commitment and responsibilities. The level and structure of the fees paid to Non-Executive Directors is based upon the need to attract and retain Non-Executive Directors of suitable calibre, the demands of the role and prevailing market conditions. The Board determines payments to Non-Executive Directors taking into account comparable roles, comparative market data and if required the advice of independent remuneration consultants. The Company also has a Non- Executive Director Share Plan ("NEDSP") in place, that was re-approved by shareholders at the 2023 Annual General Meeting, and an additional equity grant to Non-Executive Directors under the NEDSP in the form of Rights, which was also approved by shareholders at the 2023 Annual General Meeting. (refer to Section C for details of the NEDSP).

EXECUTIVE REMUNERATION

The Board in consultation with the Remuneration, Nomination and Governance Committee reviews the Company's executive remuneration strategy annually to ensure that the executive remuneration framework remains appropriate and aligned to the business needs.

The Board aims to ensure the Company's remuneration practices are performance based and designed to:

- attract and retain talented and high performing executives;
- provide appropriate levels of 'at risk' pay to encourage, recognise and reward high performance;
- motivate executives to pursue the Group's long-term growth and success;
- demonstrate a clear relationship between the Group's overall performance and the performance of executives; and,
- align executive incentives with interests of shareholders and other key stakeholders.

REMUNERATION CONSULTANTS

The Company engages the services of independent and specialist remuneration consultants from time to time to benchmark the remuneration of Directors and Key Management Personnel, and to assist the Company in ensuring that its remuneration arrangements remain competitive. No remuneration consultants were engaged for the year ended 31 December 2023.

EQUITY INCENTIVE PLAN RULES

The Company has an Equity Incentive Plan ("EIP") established and approved by shareholders at the Annual General Meeting on 17 May 2018, and subsequently refreshed at the Annual General Meeting on 21 May 2021, which applies to all shares, performance rights and options offered for grant from 17 May 2018 onwards. Under the EIP, the Company may issue performance rights, options and shares to directors and employees of the Company (or a subsidiary). The grant of performance rights, options and shares is subject to such conditions (if any) as determined by the Board of Directors.

Any performance rights, options and shares granted under the EIP may be subject to such vesting conditions (if any) as determined by the Board of Directors.

NON-EXECUTIVE DIRECTOR SHARE RIGHTS PLAN RULES

The Company also has a Non-Executive Director Share Plan ("NEDSP"), which was established and approved by shareholders originally at the Annual General Meeting on 22 May 2020 for the first time. At the Company's Annual General Meeting held on 19 May 2023, shareholders re-approved the NEDSP, in respect of FY23, FY24 and FY25; The plan is intended to support NEDs to develop a meaningful shareholding in the Company and as a means of aligning the interests of NEDs and shareholders generally through the diversion of current and future cash remuneration to equity. In addition, it will assist the company in implementing its cost reduction strategies and maintaining its cash reserves.

The key element of the NEDSP for NEDs is that it provides the opportunity for NEDs to sacrifice part or all of their cash fees in favour of Equity Securities under this plan to build their shareholding in the Company. The introduction of the NEDSP is also intended to remunerate individual NEDs for any material additional efforts that individual NEDs are required to deliver in progressing the Company's goals.

The NEDSP does not attach any performance measures to vesting. This is in line with best practice governance standards which recommend that non-executive directors generally should not receive equity with performance hurdles attached as it may lead to bias in decision-making and compromise their objectivity and in turn their independence.

In addition, shareholders approved an additional equity grant to Non-Executive Directors under the NEDSP in the form of Rights, at the Annual General Meeting held on 19 May 2023 in respect of FY23, FY24 and FY25 valued at A$40,000 per annum.

(E) REMUNERATION COMPONENTS

NON-EXECUTIVE DIRECTOR FEES

The fee structure for Non-Executive directors provides for Non-Executive Directors to receive a Board fee and additional fees for chairing and participating on Board Committees.

Non-Executive Directors do not receive performance-based pay or retirement allowances. Refer to Section H for details in relation to the Rights granted under the NEDSP.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically reviewed for adequacy. Any increase to the aggregate Directors' fee pool is submitted to shareholders for approval. At the Company's Annual General Meeting held on 19 May 2023, shareholders approved an increase to the maximum aggregate annual Director's fees payable to Non-Executive Directors for the financial year from and including the year commencing 1 January 2023 from A$1,000,000 per annum to A$1,200,000 per annum.

The annual Non-Executive Director member fees increased from A$95,000 per annum (including superannuation) to A$105,000 per annum (including superannuation) effective from 1 January 2023. There were no changes to the Non-Executive Chairman's fees or Committee fees.

The annual Non-Executive Director fees (inclusive of superannuation contribution amounts where applicable) for being a member of the Board and participating on its sub committees were as follows:

TABLE 1: NON-EXECUTIVE DIRECTOR ANNUAL FEES

		2023		2022[2]	
Annual Fees		A$	US$[1]	A$	US$[1]
Board Fees	Chairperson	160,000	106,288	160,000	111,152
	Members	105,000	69,752	95,000	65,997
Sub-Committees					
Audit and Risk Committee	Chairperson	20,000	13,286	20,000	13,894
	Members	10,000	6,643	10,000	6,947
Sustainability Committee	Chairperson	15,000	9,965	15,000	10,421
	Members	10,000	6,643	10,000	6,947
Remuneration, Nomination and Governance Committee	Chairperson	15,000	9,965	15,000	10,421
	Members	10,000	6,643	10,000	6,947

(1) Annual fees for Non-Executive Directors have been translated from Australian Dollars to US Dollars at the average exchange rate for the year ended 31 December 2023 of 0.6643 (2022: 0.6947).

(2) It is noted that during 2022, Australian based Non-Executive Directors received a superannuation adjustment (increase of 0.5% to 10.5% statutory superannuation), effective from 1 July 2022, which had the effect of increasing their total remuneration package by 0.5% on top of the amounts stated in the table above.

In addition to the above fees, Non-Executive Directors are entitled to receive a travel stipend of $3,322 (A$5,000) for each international trip where the travel time is in excess of seven hours of international travel (2022: $3,474 (A$5,000)).

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter of appointment summarises the Board policies and terms, including remuneration, relevant to the office of director of the Company.

To align the Non-Executive Directors' interests with shareholder interests, Non-Executive Directors are eligible to participate in the Company's Equity Incentive Plan (as approved by shareholders), however such participation has been limited to a one- off grant of performance rights at or around the time of appointment as a Director, as set out in Section H of this Remuneration Report. Amounts expensed through the Company's profit and loss statement for performance rights issued to Non-Executive Directors are not included in the calculation of Non-Executive Directors fees for the purposes of determining the aggregate Directors' fee pool amount.

EXECUTIVE REMUNERATION

The Company's remuneration policy for executives incorporates a Total Fixed Remuneration ("TFR") component (base salary plus statutory superannuation) and 'at risk' performance components; being a Short-Term Incentive ("STI") component and a Long-Term Incentive ("LTI") component. The STI payments made in 2023 were 100% paid in the Company's fully paid ordinary shares ("Shares") (2022: 50% in ordinary shares). These components for the year ended 31 December 2023 are summarised below:

TABLE 2: REMUNERATION COMPONENTS[1]

ELEMENT TOTAL FIXED REMUNERATION	ELEMENT SHORT-TERM INCENTIVE	ELEMENT LONG-TERM INCENTIVE
PURPOSE To attract high calibre executives by offering competitive market salary including superannuation and non-monetary benefits	PURPOSE Reward for annual performance based on the Performance Metrics. 100% awarded in shares to encourage executives to hold shares in the Company	PURPOSE Alignment to long-term shareholder value. Award given in shares to encourage executives to hold shares in the Company
DELIVERY 100% Cash	DELIVERY Shares	DELIVERY 100% Performance Rights or other equity instruments
PERFORMANCE METRICS Nil	PERFORMANCE METRICS Combination of corporate and personal performance measures weighted 50:50	PERFORMANCE METRICS 3 year Company TSR performance with 50% relative to the nominated Comparator Group and 50% relative to the nominated Absolute Measure Performance Metrics.
POTENTIAL VALUE Positioned between the 25th and 50th percentile of a comparative group of companies	POTENTIAL VALUE[2] **Managing Director** 75% of TFR **Other executives** 50% of TFR	POTENTIAL VALUE[2] **Managing Director** 100% of TFR **Other executives** 50% of TFR

(1) In addition to the remuneration components which are contractual arrangements, there is a 5YPRI program, of which is described in more detail on pages 60 and 61.

(2) The Board of Directors reserves the discretion to reward exceptional achievement for stretch performance on any particular performance measure.

The following table sets out the relative mix of fixed remuneration and the total opportunity for performance related remuneration for Managing Director and Key Management Personnel for the current financial period:

TABLE 3: REMUNERATION COMPONENTS(1)

		TOTAL FIXED REMUNERATION	AT RISK REMUNERATION	AT RISK REMUNERATION
EXECUTIVE DIRECTORS				
S Verner	DEC-23	36.4%	27.2%	36.4%
	DEC-22	40%	30%	30%
KEY MANAGEMENT PERSONNEL				
S Wells	DEC-23	50%	25%	25%
	DEC-22	50%	25%	25%
J Costa	DEC-23	50%	25%	25%
	DEC-22	50%	25%	25%

(1) In addition to the remuneration components which are contractual arrangements, there is a 5YPRI program, of which is described in more detail on pages 60 and 61.

TOTAL FIXED REMUNERATION

The Remuneration, Nomination and Governance Committee reviews and determines the fixed remuneration, inclusive of superannuation contribution amounts and salary sacrifice arrangements, for Executive Directors and Key Management Personnel with oversight from the Board of Directors. The process consists of a review of Group and individual performance, relevant comparative remuneration and, where appropriate, external advice from remuneration consultants. The Total Fixed Remuneration for current Key Management Personnel is currently positioned between the 25th and 50th percentile of a comparative group of companies (based on remuneration benchmarking in January 2023).

Total Fixed Remuneration for Key Management Personnel for financial year ended 31 December 2023 is set out in Section F.

'AT RISK' PERFORMANCE BASED REMUNERATION

SHORT TERM INCENTIVE

The objective of the STI Program is to align reward of Executives with the attainment of Key Performance Indicators ("KPIs") which drive short to medium term outcomes for the business incorporating a mixture of business development, operational and investor relations performance indicators. Corporate and personal performance measures are set and agreed annually by the Remuneration, Nomination and Governance Committee with oversight from the Board of Directors.

Short Term Incentive Program – 31 December 2023

TABLE 4: STI PROGRAM (31 DECEMBER 2023)

Feature	Description
Target Opportunity	Managing Director – 75% of Total Fixed Remuneration for target performance. Other Executives – 50% of Total Fixed Remuneration for target performance. The Board of Directors reserves the discretion to reward exceptional achievement for stretch performance on any particular performance measure.
Group Performance Metrics & Award Outcome	The STI metrics will be made up of a combination of corporate (50%) and personal performance measures (50%). The table below summarises the corporate performance metrics for the year ending 31 December 2023:

METRIC	WEIGHT	REASON FOR SELECTION
Corporate performance measures:		Corporate measures are aligned with the strategic priorities for the Group
Sustainability	7.5%	Driving a values based culture of safe work practices, strong community and stakeholder relations, environmental responsibility, employee development and good corporate governance
Natural Graphite	12.5%	Delivery against production, quality, cost and sales targets
Active Anode Material	15%	Delivery of key strategic project milestones, operational commencement and expansion opportunities
Development	7.5%	Developed pipeline of sales growth, product options and technology development
Strategic	7.5%	Development of risk mitigation actions and long-term strategic growth opportunities
Total corporate performance measures	50%	
Personal performance metrics	50%	Targeted metrics relevant to individual roles

Total Corporate Performance Metric Outcome (out of 50%)	33%

The Board assessed an overall attainment of 33% out of 50% for the corporate performance metrics for the year ended 31 December 2023.

Determination of Outcomes	The STI outcomes were determined by the Remuneration, Nomination and Governance Committee, with oversight from the Board of Directors.
Delivery of STI	100% of the Key Management Personnel's STI for the year ending 31 December 2023 was paid in shares, issued under the Company's Equity Incentive Plan.

The 50% balance of the STI opportunity for Key Management Personnel is assessed against individual KPI targets, outlined below for each role.

Managing Director & Chief Executive Officer

Leadership – culture, compliance and governance, team development and succession

Strategy – five-year planning; operational continuity development

Funding – debt and capital planning for development, government options, cash management

Commercial – China and ex-China graphite sales strategy; AAM sales strategy development

Chief Operating Officer

Sustainability – safety, leadership & culture development, stakeholder relations, environmental responsibility, corporate governance

Balama – operating efficiency, projects, cost

Vidalia – operational readiness, project delivery, cost, Phase 3 DFS

Technology & Innovation – strategy, product development, growth opportunities

Chief Financial Officer

Commercial – cashflow, funding including US Government agency engagement, investor relations, sales & marketing, procurement, logistics

Risk – finance processes, statutory reporting, tax, governance and compliance, stakeholder management, audit, insurance, IT including cyber risk

Corporate Development – AAM opportunity, Vanadium, strategic growth, diversification

The following table shows details of the aggregate STI opportunity, as a percentage of TFR, for each of the Key Management Personnel and the amounts granted for the year ended 31 December 2023.

TABLE 5: STI OPPORTUNITY (31 DECEMBER 2023)

	Target Opportunity		Amount Granted	Amount Forfeited
Name	% Offer	Amount$[1]	%	%
Executive Director				
S Verner	75%	$335,136	66.50%	33.50%
Key Management Personnel				
S Wells	50%	$159,555	93.00%	7.00%
J Costa	50%	$182,500	86.75%	13.25%

(1) Amounts translated from Australian Dollars to US Dollars using an average exchange rate for the year ended 31 December 2023 of 0.6643.

Short Term Incentive Program – 31 December 2024

TABLE 6: STI PROGRAM (31 DECEMBER 2024)

Feature	Description
Target Opportunity	Managing Director – 75% of Total Fixed Remuneration for target performance. Other executives – 50% of Total Fixed Remuneration for target performance. The Board of Directors reserves the discretion to reward exceptional achievement for stretch performance on any particular performance measure.
Group Performance Metrics & Award Outcome	The STI metrics will be made up of a combination of corporate (50%) and personal performance measures (50%). The table below summarises the corporate performance metrics for the year ending 31 December 2024:

METRIC	WEIGHT	REASON FOR SELECTION
Corporate performance measures:		Corporate measures are aligned with the strategic priorities for the Group
Sustainability	7.5%	Driving a values based culture of safe work practices, strong community and stakeholder relations, environmental responsibility, employee development and good corporate governance
Natural Graphite	15%	Delivery against production, quality, cost and sales targets
Active Anode Material	15%	Delivery of key strategic project milestones, operational commencement and expansion opportunities
Development	5%	Developed pipeline of sales growth, product options and technology development
Strategic	7.5%	Development of risk mitigation actions and long-term strategic growth opportunities
Total corporate performance measures	50%	
Personal performance metrics	50%	Targeted metrics relevant to individual roles
Total Performance Metric	100%	

Determination of Outcomes:	The STI outcomes will be determined by the Remuneration, Nomination and Governance Committee, with oversight from the Board of Directors
Delivery of STI	The delivery of the STI for the year ending 31 December 2024 will be determined by the Remuneration, Nomination and Governance Committee, with oversight from the Board of Directors.

FIVE YEAR PERFORMANCE AND RETENTION INCENTIVE ("5YPRI")

In 2020, the Board of Directors implemented a Five-Year Performance and Retention Incentive ("5YPRI") by way of the issuance of Performance Rights for selected senior personnel. The program is designed to align with the maturity date of the Convertible Notes and to ensure that selected personnel are remunerated in a manner which encourages high performance and is aligned with driving growth in Shareholder value.

A summary of the Five-Year Performance and Retention Incentive is outlined below:

- The 5YPRI are performance based, incentivising performance each year for selected senior personnel;
- The 5YPRI operates as 5 separate awards, each with a term of 12 months, until 31 December 2024 however the Board can award Performance Rights to senior executives for a shorter period at its discretion, subject to the annual assessment process;
- At the performance assessment date (occurring annually), the Board will determine the amount of Performance Rights to vest based on agreed Key Performance Indicators ("KPIs") set at the beginning of each financial year, with the applicant being issued with a vesting notice confirming any vested Rights following the assessment process. The performance assessment will generally take place around January of each year, in respect of the KPIs for the year just passed;
- The KPIs will vary year on year in the plan dependent on the Company's priorities at the time;
- The Performance Rights can be exercised from the respective vesting date for a two-year period;
- Each participant must be employed for the full calendar year applicable to the assessment of the award (the Performance Rights do not partially vest for the year in the event of termination of employment unless otherwise determined by the Board).

Timing and delivery

Grants are made up-front and vest annually each year over a five-year period up until 31 December 2024.

Measurement period

The performance measures are tested annually following 31 December of each year, with the Remuneration, Nomination and Governance Committee and Board determining the amount of Performance Rights to vest based on agreed Key Performance Indicators ("KPI's") set at the beginning of each financial year.

Key Performance Indicators	Year 4 (2023) KPI Weighting
Full resourcing and succession plan in place for Senior Leadership Team	30%
Organic graphite and AAM growth	20%
Development of Company culture	10%
Assessment and progression of asset and/or business diversification opportunity	20%
Performance against Syrah Group Budget	20%
Total Performance Metric	100%

Year 4 - 5YPRI Outcomes

KMPs Other Participants	Number of Year 4 5YPRI Performance Rights (maximum opportunity)	Number of Year 4 5YPRI Performance Rights (Vested)	Number of Year 4 5YPRI Performance Rights (Unvested)
S Verner	800,000	480,000	320,000
J Costa	650,000	390,000	260,000
S Wells	500,000	300,000	200,000
	1,950,000	**1,170,000**	**780,000**

LONG-TERM INCENTIVE

The LTI Program is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders (Total Shareholder Return measurement) and assist the Company to attract, motivate and retain executives. In particular, the LTI Program is designed to provide relevant directors and key employees with an incentive to remain with Syrah and contribute to the future performance of the Group over the long term.

Performance Rights

Executives and senior managers within the Group are granted performance rights on an annual basis and vesting will be contingent on the achievement of specific performance hurdles over a three-year period. These performance rights are issued under the Equity Incentive Plan (from 17 May 2018, with the EIP refreshed on 21 May 2021) or the LTIP (prior to 17 May 2018).

The potential maximum value of the annual grant of performance rights over a three year period represents between 20% and 100% of an eligible employee's total fixed remuneration. The actual number of performance rights granted is calculated based on the closing volume weighted average price ("VWAP") of the Company's shares on the ASX for the 60 trading days preceding the commencement of the performance period, being 1 January.

Performance Hurdles

The performance hurdles for 2024 are based on the Company's TSR performance:

a. 50% will be based on the TSR performance of the Company over the relevant vesting period relative to companies in the S&P/ASX300 Index (ASX:XKO) as at 1 January 2024, classified under the "Materials" (formally the "Metals & Mining") industry under the GICS classification system; and

b. 50% will be based on the absolute shareholder return performance of the Company over the relevant vesting period against threshold and maximum targets as set by the Board. Since 2018, and for 2024 the Board of Directors has determined threshold TSR performance to be 8.6% compound annualised growth rate ("CAGR") and maximum TSR performance to be 18.8% CAGR. These targets have been based upon the median performance of the S&P/ASX300 Index over a 20-year period.

Vesting Conditions

Vesting of performance rights will be subject to the relevant performance hurdles referred to above, which will be tested over a three year vesting period. If the performance hurdles are not satisfied (or become incapable of being satisfied), the performance rights will lapse (unless the Board of Directors determines otherwise).

The number of performance rights that vest will be determined by assessing the performance of the Company, measured by the relevant performance measure as at the date that is three years after the commencement of the performance period ("Performance Date"), relative to the relevant performance hurdle(s) (the "TSR Hurdle(s)").

The following table provides a summary of the TSR Hurdle(s) and the relationship between Company performance and the percentage vesting of performance rights:

Performance Against TSR Comparator Group (50% of Performance Rights)	Performance Against Absolute TSR Measure (50% of Performance Rights)	Percentage of Performance Rights Eligible to Vest
TSR performance is at or below the median performance of the comparator Group	TSR performance is at or below threshold performance (8.6% CAGR)	0%
TSR performance of between the median and 75th percentile performance of the comparator group	TSR performance is between threshold (8.6% CAGR) and maximum performance (18.8% CAGR)	Straight line pro-rata between 50% and 100%
TSR performance is at or above the 75th percentile performance of the comparator group	TSR performance is above maximum performance (18.8% CAGR)	100%

In the event that a participant in the LTI Program ceases to be a director or employee of the Group, the treatment of any performance rights held by the participant will depend on the circumstances surrounding the cessation of his/her directorship/ employment. In general terms, and subject to the discretion of the Plan Committee/Board, if the participant is a "bad leaver" (for reasons such as resignation, dismissal for poor performance or as otherwise determined by the Remuneration, Nomination and Governance Committee/Board), any unvested performance rights will immediately lapse; whereas if the participant is not a "bad leaver", he/she will be entitled to retain a pro-rata amount of unvested performance rights (based on the proportion of the vesting period that the participant was a director/ employee).

The Board also has power to deem that performance rights will lapse or be deemed to be forfeited in a number of scenarios, including if a participant commits an act of fraud, defalcation or gross misconduct, or materially breaches his or her duties, brings the Group (or any member thereof) into disrepute or if the Board determines there has been a material misstatement or omission in the financial statements.

In the event of a change of control, all unvested performance rights will vest (in the case of performance rights granted up until 16 May 2018) or (in the case of performance rights granted from 17 May 2018 onwards) will vest unless the Board of Directors exercises its discretion to determine otherwise.

TSR COMPARATOR GROUPS

Performance rights will be tested against Syrah's TSR performance relative to the comparative group on the Performance Date.

Outcome for 31 December 2021 Grant

None of the performance rights granted for the 2021 financial year and tested as at 31 December 2023 vested, as the TSR performance of Syrah was below the median relative TSR performance of the comparator group, and below the threshold of the absolute TSR measure over the Performance Period.

Year ended 31 December 2023 Grant

The TSR comparator group as selected by the Board of Directors for performance rights for the year ending 31 December 2025 comprise of the companies in the S&P/ASX300 Index (ASX:XKO) as at 1 January 2023, classified under the "Materials" (formally "Metals & Mining") industry under the GICS classification system as follows:

29metals Ltd.	Evolution Mining Limited	OZ Minerals Limited
5E Advanced Materials, Inc Cdi	Fortescue Metals Group Ltd	Pact Group Holdings Ltd.
ADBRI Limited	Gold Road Resources Ltd	Perenti Limited
Allkem Limited	Grange Resources Limited	Perseus Mining Limited
Alumina Limited	IGO Limited	Pilbara Minerals Limited
Amcor PLC Cdi	Iluka Resources Limited	Ramelius Resources Limited
Arafura Rare Earths Limited	Imdex Ltd	Red 5 Limited
Argosy Minerals Limited	Incitec Pivot Limited	Regis Resources Limited
Aurelia Metals Limited	ioneer Limited	Rio Tinto Limited
Australian Strategic Materials Ltd	James Hardie Industries Cdi	Sandfire Resources Ltd
Bellevue Gold Limited	Jervois Global Limited	Sayona Mining Ltd.
BHP Group Ltd	Lake Resources N.L.	Silver Lake Resources Limited
Bluescope Steel Limited	Leo Lithium Ltd	Sims Ltd.
Boral Limited	Liontown Resources Limited	South32 Ltd.
Brickworks Ltd	Lynas Rare Earths Limited	SSR Mining Inc Cdi
Calix Ltd.	Mincor Resources NL	St. Barbara Ltd.
Capricorn Metals Ltd	Mineral Resources Limited	Vulcan Energy Resources Ltd.
Chalice Mining Limited	Neometals Ltd	West African Resources Ltd
Champion Iron Ltd.	Newcrest Mining Limited	Westgold Resources Ltd
Core Lithium Ltd	Nickel Industries Limited	
Coronado Global Resources Inc Cdi	Northern Star Resources Ltd	
CSR Limited	Nufarm Limited	
De Grey Mining Ltd	Orica Limited	
Deterra Royalties Ltd	Orora Ltd	

If at any time during the Vesting Period a company in the Comparator Group suffers an insolvency event, undertakes material merger or acquisition activity or is delisted from the ASX it will cease to become part of the Comparator Group.

The table below summarises the number and movements in Performance Rights issued under the Equity Incentive Plan during the year:

TABLE 7: EQUITY INCENTIVE PLAN PERFORMANCE RIGHTS

	2023 Number
Movement for the year ended 31 December 2023:	
Balance at the beginning of the year	6,885,337
Granted during the year	2,461,287
Exercised during the period	(3,259,013)
Lapsed during the year	(292,500)
Balance at the end of the year	**5,795,111**
At 31 December 2023:	
Vested	1,658,551
Unvested	4,136,560(1)
Total	**5,795,111**

(1) Subsequent to the end of the year, 1,004,747 of these performance rights related to the 2021 LTI lapsed in 2024 as the performance criteria were not met. In addition, the Board resolved to approve the Remuneration, Nomination and Governance Committee recommendation, which resulted in a total of 1,170,000 Year 4 5YPRI's vesting.

The table below summarises the number and movements in Performance Rights issued under the Non-Executive Director Share Rights during the year:

TABLE 8: NON-EXECUTIVE DIRECTOR SHARE RIGHTS

	2023 Number
Movement for the year ended 31 December 2023:	
Balance at the beginning of the year	1,201,786
Granted during the year	897,162(1)(2)
Balance at the end of the year	**2,098,948**
At 31 December 2023:	
Vested	1,792,203
Unvested	306,745
Total	**2,098,948**

(1) In relation to the table above, as at the date of this report, the FY23 NEDSP salary sacrifice Rights and FY23 Annual Equity Grant Rights remain yet to be physically issued to the NED's, however for accounting purposes they have been recognised as granted in accordance with AASB2 Share-based payments.

(2) Additional FY25 NED equity program has not been included due to the number of rights is yet to be determined.

(F) DETAILS OF REMUNERATION EXPENSES

The following tables show details of the remuneration expense recognised for the Group's Key Management Personnel for the current and previous financial periods measured in accordance with the requirements of the accounting standards:

TABLE 9: REMUNERATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Fixed Remuneration					Variable Remuneration				
	Salary & Fees[1] [7] US$	Leave[2] US$	Super-annuation US$	Non-Monetary Benefits US$	Share Rights[3] US$	STI Cash[4] US$	STI Shares[4] [8] US$	Share Rights US$	Total US$	Perform-ance Related %
Non-Executive Directors										
J Askew[6]	3,322	-	-	-	101,098	-	-	33,196[3]	137,616	0%
J Caldeira	44,840	-	-	-	37,168	-	-	33,196[3]	115,204	0%
L Bahash	46,501	-	-	-	38,654	-	-	33,196[3]	118,351	0%
S Watts	72,878	-	8,704	-	7,246	-	-	33,196[3]	122,024	0%
J Beevers	28,806	-	2,391	-	52,340	-	-	41,208[3]	124,745	0%
Sub-total	**196,347**	**-**	**11,095**	**-**	**236,506**	**-**	**-**	**173,992**	**617,940**	**-**
Executive Director										
S Verner	422,621	49,758	18,268	11,229	-	-	146,999	924,999[5]	1,573,874	68%
Sub-total	**422,621**	**49,758**	**18,268**	**11,229**	**-**	**-**	**146,999**	**924,999**	**1,573,874**	**-**
Key Management Personnel										
J Costa	343,006	11,431	18,268	-	-	-	158,712	713,004[5]	1,244,421	70%
S Wells	290,675	26,714	25,091	-	-	-	148,737	565,073[5]	1,056,290	68%
Sub-total	**633,681**	**38,145**	**43,359**	**-**	**-**	**-**	**307,449**	**1,278,077**[5]	**2,300,711**	**-**
Total	**1,252,649**	**87,903**	**72,722**	**11, 229**	**236,506**	**-**	**454,448**	**2,377,068**	**4,492,525**	**-**

(1) All amounts translated from Australian Dollars to United States Dollars at an average exchange for the year ended 31 December 2023 of 0.6643

(2) Represents annual leave and long service leave entitlements, being the movement in the entitlements measured on an accrual basis during the financial period.

(3) Non-Executive Director Share Plan, which is a salary sacrifice plan pursuant to which NED's may elect to sacrifice up to 100% of their annual NED's fees to acquire Non-Executive Director Share Rights (NED Rights). On 19 May 2023, shareholders also approved an additional equity amount program to the value of A$40,000 per NED over the next three years, being FY23, FY24 and FY25. In relation to the table above, as at the date of this report, the FY23 NEDSP salary sacrifice Rights and FY23 Annual Equity Grant Rights remain yet to be physically issued to the NED's, however for accounting purposes they have been recognised as granted in accordance with AASB2 Share-based payments.

(4) Represents STI payments made in shares on 12 February 2024 in respect of performance for the year ended 31 December 2023 as approved by the Remuneration, Nomination and Governance Committee. No STI payments in cash were made to the Executive Director and Key Management Personnel for the year ended 31 December 2023.

(5) Represents amounts expensed through the Company's profit and loss for performance rights and options issued under the Company's EIP. These amounts are recognised in the Company's profit and loss over the vesting period in accordance with AASB 2 Share-based Payments.

(6) Director's fees paid to J Askew are paid to International Mining and Finance Corp, a company of which he is a Director.

(7) Non-Executive Directors are entitled to receive a travel stipend of $3,322 (A$5,000) for each international trip where the travel time is in excess of seven hours of international travel.

(8) The STI shares includes a fair value true up of the 2022 STI share plan awards.

TABLE 10: REMUNERATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Fixed Remuneration					Variable Remuneration				
	Salary & Fees[1] [7]	Leave[2]	Super-annuation	Non-Monetary Benefits	Share Rights[3]	STI Cash[4]	STI Shares[4] [8]	LTI Rights[5]	Total	Perform-ance Related
	US$	US$	US$	US$	US$	US$	US$	US$	US$	%
Non-Executive Directors										
J Askew[6]	6,947	-	-	-	128,520	-	-	-	135,467	0%
J Caldeira	43,419	-	-	-	39,945	-	-	-	83,364	0%
L Bahash	41,682	-	-	-	41,682	-	-	-	83,364	0%
S Watts	68,807	-	7,808	-	7,296	-	-	2,831	86,742	0%
J Beevers	30,164	-	2,501	-	54,720	-	-	21,722	109,107	0%
Sub-total	**191,019**	**-**	**10,309**	**-**	**272,163**	**-**	**-**	**24,553**	**498,044**	**-**
Executive Director										
S Verner	373,525	36,092	19,104	5,770	-	140,584	177,064	894,610	1,646,749	74%
Sub-total	**373,525**	**36,092**	**19,104**	**5,770**	**-**	**140,584**	**177,064**	**894,610**	**1,646,749**	**-**
Key Management Personnel										
J Costa	317,588	5,507	19,104	-	-	88,026	87,963	678,365	1,196,553	71%
S Wells	269,126	12,585	27,590	-	-	78,563	78,504	541,216	1,007,584	69%
Sub-total	**586,714**	**18,092**	**46,694**	**-**	**-**	**166,589**	**166,467**	**1,219,581**	**2,204,137**	**-**
Total	**1,151,258**	**54,184**	**76,107**	**5,770**	**272,163**	**307,173**	**343,531**	**2,138,744**	**4,348,930**	**-**

(1) All amounts translated from Australian Dollars to United States Dollars at an average exchange for the year ended 31 December 2022 of 0.6947

(2) Represents annual leave and long service leave entitlements, being the movement in the entitlements measured on an accrual basis during the financial period.

(3) Non-Executive Director Share Plan, which is a salary sacrifice plan pursuant to which NED's may elect to sacrifice up to 100% of their annual NED's fees to acquire Non-Executive Director Share Rights (NED Rights).

(4) Represents STI payments made in shares on 3 February 2023, and cash on 14 February 2023, in respect of performance for the year ended 31 December 2022 as approved by the Remuneration, Nomination and Governance Committee.

(5) Represents amounts expensed through the Company's profit and loss for performance rights and options issued under the Company's EIP. These amounts are recognised in the Company's profit and loss over the vesting period in accordance with AASB 2 Share-based Payments.

(6) Director's fees paid to J Askew are paid to International Mining and Finance Corp, a company of which he is a Director.

(7) Non-Executive Directors are entitled to receive a travel stipend of $3,474 (A$5,000) for each international trip where the travel time is in excess of seven hours of international travel.

(8) The STI shares includes a fair value true up of the 2021 STI share plan awards.

(G) EXECUTIVE SERVICE AGREEMENTS

Remuneration and other key terms of employment for Executive Directors and Key Management Personnel for the year ending 31 December 2023 as formalised in Employment Agreements and summarised in the following table:

TABLE 11: OVERVIEW OF EXECUTIVE SERVICE AGREEMENTS

Name/Position	Term of Agreement	Total Fixed Remuneration	Annual STI Opportunity	Annual LTI Grant	Notice period by Executive	Notice period by Company	Termination Payment
S Verner Managing Director and Chief Executive Officer	Ongoing	A$672,660	75% of TFR	100% of TFR	6 months	6 months	12 months Total Fixed Remuneration
S Wells Chief Financial Officer	Ongoing	A$480,369	50% of TFR	50% of TFR	6 months	6 months	6 months Total Fixed Remuneration
J Costa Chief Operating Officer	Ongoing	A$549,450	50% of TFR	50% of TFR	6 months	6 months	6 months Total Fixed Remuneration

(H) TERMS AND CONDITIONS OF SHARE-BASED PAYMENT ARRANGEMENTS

The terms and conditions of each grant of performance rights affecting the remuneration of Directors and Key Management Personnel in the current or a future reporting period are as follows:

TABLE 12: OVERVIEW OF PERFORMANCE RIGHTS

Grant Date	Vesting Date	Exercise Price	Number of Rights	Value Per Right at Grant Date
06-Mar-20	01-Jan-23	-	481,051	A$0.30
19-Feb-21	01-Jan-22	-	100,000	A$0.30
08-Mar-21	01-Jan-24	-	537,020	A$0.86
21-May-21	01-Jan-24	-	467,727	A$0.68
21-May-21	22-May-23	-	100,000	A$0.93
17-Feb-22	01-Jan-23	-	977,500	A$1.43
07-Mar-22	01-Jan-25	-	345,513	A$0.96
20-May-22	01-Jan-25	-	325,013	A$1.49
20-Jan-23	01-Jan-24	-	1,950,000[(1)]	A$2.23
18-Jan-24	01-Jan-25	-	1,950,000	A$0.43
20-Jan-23	01-Jan-26	-	221,685	A$1.36
19-May-23	01-Jan-26	-	289,602	A$0.43
Total			**7,745,111**	

(1) 780,000 Performance Rights lapsed subsequent to year end as a result of vesting conditions not being met.

The proportion of Performance Rights that vest is determined in accordance with the Vesting Conditions. Any Performance Rights that do not vest at the end of the Vesting Period will lapse. The LTIP provides that vested Performance Rights that have not been exercised or automatically exercised (depending on the terms of the relevant offer letter) will expire two years from the First Exercise Date (unless otherwise stated in the relevant offer letter or certificate). The EIP provides that performance rights will lapse on the earlier of the date so nominated in the offer letter (2023/2022: two years from the date of the vesting notice), 15 years after allocation (if no date is specified), in accordance with the rules of the EIP, upon a failure to meet a Vesting Condition (or any other applicable condition) or receipt of a notice from the participant electing to surrender the Right.

NON-EXECUTIVE DIRECTOR SHARE RIGHTS

The terms and conditions of each grant of Non-Executive Director Share Rights affecting the remuneration of Directors in the current or a future reporting period are as follows:

TABLE 13: OVERVIEW OF NON-EXECUTIVE DIRECTOR SHARE RIGHTS

Grant Date	Vesting Date	Exercise Price	Number of Rights	Value Per Right at Grant Date
27-May-20	31-Dec-20	-	413,848	A$0.32
2-Jun-20	31-Dec-20	-	262,846	A$0.29
5-Jun-20	31-Dec-20	-	19,266	A$0.41
27-May-20	31-Dec-21	-	155,259	A$0.32
2-Jun-20	31-Dec-21	-	98,598	A$0.29
5-Jun-20	31-Dec-21	-	6,665	A$0.41
1-Sep-21	31-Dec-21	-	13,797	A$1.32
28-Jul-21	31-Dec-22	-	33,975	A$1.42
29-Jul-21	31-Dec-22	-	109,329	A$1.48
30-Jul-21	31-Dec-22	-	6,201	A$1.41
10-Aug-21	31-Dec-22	-	35,457	A$1.57
1-Sep-21	31-Dec-22	-	46,545	A$1.32
19-May-23	31-Dec-23	-	84,890[2]	A$0.98
19-May-23	31-Dec-24	-	306,745[2]	-
19-May-23	31-Dec-23	-	58,965[1]	A$0.98
30-Jun-23	31-Dec-23	-	112,152[1]	-
30-Sep-23	31-Dec-23	-	182,001[1]	-
31-Dec-23	31-Dec-23	-	152,409[1]	-
Total			**2,098,948**	

(1) On 19 May 2023, shareholders re-approved the NEDSP salary sacrifice program, for FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the first quarter of the NEDSP salary sacrifice program. The remaining awards under this program are for a fixed dollar amount with variable number of shares to be determined in the future.

(2) On 19 May 2023, shareholders also approved an additional equity amount program to the value of A$40,000 per Non-Executive Director over the next three years, being FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the fair value of the FY23 NEDSP additional equity amount program. The remaining awards under this program are for a fixed dollar amount with variable number of shares to be determined in the future. The number of rights for FY24 has been included here and calculated using the 30 trading day VWAP to 29 December 2023. The number of rights for FY25 is yet to be determined.

(I) DIRECTORS AND KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

SHAREHOLDINGS

A reconciliation of the number of shares held by Directors and Key Management Personnel, including their personally related parties, in the Company is set out below:

TABLE 14: SHARES HELD BY DIRECTORS/KEY MANAGEMENT PERSONNEL

	Balance 1 January 2023	Ordinary Shares Granted	Ordinary Shares Issued on Exercise of Options/ Rights	On Market Acquisitions/ (Disposals)	Other	Balance 31 December 2023
Directors						
J Askew	506,937	-	-	200,000	-	706,937
J Caldeira	12,082	-	-	-	-	12,082
L Bahash	15,583	-	-	-	-	15,583
S Watts	148,113	-	-	-	-	148,113
J Beevers	38,593	-	-	-	-	38,593
Executive Directors						
S Verner	1,429,274	89,961[1]	2,345,892	(220,000)	-	3,645,127
Key Management Personnel						
S Wells	820,554	50,273[2]	400,000	(300,000)	-	970,827
J Costa	1,057,910	56,329[2]	513,121	(180,000)	-	1,447,360

(1) Fully paid ordinary shares granted to S Verner pursuant to the resolution passed at Annual General Meeting held on 19 May 2023.
(2) Shares granted to S Wells and J Costa on 1 February 2023 pursuant to the STI Program in respect of the year ended 31 December 2022.

PERFORMANCE RIGHTS

A reconciliation of the number of Performance Rights held by Directors and Key Management Personnel, including their personally related parties, in the Company is set out following.

TABLE 15: PERFORMANCE RIGHTS HELD BY DIRECTORS/KEY MANAGEMENT PERSONNEL

	Grant	Balance 1 January 2023	Granted during the Period	Lapsed during the Period	Exercised during the Period	Balance 31 December 2023	Vested and Exercisable	Unvested	Value of Rights Granted during the Period[5]	Maximum Value yet to Vest[6]
Directors										
S Verner	2023	-	1,089,602	-	-	1,089,602	-	1,089,602[1]	A$1,931,544	A$82,476
	2022	1,125,013	-	(120,000)	(680,000)	325,013	-	325,013	-	A$161,485
	2021	1,267,727	-	-	(800,000)	467,727	-	467,727[2]	-	-
	2020	865,892	-	-	(865,892)	-	-	-	-	-
	Total	3,258,632	1,089,602	(120,000)	(2,345,892)	1,882,342	-	1,882,342	A$1,931,544	A$243,961
J Beevers	2023	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-
	2021	100,000	-	-	-	100,000	100,000	-	-	-
	Total	100,000	-	-	-	100,000	100,000	-	-	-
Key Management Personnel										
J Costa	2023	-	768,278	-	-	768,278	-	768,278[3]	A$1,629,373	A$107,062
	2022	834,643	-	(97,500)	-	737,143	552,500	282,143	-	A$59,340
	2021	277,172	-	-	-	277,172	-	277,172[2]	-	-
	2020	513,121	-	-	(513,121)	-	-	-	-	-
	Total	1,624,936	768,278	(97,500)	(513,121)	1,782,593	552,500	1,327,593	A$1,629,373	A$166,402
S Wells	2023	-	603,407	-	-	603,407	-	603,407[4]	A$1,270,210	A$93,601
	2022	660,870	-	(75,000)	-	585,870	425,000	160,870	-	A$51,700
	2021	759,848	-	-	(400,000)	359,848	100,000	259,848[2]	-	-
	2020	481,051	-	-	-	481,051	-	-	-	-
	Total	1,901,769	603,407	(75,000)	(400,000)	2,030,176	525,000	1,024,125	A$1,270,210	A$145,301

(1) The performance rights issued under the 5YPRI program in 2020 were subject to testing of vesting conditions in early 2024 in relation to Year 4 of the five- year 5YPRI program. The Board approved that 60% of the Year 4 5YPRI program vested following the end of the 31 December 2023 performance period, resulting in 480,000 5YPRI Performance Rights vesting for S. Verner.

(2) Included in the unvested performance rights figure, are the performance rights issued under the LTI Program in 2021, and were subject to testing of vesting conditions in early 2024. All such rights lapsed as a result of vesting conditions not being met.

(3) The performance rights issued under the 5YPRI program in 2020 were subject to testing of vesting conditions in early 2024 in relation to Year 4 of the five- year 5YPRI program. The Board approved that 60% of the Year 4 5YPRI program vested following the end of the 31 December 2023 performance period, resulting in 390,000 5YPRI Performance Rights vesting for J. Costa.

(4) The performance rights issued under the 5YPRI program in 2020 were subject to testing of vesting conditions in early 2024 in relation to Year 4 of the five- year 5YPRI program. The Board approved that 60% of the Year 4 5YPRI program vested following the end of the 31 December 2023 performance period, resulting in 300,000 5YPRI Performance Rights vesting for S. Wells.

(5) The value at grant date calculated in accordance with AASB 2 Share-based Payment of performance rights granted during the year as part of remuneration.

(6) The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. The minimum value of the performance rights yet to vest is nil, as the rights will lapse if the vesting conditions are not met.

NON-EXECUTIVE DIRECTOR SHARE RIGHTS

A reconciliation of the number of Non-Executive Director Share Rights held by Directors, including their personally related parties, in the Company is set out below.

TABLE 16: NON-EXECUTIVE DIRECTOR SHARE RIGHTS HELD BY DIRECTORS

	Grant	Balance 1 January 2023	Granted during the Period[(1)(2)]	Lapsed during the Period	Net Change Other	Balance 31 December 2023	Vested and Exercisable	Unvested
Directors								
J Askew	2023	-	294,453	-	-	294,453	233,104	61,349
	2022	109,329	-	-	-	109,329	109,329	-
	2021	155,259	-	-	-	155,259	155,259	-
	2020	413,848	-	-	-	413,848	413,848	-
	Total	678,436	294,456	-	-	972,889	911,540	61,349
J Caldeira	2023	-	157,782	-	-	157,782	96,433	61,349
	2022	33,975	-	-	-	33,975	33,975	-
	2021	48,249	-	-	-	48,249	48,249	-
	2020	128,625	-	-	-	128,625	128,625	-
	Total	210,849	157,782	-	-	368,631	307,282	61,349
L Bahash	2023	-	160,956	-	-	160,956	99,607	61,349
	2022	35,457	-	-	-	35,457	35,457	-
	2021	50,349	-	-	-	50,349	50,349	-
	2020	134,221	-	-	-	134,221	134,221	-
	Total	220,027	160,956	-	-	380,983	319,634	61,349
S Watts	2023	-	93,807	-	-	93,807	32,458	61,349
	2022	6,201	-	-	-	6,201	6,201	-
	2021	6,665	-	-	-	6,665	6,665	-
	2020	19,266	-	-	-	19,266	19,266	-
	Total	32,132	93,807	-	-	125,939	64,590	61,349
J Beevers	2023	-	190,164	-	-	190,164	128,815	61,349
	2022	46,545	-	-	-	46,545	46,545	-
	2021	13,797	-	-	-	13,797	13,797	-
	2020	-	-	-	-	-	-	-
	Total	60,342	190,164	-	-	250,506	189,157	61,349

(1) At the 2023 Annual General Meeting held on 19 May 2023, shareholders re-approved the Non-Executive Director Share Plan, in respect of FY23, FY24 and FY25. FY25 NED equity program has not been included due to the number of rights is yet to be determined.

(2) In relation to the table above, as at the date of this report, the FY23 NEDSP salary sacrifice Rights and FY23 Annual Equity Grant Rights remain yet to be physically issued to the NED's, however for accounting purposes they have been recognised as granted in accordance with AASB2 Share-based payments.

(J) OTHER TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

Aggregate amounts of other transactions with Directors and Key Management Personnel is set out below

TABLE 17: TRANSACTIONS WITH DIRECTORS/ KEY MANAGEMENT PERSONNEL

	2023 US$	2022 US$
Provision of services		
Legal services provided by Sal & Caldeira Advogados, Lda[1]	183,873	273,422

(1) Represents legal services provided to the Company by Sal & Caldeira Advogados, Ltd in Mozambique. J Caldeira is a Non-Executive Director of the Company and is a Senior Partner at Sal & Caldeira Advogados, Lda.

These services are provided on arm's length commercial terms and conditions. Where any director has a conflict of interest they do not participate in any decision of the Board or management in relation to that matter.

The following balances were outstanding at the end of the period in relation to the above transactions:

	2023 US$	2022 US$
Trade and other payables		
Legal services provided by Sal & Caldeira Advogados, Lda[1]	-	2,500

(1) Represents outstanding balances arising of legal services provided to the Company by Sal & Caldeira Advogados, Ltd in Mozambique. J Caldeira is a Non-Executive Director of the Company and is a Senior Partner at Sal & Caldeira Advogados, Lda.

There are no loans made from or to Directors or Key Management Personnel, or related entities, by the Group.

(K) ADDITIONAL INFORMATION

The Company aims to align executive remuneration to drive short, medium and long-term outcomes for the business which creates shareholder value. The table below shows the Group's performance over the past five years. These performance measures may not necessarily be consistent with the measures used in determining performance-based remuneration and accordingly there may not always be a direct correlation between these measures and the variable remuneration awarded.

	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Market capitalisation (US$'000)	300,504	935,882	644,150	352,754	136,156
Closing share price (US$)	0.44	1.40	1.29	0.74	0.33
Loss after income tax for the period (US$'000)	(85,280)	(26,845)	(56,870)	(60,870)	(130,549)
Basic loss per share (US cents)	(13.02)	(4.95)	(10.79)	(14.59)	(34.56)

No dividends were declared or paid in relation to the 2019 to 2023 financial year.

PERFORMANCE RIGHTS

Unissued ordinary shares

Unissued ordinary shares of Syrah Resources Limited under performance rights and Non-Executive Director Share Rights as at 31 December 2023 are as follows:

TABLE 18: UNISSUED ORDINARY SHARES UNDER PERFORMANCE RIGHTS AND NON-EXECUTIVE DIRECTOR SHARE RIGHTS

Grant Date	Vesting and Exercisable Date	Expiry Date	Exercise Price	Number Of Shares Under Option/ Performance Rights	Value Per Option/ Performance Right at Grant Date
Equity Incentive Plan ("EIP")					
Performance Rights EIP					
06-Mar-20	01-Jan-23	-	-	481,051	A$0.30
19-Feb-21	01-Jan-22	-	-	100,000	A$0.29
17-Feb-22	01-Jan-23	-	-	977,500	A$1.43
21-May-21	22-May-23	-	-	100,000	A$0.93
21-May-21	01-Jan-24	-	-	467,727	A$0.68
17-Mar-21	01-Jan-24	-	-	537,020	A$0.86
07-Mar-22	01-Jan-25	-	-	345,513	A$0.96
20-May-22	01-Jan-25	-	-	325,013	A$1.49
20-Jan-23	01-Jan-24	-	-	1,170,000	A$2.26
21-Mar-23	01 Jan-26	-	-	221,685	A$1.36
19-May-23	01-Jan-26	-	-	289,602	A$0.43
Total Performance Rights				**5,015,111**[(1)]	

(1) The Board of Directors has also resolved to grant 774,201 Performance Rights to Key Management Personnel pursuant to the LTI program and were issued on the 12 February 2024 in respect of the period commencing 1 January 2024. In addition, the Board of Directors has also resolved to grant Performance Rights to S Verner as his LTI in respect of the period commencing on 1 January 2024, subject to shareholder approval. Subsequent to 31 December 2023, a total of 1,784,747 Performance Rights lapsed unexercised.

TABLE 18: UNISSUED ORDINARY SHARES UNDER PERFORMANCE RIGHTS AND NON-EXECUTIVE DIRECTOR SHARE RIGHTS (CONTINUED)

Grant Date	Vesting and Exercisable Date	Expiry Date	Exercise Price	Number Of Shares Under Option/ Performance Rights	Value Per Option/ Performance Right at Grant Date
Non-Executive Director Share Rights					
27-May-20	31-Dec-20	-	-	413,848	A$0.32
2-Jun-20	31-Dec-20	-	-	262,846	A$0.29
5-Jun-20	31-Dec-20	-	-	19,266	A$0.41
27-May-20	31-Dec-21	-	-	155,259	A$0.32
2-Jun-20	31-Dec-21	-	-	98,598	A$0.29
5-Jun-20	31-Dec-21	-	-	6,665	A$0.41
1-Sep-21	31-Dec-21	-	-	13,797	A$1.32
28-Jul-21	31-Dec-22	-	-	33,975	A$1.42
29-Jul-21	31-Dec-22	-	-	109,329	A$1.48
30-Jul-21	31-Dec-22	-	-	6,201	A$1.41
10-Aug-21	31-Dec-22	-	-	35,457	A$1.57
1-Sep-21	31-Dec-22	-	-	46,545	A$1.32
19-May-23	31-Dec-23	-	-	84,890[3]	A$0.98
19-May-23	31-Dec-24	-	-	306,745[3]	-
19-May-23	31-Dec-23	-	-	58,965[2]	A$0.98
30-Jun-23	31-Dec-23	-	-	112,152[2]	-
30-Sep-23	31-Dec-23	-	-	182,001[2]	-
31-Dec-23	31-Dec-23	-	-	152,409[2]	-
Total Non-Executive Director Share Rights				**2,098,948**	

(2) On 19 May 2023, shareholders re-approved the NEDSP salary sacrifice program, for FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the first quarter of the NEDSP salary sacrifice program. The remaining awards under this program are for a fixed dollar amount with variable number of shares to be determined in the future.

(3) On 19 May 2023, shareholders also approved an additional equity amount program to the value of A$40,000 per Non-Executive Director over the next three years, being FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the fair value of the FY23 NED additional equity amount program. The remaining awards under this programs are for a fixed dollar amount with variable number of shares to be determined in the future. The number of rights for FY24 has been included here and calculated using the 30 trading day VWAP to 29 Dec 2023. The number of rights for FY25 is yet to be determined.

The proportion of Performance Rights that vest is determined in accordance with the Vesting Conditions. Any Performance Rights that do not vest at the end of the Vesting Period will lapse. The EIP provides that vested Performance Rights will that have not been exercised or automatically exercised (depending on the terms of the relevant offer letter) will expire two years from the First Exercise Date (unless otherwise stated in the relevant offer letter or certificate). The Equity Incentive Plan provides that performance rights will lapse on the earlier of the date so nominated in the offer letter, in accordance with the rules of the Equity Incentive Plan, upon failure to meet a Vesting Condition (or any other applicable condition) or receipt of a notice from the participant electing to surrender the Right.

INDEMNIFICATION OF OFFICERS

During the year the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into a Deed of Indemnity, Insurance and Access with each director, secretary and executive officer. In summary the Deed provides for:

- Access to corporate records for each director, secretary or executive officer for a period after ceasing to hold office in the Company;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by directors, secretary or executive officers in carrying out the business affairs of the Company.

INDEMNITY OF AUDITORS

The Company has entered into an agreement to indemnify its auditor, PricewaterhouseCoopers Australia, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the Company, where the liabilities arise as a direct result of the Company's breach of its obligations to the Auditors, unless prohibited by the Corporations Act.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act.

AUDIT AND NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below:

The Board of Directors has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the financial year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	2023 US$	2022 US$
Audit Services		
PwC Australian firm	360,616	260,026
Network firms of PwC Australian firm	91,536	83,917
Total remuneration for audit services	**452,152**	**343,943**
Non-audit services		
PwC Australian firm		
Tax compliance services	26,273	50,018
Tax consulting services	115,936	72,805
Other non-audit services	10,050	17,361
Total remuneration for non-audit services	**152,259**	**140,184**
Total remuneration paid to PricewaterhouseCoopers	**604,411**	**484,127**

The Group’s policy allows the engagement of PricewaterhouseCoopers on certain assignments additional to their statutory audit duties where PricewaterhouseCoopers expertise and experience with the Group are important, subject to a cap in fees on individual assignments, and a cap on aggregate fees over the course of a year. Certain assignments, and assignments in excess of these caps, require approval from the Audit and Risk Committee.

These assignments are principally tax consulting and advice or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group’s policy to seek competitive tenders for all major consulting assignments.

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act is set out on page 77.

ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial report have been rounded off to the nearest US$’000 (where rounding is applicable) under the relief available to the Company under ASIC Corporations (Rounding in Financial/ Directors Reports) Instrument 2016/191. The Company is an entity to which the Class Order applies.

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

Shaun Verner

Managing Director and Chief Executive Officer

Melbourne, Australia
25 March 2024

Auditor’s Independence Declaration

Auditor’s Independence Declaration

As lead auditor for the audit of Syrah Resources Limited for the year ended 31 December 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
25 March 2024

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Consolidated Financial Statements

For the financial year ended 31 December 2023

The financial statements are presented in US Dollars.

Syrah Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

Registered Office:
c/- Vistra Australia (Melbourne) Pty Ltd
Level 4,
96-100 Albert Road,
South Melbourne,
VIC 3205

Principal Place of Business:
Level 7,
477 Collins Street,
Melbourne, VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 22 to 49, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 25 March 2024. The Directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available on our website: www.syrahresources.com.au

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Consolidated Statement Of Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 US$'000	2022 US$'000
Revenue from continuing operations			
Revenue	3	47,712	106,180
Cost of sales	4	(72,492)	(92,876)
Gross profit/(loss)		**(24,780)**	**13,304**
Distribution costs	5	(16,946)	(33,438)
Administrative expenses	6	(14,113)	(12,043)
Other income/(expenses)		(994)	11,853
Write-down of inventories		(13,225)	(6,078)
Loss before net finance income/(costs) and income tax		**(70,058)**	**(26,402)**
Finance income		1,747	2,113
Finance costs		(13,802)	(5,121)
Net finance costs		**(12,055)**	**(3,008)**
Loss before income tax		**(82,113)**	**(29,410)**
Income tax (expense)/benefit	7	(3,167)	2,565
Loss after income tax for the year		**(85,280)**	**(26,845)**
Other comprehensive loss			
Items that may be reclassified subsequently to the profit or loss			
Exchange differences on translation of foreign subsidiaries	10b	(3,902)	(7,017)
Other comprehensive loss for the year, net of tax		(3,902)	(7,017)
Total comprehensive loss for the year		(89,182)	(33,862)
Total comprehensive loss for the year attributable to:			
- Equity holders of Syrah Resources Limited		(87,804)	(31,969)
- Non-controlling interest		(1,378)	(1,893)
		(89,182)	**(33,862)**

		2023 Cents	2022 Cents
Loss per share attributable to the owners of Syrah Resources Limited			
Basic loss per share	18	(13.02)	(4.95)
Diluted loss per share	18	(13.02)	(4.95)

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

Consolidated Statement Of Financial Position

As at 31 December 2023

	Notes	2023 US$'000	2022 US$'000
Assets			
Current assets			
Cash and cash equivalents	8a	84,889	90,376
Trade and other receivables	8b	5,269	20,918
Inventories	9a	34,897	25,194
Total current assets		**125,055**	**136,488**
Non-current assets			
Trade and other receivables	8b	3,379	10,252
Property, plant and equipment	9c	425,199	274,456
Mining assets	9b	119,379	119,869
Intangible assets		27	44
Deferred tax assets	9d	27,009	28,861
Total non-current assets		**574,993**	**433,482**
Total assets		**700,048**	**569,970**
Liabilities			
Current liabilities			
Trade and other payables	8c	26,780	25,671
Borrowings	8e	279,922	-
Lease liabilities	8d	2,178	2,007
Provisions	9e	3,023	2,302
Total current liabilities		**311,903**	**29,980**
Non-current liabilities			
Trade and other payables	8c	1,687	1,588
Borrowings	8e	-	70,925
Lease liabilities	8d	13,743	12,641
Deferred tax liabilities	9d	5,272	3,958
Provisions	9e	13,839	12,701
Total non-current liabilities		**34,541**	**101,813**
Total liabilities		**346,444**	**131,793**
Net assets		**353,604**	**438,177**
Equity			
Issued capital	10a	798,213	795,975
Reserves	10b	(20,603)	(19,055)
Accumulated losses		(424,980)	(341,095)
Non-controlling interest	10c	974	2,352
Total equity		**353,604**	**438,177**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement Of Changes In Equity

For the year ended 31 December 2023

	Contributed Equity	Accumulated Losses	Non-Controlling Interest	Reserves	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2023	**795,975**	**(341,095)**	**2,352**	**(19,055)**	**438,177**
Loss after income tax expense for the year	-	(83,902)	-	-	(83,901)
Non-controlling interest	-	-	(1,378)	-	(1,378)
Other comprehensive loss for the year, net of tax	-	-	-	(3,902)	(3,902)
Total comprehensive loss for the year	**-**	**(83,902)**	**(1,378)**	**(3,902)**	**(89,182)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs					
Share-based payments	-	-	-	4,609	4,609
Transfers from share-based payments reserve:					
- Issuance of shares	2,238	-	-	(2,238)	-
- Expired/lapsed performance rights	-	17	-	(17)	-
	2,238	17	-	2,354	4,609
Balance at 31 December 2023	**798,213**	**(424,980)**	**974**	**(20,603)**	**353,604**
Balance at 1 January 2022	**619,285**	**(317,008)**	**4,245**	**(14,008)**	**292,514**
Loss after income tax expense for the year	-	(24,952)	-	-	(24,952)
Non-controlling interest	-	-	(1,893)	-	(1,893)
Other comprehensive loss for the year, net of tax	-	-	-	(7,017)	(7,017)
Total comprehensive loss for the year	**-**	**(24,952)**	**(1,893)**	**(7,017)**	**(33,862)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	175,591	-	-	-	175,591
Share-based payments	-	-	-	3,934	3,934
Issuance of 5% Non-controlling interest	-	-	-	-	-
Transfers from share-based payments reserve:					
- Issuance of shares	1,022	-	-	(1,022)	-
- Exercise of options	77	-	-	(77)	-
- Expired/lapsed options and performance rights	-	865	-	(865)	-
	176,690	865	-	1,970	179,525
Balance at 31 December 2022	**795,975**	**(341,095)**	**2,352**	**(19,055)**	**438,177**

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

Consolidated Statement Of Cash Flows

For the year ended 31 December 2023

	Notes	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Receipts from customers		56,327	98,233
Payments to suppliers and employees (inclusive of goods and services tax)		(118,254)	(131,165)
Interest received		2,055	1,736
Net cash outflow from operating activities	11	**(59,872)**	**(31,196)**
Cash flows from investing activities			
Payments for property, plant and equipment		(145,998)	(99,117)
Payments for intangibles		(1,019)	-
Payments for security deposits		-	(4,360)
Receipts from security deposits		8,431	-
Net cash outflow from investing activities		**(138,586)**	**(103,477)**
Cash flows from financing activities			
Proceeds from issue of shares		-	180,777
Net proceeds from issue of convertible notes		102,600	-
Share issue transaction costs		-	(5,187)
Payments for interest on lease liabilities		(1,914)	(986)
Payments for principal on lease liabilities		(2,562)	(2,335)
Net proceeds from borrowings		97,442	-
Net cash inflow from financing activities		**195,566**	**172,269**
Net (decrease)/increase in cash and cash equivalents		(2,892)	37,596
Cash and cash equivalents at beginning of the financial year		90,376	52,914
Effects of exchange rate changes on cash and cash equivalents		(2,595)	(134)
Cash and cash equivalents at end of the financial year	8a	**84,889**	**90,376**

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

Notes to the Consolidated Financial Statements

HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the Group, including:

a. accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction

b. analysis and sub-totals, including segment information

c. information about estimates and judgements made in relation to particular items.

NOTE 1. INTRODUCTION

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Syrah Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Where necessary, comparatives have been reclassified for consistency with current year disclosures.

Compliance with IFRS

The consolidated financial statements of the Syrah Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain assets which, as noted, are at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes.

Estimates and assumptions which are material to the financial report are found in the following notes:

- Net realised value of inventory – note 9(a)
- Close-down restoration and environmental obligations – estimation costs and the timing of expenditure – note 9(e)
- Recoverability of input tax credits – note 8(b)
- Carry forward value of exploration and evaluation – note 9(b)
- Provisions – note 9(e)
- Recoverable amount of non-financial assets and impairment of exploration and evaluation expenditure – note 9(c)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Going Concern basis of preparation

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 31 December 2023, the Group incurred a loss after tax of $85.3 million (2022: $26.8 million) and incurred net cash outflows from operating activities of $59.9 million (2022: $31.2 million). As of 31 December 2023, the Group had a Cash and Cash Equivalents balance of $84.9 million, of which $46.7 million is unrestricted cash, and net current liabilities of $186.8 million (2022: net current assets of $106.5 million). Current liabilities as at 31 December 2023 includes borrowings of $279.9 million, relating to both the US Department of Energy ("DOE") loan and AustralianSuper convertible notes. Series 1 and 3 AustralianSuper convertible notes have a maturity date of 28 October 2024. Other borrowings are classified as current as they would have contractually become payable as at balance sheet date if either lender enforced their rights due to an Event of Default under the DOE loan. This Event of Default and any others prior to the launch of the equity raising were subsequently waived. In addition, immediately prior to the completion of these financial statements, management identified an additional Event of Default under the DOE loan which could result in the DOE Loan and AustralianSuper Convertible Notes becoming payable under the terms of those facilities if either lender enforced their rights. Waivers were promptly sought from the counterparties and are currently being processed.

The Group requires significant capital to develop and grow its business and expects to incur operating losses and net cash outflows, including those relating to construction, procurement of equipment, research and development, regulatory compliance, operations, and sales and distribution as the Group builds its brand and markets its products and general and administrative costs. The Group's ability to become profitable in the future will depend on its ability not only to successfully market its products, but also to control its costs, and will require the company to obtain additional funding. An inability to obtain finance on acceptable terms, or at all, may cause, among other things, substantial delays in, or prevent, the operation of Balama, potential Vanadium development and the operation and further expansion of the Vidalia AAM facility.

The Group is currently experiencing challenging market conditions for sales of natural graphite material from Balama as a result of impacts following the announcement and implementation by the Chinese Government of export license controls for designated graphite products. At the same time, the Group is ramping up production of the Vidalia Initial Expansion Project following the completion of construction following year end, in order to provide material to offtake customers for qualification and to commence sales.

The ability of the Group to continue as a going concern is dependent on the Group continuing to implement its key funding and operational initiatives. Key initiatives include;

- The Group is managing production at Balama through this period of low sales through the implementation of a revised operating mode to reduce costs. Through this initiative, the Group is targeting ~30-day high capacity utilisation production campaigns followed by curtailment periods determined by inventory levels and new sales demand. Production campaigns will be dependent on sales from inventory and new sales orders at production volumes averaging at least 10kt per month, in line with a revised Balama operating mode and a lower unit operating cost. Syrah has the capability to return to higher capacity utilisation quickly should natural graphite demand increase, while focusing on strengthening plant reliability and identifying and implementing operational efficiencies during the shutdown periods to ensure strong operational performance in future production periods.

- Pursuit of a sales strategy that diversifies sales of fines material away from customers in China, towards customers developing anode production facilities in other geographic locations which is expected to deliver a higher price for that material, and overall, and a more stable utilisation of Balama's production capacity.
- Subsequent to year end, the Company launched an equity raising of approximately A$98.0 million (US$65.0 million) through a fully underwritten institutional placement and 1 for 10.2 pro rata accelerated non-renounceable institutional and retail entitlement offer.
- The institutional placement and institutional entitlement offer completed on 15 March 2024, together raising approximately A$80.0 million (US$53.0 million) at a fixed price of A$0.55 per new share. The institutional placement and institutional entitlement offer settled on 21 March 2024 and the new shares commenced trading on 22 March 2024.
- The retail entitlement offer is also fully underwritten and is expected to raise A$18.0 million (US$12.0 million). It closes on 3 April 2024 and will be settled on 9 April 2024.
- Since year end, the Events of Default have been waived or are in the process of being waived and, subject to meeting the requirements of the loan facilities going forward, the DOE loan and AustralianSuper Convertibles Notes Series 4, 5 and 6 would expect to be treated as non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date.
- Following year-end the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3, which comprise US$77.8 million of borrowings at 31 December 2023, to amend the conversion price to A$0.6688 per share. AustralianSuper have committed to convert the notes into new shares. This conversion is subject to Syrah Resources shareholder approval, with AustralianSuper committed to the conversion within 5 business days of the approval.
- Syrah believes there are a number of additional funding alternatives including, but not limited to, a loan of up to US$150.0 million from the United States International Development Finance Corporation for which loan documentation has been substantially agreed, with a first disbursement targeted for the second quarter of 2024.
- 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 2024 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. While the Company expects a number of the above initiatives to be completed in the near term, as at the date of signing they have not yet been completed and as a result it has been determined that there is material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore should these initiatives not be completed as expected, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors are confident that the Group will be successful in the above matters, including obtaining adequate cash resources to meet its obligations and continue its business activities in all scenarios that they consider reasonably possible and accordingly have adopted the going concern basis of accounting in the preparation of these financial statements.

b) Reporting currency

Functional and presentation currency

The presentation currency of the Group is US Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. All exchange differences in the consolidated financial statements are taken to the Statement of Comprehensive Income with the exception of exchange differences on certain US Dollar denominated receivables (held by the parent entity which has a functional currency of Australian Dollars) where the foreign currency components are deemed to be hedges of a net investment in a foreign operation. These are recognised in other comprehensive income and accumulated in a reserve until the amounts are settled or the foreign operation is disposed of (for net investment hedges), at which time they are recognised in the Statement of Comprehensive Income.

Translation

The assets and liabilities of entities within the group with functional currency other than US Dollars (being the presentation currency of the Group) are translated into US Dollars at the exchange rate at reporting date (31 December 2023: 0.6840 (31 December 2022: 0.6775)) and the Statement of Comprehensive Income is translated at the average exchange rate for the financial year (2023:0.6643) (2022: 0.6947). On consolidation, exchange differences arising from the translation of these subsidiaries are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

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 three segments:

Balama

Production, distribution and sale of natural flake graphite from the Balama Graphite Operation in Mozambique.

Vidalia

Operation and expansion of the Vidalia AAM facility including operation of a qualification facility, the construction of the Vidalia Initial Expansion project, evaluation of the Vidalia Further Expansion project, customer engagement and commercial negotiations, and research and development.

Corporate

Corporate administration, treasury and investing activities.

b) Segment information

	Balama US$'000	Vidalia US$'000	Corporate US$'000	Consolidated US$'000
Year ended 31 December 2023				
Total segment revenue	53,113	-	-	53,113
Inter-segment revenue	(5,401)	-	-	(5,401)
Revenue from external customers	47,712	-	-	47,712
Total segment EBITDA	**(43,099)**	**33**	**(13,705)**	**(56,771)**
Year ended 31 December 2022				
Total segment revenue	106,195	-	-	106,195
Inter-segment revenue	(15)	-	-	(15)
Revenue from external customers	106,180	-	-	106,180
Total segment EBITDA	**(13,307)**	**(290)**	**1,649**	**(11,948)**
Total segment current assets				
31 December 2023	34,151	43,985	46,919	125,055
31 December 2022	45,287	275	90,926	136,488
Total segment non-current assets				
31 December 2023	261,152	313,377	464	574,993
31 December 2022	265,245	167,668	569	433,482
Total segment liabilities				
31 December 2023	(45,322)	(112,829)	(188,293)	(346,444)
31 December 2022	(48,921)	(10,014)	(72,858)	(131,793)

NOTE 3. REVENUE

	2023 US$'000	2022 US$'000
Revenue from external customers	47,712	106,180

a) Geographical information

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

	2023 US$'000	2022 US$'000
China	23,259	66,972
Europe	10,987	20,902
India	4,306	7,209
Americas	8,594	10,745
Other locations	566	352
	47,712	106,180

b) Major customer information

Revenue from each of the seven major customers (three in China, three in Europe and one in Americas) individually accounts for approximately 6% or greater of total revenues, and in aggregate amounted to $35.3 million from the sale of natural graphite products on a CIF basis. Sales to Chinese customers were 49% of the total revenue, while sales to European, American, and Indian customers were 23%, 18% and 9%, respectively.

NOTE 4. COST OF SALES

	2023 US$'000	2022 US$'000
Mining and production costs	65,389	70,449
Logistics costs	14,002	18,163
Government royalties	903	1,716
Depreciation and amortisation expense	11,999	10,533
Changes in inventories	(19,896)	(8,471)
Other costs	95	486
	72,492	92,876

NOTE 5. DISTRIBUTION COSTS

	2023 US$'000	2022 US$'000
Shipping costs	13,176	31,152
Depreciation and amortisation	5	10
Other selling costs	3,765	2,276
	16,946	33,438

NOTE 6. ADMINISTRATIVE EXPENSES

	2023 US$'000	2022 US$'000
Employee benefits:		
Salaries and wages	4,214	3,668
Share-based payments	4,609	4,002
Employee entitlements	368	321
Employer contribution superannuation expense	311	301
Total employee benefits expense	9,502	8,292
Legal and consulting expenses:		
Legal expenses	418	234
Consulting expenses	2,505	1,363
Total legal and consulting expenses	2,923	1,597
Other expenses:		
Other expenses	1,688	2,154
Total other expenses	1,688	2,154
Total administrative expenses	14,113	12,043

NOTE 7. INCOME TAX EXPENSE

a) Income tax expense

	2023 US$'000	2022 US$'000
Current tax expense	-	-
Deferred tax expense	865	(2,565)
Adjustments for deferred tax of prior periods	2,302	-
Total tax expense/(benefit)	3,167	(2,565)
Deferred income tax		
(Increase)/decrease in deferred tax assets	1,852	(2,900)
Increase/(decrease) in deferred tax liabilities	1,315	336
Total deferred tax expense/(benefit)	3,167	(2,565)

b) Numerical reconciliation of income tax for the year to prima facie tax payable

	2023 US$'000	2022 US$'000
Loss from continuing operations before income tax	(82,113)	(29,410)
Tax at the Australian tax rate of 30% (2022 – 30%)	(24,634)	(8,823)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
- Share-based payments	1,381	1,201
- Other non-deductible expenses	2,990	2,822
- Difference in overseas tax rates	9,178	1,785
- Movement in unrecognised temporary differences	1,915	(3,553)
- Previous unrecognised tax losses used to reduce deferred tax expense	(1,516)	(3,958)
- Under/(Over) provision in the prior year	2,302	-
- Current year taxation losses not recognised as deferred tax assets	13,401	6,260
- Other permanent differences	(1,850)	1,701
Income tax expense/(benefit)	3,167	(2,565)

c) Taxation losses and unrecognised temporary differences

	2023 US$'000	2022 US$'000
Unused taxation losses for which no deferred tax asset has been recognised	195,418	150,747
Potential taxation benefit at 30%	58,625	45,224
Temporary differences for which no deferred tax asset (net) has been recognised	2,557	642

The taxation benefits of taxation losses and temporary differences not brought to account will only be recognised if:

- the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised in the respective jurisdictions and within the allowed timeframes for tax loss utilisation
- the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a) Cash and cash equivalents

	2023 US$'000	2022 US$'000
Cash at bank and in hand	34,892	10,359
Deposits at call	11,787	80,017
Other - restricted cash	38,210	-
	84,889	**90,376**

Total cash is held in current accounts or money market 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 31 December 2023, the weighted average interest rate on current accounts and term deposits was 4.54% (2022: 3.92%).

Restricted cash are bank accounts which are subject to loan agreement restrictions and are therefore not available for general use by other entities within the group.

Risk exposure

The Group's exposure to foreign exchange and interest rate risk is discussed in note 12. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

b) Trade and other receivables

	2023 US$'000	2022 US$'000
Current		
Trade receivables	3,512	12,254
Prepayments	1,591	7,962
Other receivables	138	680
Input tax credits	28	22
Total current trade and other receivables	5,269	20,918
Non-current		
Input tax credits	3,834	2,216
Provision for input tax credits	(485)	(424)
Security deposits[1]	30	8,460
Total non-current trade and other receivables	3,379	10,252

(1) Security deposits are restricted deposits that are used for monetary backing for performance guarantees

Classification of Trade Receivables

Trade receivables are amounts due from customers from the sale of graphite. They are generally due for settlement within 60 days and therefore are all classified as current.

Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 12.

Fair value measurement and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 12 for more information on the credit quality of the Group's trade and other receivables. For non-current receivables, the fair values are also not significantly different from their carrying amounts.

Significant estimates and judgements

As at 31 December 2023, the balance of input tax credits held by Twigg was $3.8 million (2022: $2.2 million). The Group regularly assesses the recoverability of input tax credits. As a result of the most recent assessment, the Group determined that there was some doubt relating to the recoverability of input tax credits at Twigg which originated prior to 2017. As a result, a provision of $0.5 million for input tax credits has been recognised as at 31 December 2023. During the year ended 31 December 2023, recoveries of input tax credits of $0.4 million were received (31 December 2022: $4.7 million).

Should management determine that some of these input tax credits are not recoverable in future, the Group will reclassify those amounts to the cost base of related assets, or recognise an expense in the profit or loss in the period the determination is made. The outstanding balance for input tax credit is classified as non-current due to uncertainties on the timing of receipts.

c) Trade and other payables

	2023 US$'000	2022 US$'000
Current		
Trade payables and accruals	23,898	24,110
Other payables	2,882	1,561
Total current trade and other payables	**26,780**	**25,671**
Non-current		
Trade payables and accruals	1,687	1,588
Total non-current trade and other payables	**1,687**	**1,588**

Risk exposure

Trade payables are non-interest bearing and are normally settled on repayment terms between 7 and 30 days. Information about the Group's exposure to foreign exchange risk is provided in note 12.

Fair value measurement

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

d) Leases

This note provides information for leases where the Group is a leasee.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2023 US$'000	2022 US$'000
Right of use assets		
Properties	7,465	8,914
Equipment	2,043	538
	9,508	9,452
Lease liabilities		
Current	2,178	2,007
Non-current	13,743	12,641
	15,921	14,648

Lease liabilities are measured at the present value of the fixed and variable lease payments, net of cash lease incentives, that are not paid at the balance date. Lease payments are apportioned between finance charges and a reduction of the lease liability using the incremental borrowing rate implicit in the lease where available, or an assumed Group incremental borrowing rate, to achieve a constant rate of interest on the remaining balance of the liability.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2023 US$'000	2022 US$'000
Depreciation charge of Right of use assets		
Properties	1,474	1,439
Equipment	1,934	959
	3,408	2,398
Interest expense (included in finance cost)	1,145	990
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	43	66
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	4	5
Expense relating to short-term leases (included in Assets Under Construction)	105	134

The total cash outflow for leases in 2023 was $4.5 million (2022: $3.3 million). This consists of payment of lease liabilities and payment for interest on lease liabilities.

e) Borrowings

	2023 US$'000	2022 US$'000
Current		
Initial face value of Convertible Notes[1] issued and DoE loan[2][3]	259,693	-
Capitalised to principal outstanding		
- Interest charges[4]	27,918	-
- Convertible Notes Transaction costs	3,234	-
Borrowing costs	(6,377)	-
Deferred transaction costs	(2,128)	-
Exchange differences	(2,418)	-
Total current borrowings	279,922	-
Non-current		
Initial face value of Convertible Notes[3] issued	-	60,143
Capitalised to principal outstanding		
- Interest charges	-	14,265
- Transaction costs	-	1,203
Deferred transaction costs	-	(517)
Exchange differences	-	(4,169)
Total non-current borrowings	-	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, A$50.0 million Convertible Note Series 4 in May 2023, A$50.0 million Convertible Note Series 5 on 8 August 2023 and A$50.0 million Convertible Note Series 6 on 23 October 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. Prior to approval of the Shareholder Resolutions, interest accrued on the Series 4 Convertible Note principal outstanding at a rate of 14% per annum, compounded daily, capitalised quarterly in arrears and added to principal outstanding. Following approval of the Shareholder Resolutions on 28 July 2023, interest has accrued and will accrue on the Series 4, 5 and 6 Convertible Notes principal outstanding at a rate of (at the Company's discretion): 11% per annum, compounded daily, capitalised quarterly in arrears and added to principal outstanding. The Series 4, 5 and 6 Convertible Notes matures on 12 May 2028 unless redeemed or converted earlier. 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. Following year-end the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3 resulting in the conversion of Series 1 and 3 subject to shareholder approval.

(2) Syrah Technologies LLC completed the full drawn down of the DOE loan advances on 15 February 2023, 25 April 2023 and 3 October 2023 for a total amount of $98 million. The DOE loan is for up to $102 million including $98 million in loan advances and approximately $4 million in maximum capitalised interest. The maturity date of the fully drawn down loan is 20 April 2032. As at 31 December 2022, the DOE loan had not been drawn down. Syrah Technologies also incurred total of $6.4 million of origination costs related to loan origination and agreement execution costs. These costs are offset against Borrowings and amortised over the life of the loan using the effective interest rate method.

(3) It was determined that as at year end an Event of Default had occurred in relation to the DOE loan and as a result, the DOE loan and the AustralianSuper Convertible Notes could contractually have become payable as at balance sheet date if either DOE or AustralianSuper chose to exercise their rights under the respective loan agreements. Engagement with the DOE and AustralianSuper on this and related topics identified that waiver requests associated with the Event of Default would be assessed. Nevertheless, absent waivers in place at the end of the financial year, the DOE loan and the AustralianSuper Convertible Notes Series 4, 5 and 6 are accounted for in current liabilities, rather than non-current liabilities as at 31 December 2023. Since year end, the Event of Defaults have been waived and subject to meeting the requirements of the loan facilities going forward, the DOE loan and AustralianSuper Convertibles Notes Series 4, 5 and 6 would expect to be treated as non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date. In addition, following year-end the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3 resulting in the conversion of Series 1 and 3 subject to shareholder approval.

(4) Interest charges are calculated for the Convertible Notes and DOE loan by applying the effective interest rate in the range of 3.6% to 11.6% to the liability component.

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

a) Inventories

	2023 US$'000	2022 US$'000
Stores and materials	18,437	15,385
Ore stockpile	3,615	1,781
Work in progress	114	86
Finished goods	12,731	7,942
	34,897	25,194

Inventory write-down

Write-down of inventories to net realisable value totaled $13.2 million in 2023 (2022: $6.1 million) and was recognised as an expense in the Consolidated Statement of Comprehensive Income.

b) Mining assets

	2023 US$'000	2022 US$'000
Exploration and evaluation	1,305	1,304
Mine properties and development	118,074	118,565
Total mining assets	119,379	119,869

Movements in Mining Assets are set out below:

	Exploration and Evaluation US$'000	Mine Properties and Development US$'000	Total US$'000
At 1 January 2023			
Cost	1,304	188,058	189,362
Accumulated amortisation and impairment	-	(69,493)	(69,493)
Net book amount	1,304	118,565	119,869
For the financial year ended 31 December 2023			
Balance at beginning of the year	1,304	118,565	119,869
Additions	-	1,019	1,019
Change in rehabilitation estimate	-	1,639	1,639
Amortisation expenses	-	(3,149)	(3,149)
Exchange differences	1	-	1
Balance at end of the year	1,305	118,074	119,379
At 1 January 2022			
Cost	1,308	197,708	199,016
Accumulated amortisation and impairment	-	(66,252)	(66,252)
Net book amount	1,308	131,456	132,764
For the financial year ended 31 December 2022			
Balance at beginning of the year	1,308	131,456	132,764
Additions	-	-	-
Change in rehabilitation estimate	-	(9,650)	(9,650)
Amortisation expenses	-	(3,241)	(3,241)
Exchange differences	(4)	-	(4)
Balance at end of the year	1,304	118,565	119,869

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 interests at an amount at least equal to book value.

Mine Properties and Development

Mine Properties and Development mainly relate to the development, construction and pre-commercial production costs of Balama in Mozambique.

c) Property, plant and equipment

	Land and Buildings US$'000	Plant and Equipment US$'000	Computer Equipment US$'000	Assets Under Construction US$'000	Right of Use Assets US$'000	Total US$'000
At 1 January 2023						
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	71,313	264	184,401	9,452	274,456
For the financial year ended 31 December 2023						
Balance at beginning of period	9,026	71,313	264	184,401	9,452	274,456
Additions	237	343	19	155,039	22	155,660
Disposals (at net book value)	-	-	(1)	-	-	(1)
Lease modifications	-	-	-	-	3,439	3,439
Depreciation expense	(420)	(4,525)	(133)	-	(3,408)	(8,487)
Exchange differences	-	(6)	-	134	3	132
Balance at end of the year	8,843	67,125	149	339,574	9,508	425,199
At 31 December 2023						
Cost	15,415	126,870	899	339,574	20,511	503,269
Accumulated depreciation and impairment	(6,572)	(59,745)	(750)	-	(11,003)	(78,070)
Net book amount	8,843	67,125	149	339,574	9,508	425,199
At 1 January 2022						
Cost	15,024	125,629	887	84,899	17,952	244,391
Accumulated depreciation and impairment	(5,765)	(50,516)	(521)	-	(7,069)	(63,871)
Net book amount	9,259	75,113	366	84,899	10,883	180,520
For the financial year ended 31 December 2022						
Balance at beginning of period	9,259	75,113	366	84,899	10,883	180,520
Additions	154	823	35	100,243	980	102,235
Disposals (at net book value)	-	-	-	-	-	-
Depreciation expense	(387)	(4,618)	(135)	-	(2,398)	(7,538)
Exchange differences	-	(5)	(2)	(741)	(13)	(761)
Balance at end of the year	9,026	71,313	264	184,401	9,452	274,456
At 31 December 2022						
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	71,313	264	184,401	9,452	274,456

Assets Under Construction

As of 31 December 2023, the Assets Under Construction primarily comprise of two significant projects within the Group. This includes capitalized expenses for both project and product development related to the Vidalia AAM facility, amounting to $308.1 million (2022: $163.7 million), as well as capital expenditures for Balama, primarily for Tailings Storage Facility cell 2 (TSF cell 2), totaling $31.5 million (2022: $20.7 million).

Significant estimates and judgements

Impairment of non-financial assets

The Group performs an impairment assessment where there is an indication of possible impairment. Impairment assessments are performed using information from internal sources as well as external sources, including industry analysts and analysis performed by external parties.

The recoverable amount of each cash generating unit is considered to be the higher of fair value less costs of disposal or value-in-use. Where an impairment assessment is required, the Group undertakes cash flow calculations based on a number of critical estimates, assumptions and forward estimates including commodity price expectations, foreign exchange rates, discount rates, reserves and resources and expectations regarding future investment decisions and associated development costs as well as production, sales and operating costs which are subject to risk and uncertainty.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

Indicators of impairment were identified as at 31 December 2023, and as a result, management performed an impairment assessment. No impairment was recognised as a result of the assessment.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of change in Ore Reserves and Mineral Resources, technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets are abandoned or sold and written off or written down.

Determination of Mineral Resources and Ore Reserves

Mineral Resources and Ore Reserves are based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code). There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of ore reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

Impairment of exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to develop and exploit an area of interest or, if not, whether it recovers the related exploration and evaluation asset through sale.

d) Deferred tax balances

The balance comprises temporary differences attributable to:

	2023 US$'000	2022 US$'000
Deferred tax assets		
Taxation losses[1]	-	2,302
Taxation losses[2]	5,272	3,958
Mining assets	21,737	22,602
Total deferred tax assets	27,009	28,861
Deferred tax liabilities		
Non-financial assets	(5,272)	(3,958)
Total deferred tax liabilities	(5,272)	(3,958)

(1) Relates to tax losses generated by Twigg Exploration and Mining Limitada in Mozambique, which have a 5 year utilisation requirement under Mozambique tax laws.

(2) Relates to tax losses held by Syrah Technologies LLC up to the balance of Deferred Tax Liabilities held. Losses can be carried forward for 20 years and can be utilized based on future forecasted profitability of Vidalia.

Movements in deferred tax balances - 31 December 2023

	Balance at 1 January 2023 US$'000	(Charged) / Credited to Profit or Loss US$'000	Balance at 31 December 2023 US$'000
Deferred tax assets			
Taxation losses	6,260	(988)	5,272
Mining assets	22,602	(865)	21,737
Total deferred tax assets	28,862	(1,853)	27,009
Deferred tax liabilities			
Non-financial assets	(3,958)	(1,314)	(5,272)
Total deferred tax liabilities	(3,958)	(1,314)	(5,272)

Movements in deferred tax balances - 31 December 2022

	Balance at 1 January 2022 US$'000	(Charged) / Credited to Profit or Loss US$'000	Balance at 31 December 2022 US$'000
Deferred tax assets			
Taxation losses	2,302	3,958	6,260
Mining assets	23,659	(1,057)	22,602
Total deferred tax assets	25,961	2,900	28,861
Deferred tax liabilities			
Non-financial assets	(3,622)	(336)	(3,958)
Total deferred tax liabilities	(3,622)	(336)	(3,958)

Potential deferred tax assets attributable to future tax deductions in the Twigg Exploration and Mining Limitada entity, as detailed below, have not been brought to account at 31 December 2023 because the group does not believe it is appropriate to regard realisation of the deferred income tax assets as probable.

Unrecognised deferred tax assets:

	2023 US$'000	2022 US$'000
Decommissioning Provision	2,206	1,710
Community Development Provision	2,727	2,753
Total unrecognised deferred tax assets	4,933	4,463

Unrecognised deferred tax liabilities:

	2023 US$'000	2022 US$'000
Decommissioning asset	1,849	1,353
Total unrecognised deferred tax liabilities	1,849	1,353

The Group's accounting policy for taxation requires management judgment in relation to the application of income tax legislation. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognises liabilities for tax, and if applicable taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent upon the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. In addition, the utilisation of taxation losses also depends on the ability of the tax consolidated entities to satisfy certain tests at the time the losses are recouped.

e) Provisions

	2023 US$'000	2022 US$'000
Current		
Employee benefits	1,381	967
Other provisions	1,642	1,335
	3,023	2,302
Non-current		
Employee benefits	67	90
Decommissioning and restoration	6,894	5,342
Other provisions	6,878	7,269
	13,839	12,701

Movements in decommissioning and restoration provision

	2023 US$'000	2022 US$'000
Balance at beginning of the year	5,342	15,004
Additional provisions:		
- Capitalised to Mine Properties and Development (note 9b)	1,639	(9,650)
- Unwind of discount	(88)	(12)
Balance at end of the year	6,894	5,342

Movements in other provisions

	2023 US$'000	2022 US$'000
Balance at beginning of the year	8,605	11,313
Additional provisions		
- Charged/(credited) to profit or loss	-	(2,321)
- Unwind of discount	333	385
Amounts used during the year	(417)	(772)
Balance at end of the year	**8,521**	**8,605**

Employee benefits

Employee benefits provisions relate to employee entitlements such as annual leave and long service leave.

Other provisions

Other provisions relating 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).

Significant Estimates and Judgements

The provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessment of the time value of the money. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning and restoration

Decommissioning, dismantling of property, plant and equipment and restoration are normal for the mining industry, and the majority of this expenditure will be incurred at or near the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the estimated future level of inflation, and time value of money.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the mine plan, changes to the relevant legal requirements, the emergence of new restoration techniques or industry experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

The provision is the present value of estimated future expenditure to restore the current level of disturbance. These costs have been capitalised as part of Mine Properties and Development and will be amortised over the estimated life of the mine.

Additional decommissioning and restoration provisions required as a result of continuing activities or future operations will be recognised in the future as and when new areas are disturbed, or new structures built, and the obligation to remediate the affected areas arises.

NOTE 10. EQUITY

a) Issued capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Issued and fully paid ordinary shares	675,897,730	670,570,710	798,213	795,975
	675,897,730	670,570,710	798,213	795,975

Movements in ordinary share capital

	Number of Shares	Weighted Average Issue Price (A$)	Total US$'000
31 December 2023			
Balance at beginning of the year	670,570,710	-	795,975
Issue of new shares:			
- Equity-settled remuneration	5,327,020	-(1)	-
Transfers from share-based payment reserve(2)	-	-	2,238
Balance at end of the year	675,897,730		798,213
31 December 2022			
Balance at beginning of the year	498,734,723	-	619,285
Issue of new shares:			
- Institutional placement	130,478,794	A$1.48	138,497
- Entitlement offer	38,505,823	A$1.48	42,280
- Exercise of options	377,901	A$0.19	49
- Equity-settled remuneration	2,473,469	-(1)	-
Transfers from share-based payment reserve(2)	-	-	1,051
Capital raising costs	-	-	(5,187)
Balance at end of the year	670,570,710		795,975

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

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held.

Ordinary shares entitle their holder to one vote per share, either in person or by proxy, at a meeting of the Group. Ordinary shares have no par value and the Group does not have a limited amount of authorised share capital.

Share rights

The Group has a share-based payment scheme under which share rights have been granted to Non- Executive Directors, Executives and selected Senior Employees. Information in relation to the Group's Long Term Incentive Plan including details of share rights issued during the financial year and outstanding at the end of the financial year are set out in note 16.

There are no voting or dividend rights attached to share rights.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, or issue new shares.

b) Reserves

	2023 US$'000	2022 US$'000
Foreign currency translation reserve	(28,945)	(25,043)
Share-based payments reserve	8,342	5,988
	(20,603)	(19,055)

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
31 December 2023			
Balance at beginning of the year	(25,043)	5,988	(19,055)
Foreign currency translation	(3,902)	-	(3,902)
Share-based payments	-	4,609	4,609
Issuance of shares	-	(2,238)	(2,238)
Transfer of expired/lapsed performance rights	-	(17)	(17)
Balance at end of the year	(28,945)	8,342	(20,603)
31 December 2022			
Balance at beginning of the year	(18,026)	4,018	(14,008)
Foreign currency translation	(7,017)	-	(7,017)
Share-based payments	-	3,934	3,934
Issuance of shares	-	(1,022)	(1,022)
Exercise of options	-	(77)	(77)
Transfer of expired/lapsed options and performance rights	-	(865)	(865)
Balance at end of the year	(25,043)	5,988	(19,055)

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 was changed from Mozambique Meticals (MZN) to the United States Dollar (USD) on the basis that the USD is the currency that predominately 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 Group (refer note 16(b) for further details).

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.

NOTE 11. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2023 US$'000	2022 US$'000
Loss after income tax expense for the year	(85,280)	(26,845)
Adjustments for:		
Depreciation and amortisation expense	12,142	10,818
Gain/(loss) on fixed asset disposal	1	46
Share-based payments	4,609	4,002
Revaluation of financial asset	-	216
Interest expense	13,384	4,920
Net foreign exchange (gain)/loss	(461)	(10,871)
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	14,048	(9,718)
Increase/(decrease) in trade and other payables	(11,910)	4,328
Increase/(decrease) in provisions	132	(720)
(Increase)/decrease in inventories	(9,703)	(4,808)
(Increase)/decrease in deferred tax assets	1,852	(2,900)
Increase/(decrease) in deferred tax liabilities	1,314	336
Net cash outflow from operating activities	(59,872)	(31,196)

RISK

This section of the notes discusses the group's exposure to various risk and shows how these could affect the group's financial position and performance.

NOTE 12. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, foreign exchange risk and aging analysis for credit risk.

The Group continues to assess the impacts on its business broadly, and Financial Risk Management specifically, from extreme health events and geopolitical events including conflicts. These impacts include demand for its products, supply chain and people movement disruptions, and financial market volatility (including currency markets). Syrah is particularly focused on managing its Liquidity Risk and assessing a range of production and demand scenarios over the next 12 months.

Financial risk management is carried out by the Audit and Risk Committee under guidelines established by the Board. The Group holds the following financial instruments:

	2023 US$'000	2022 US$'000
Financial Assets		
Cash and cash equivalents	84,889	90,376
Trade and other receivables	8,648	31,170
	93,537	121,546
Financial Liabilities		
Trade and other payables	28,467	27,258
Borrowings	279,922	70,925
Lease liabilities	15,921	14,649
	324,310	112,832

a) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Mozambican Meticals (MZN) and Australian Dollars (AUD).

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency and the impact of exchange rate movements on net investment in foreign subsidiaries. The risk is measured using sensitivity analysis and cash flow forecasting.

At this time the Group does not manage its prospective foreign exchange risk with currency hedges. The Group's exposure to foreign currency risk at the reporting date, expressed in USD, was as follows:

	2023 US$'000	2022 US$'000
Assets		
- US Dollars[1]	29,101	75,061
- Mozambique Meticals	3,521	6,523
- Other	47	49
	32,669	81,633
Liabilities		
- US Dollars	96	-
- Mozambique Meticals	4,434	7,960
- South African Rand	381	786
- Other	358	34
	5,269	8,780
Net surplus/(deficit) position	27,400	72,853

(1) Relates to US Dollar denominated financial assets and liabilities held by the parent entity, Syrah Resources Limited, which has an Australian dollar functional currency.

Group sensitivity

Based on the financial instruments held at 31 December 2023 and the net investments in foreign subsidiaries, had the USD strengthened/weakened by 5% against the above currencies with all other variables held constant, the impact on consolidated results for the financial year would have changed as follow:

	Impact on Loss after Tax (Higher)/ Lower		Impact on Equity Higher/ (Lower)	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
USD +5%	(1,303)	(3,474)	(3,930)	(4,260)
USD -5%	1,440	3,840	4,343	4,708

Cash flow and fair value interest rate risk

The Group's main interest rate risk relates to interest income on Cash and Cash Equivalents. The entity does not hold any financial assets or liabilities whose fair value would be impacted by interest rates. A reasonably possible movement in interest rates would not have a material impact on the consolidated results or equity for the year.

Under the terms of the Convertible Notes, the Group can elect each quarter to capitalise interest and add the amount to the Principal Outstanding at a rate of 8.0% for Convertible Note series 1 and 3 and 11% Convertible Note series 4, 5 and 6 or pay interest in cash at a rate of 7.5% for Convertible Notes series 1 and 3 and 10.5% for Convertible Notes Series 4, 5 and 6. These interest rates are fixed for the term of the Convertible Notes.

Under the terms of the DOE Loan, interest rate is fixed from the date of each loan advance for the term of the loan at applicable long-dated US Treasury rates. The interest rate is in the range of 3.534% to 4.695%.

b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from Cash and Cash Equivalents and deposits with banks and financial institutions as well as amounts owing from the sale of graphite to customers.

The Group limits its counterparty credit risk on liquid funds by dealing only with reputable global banks or financial institutions. The Group's cash reserves are also spread amongst financial institutions to reduce concentration of credit risk.

The Group has policies in place to manage exposures to customers from the sale of graphite including credit coverage by the issuance of letters of credit from high credit quality financial institutions and limits on credit exposures to individual customers where there is no letter of credit by setting maximum credit exposures for individual customers and not releasing bills of lading until receipt of the amount outstanding. Credit exposure limits are approved by the Audit and Risk Committee.

As at 31 December 2023, the trade receivables balance was US$ 8.88 million (2022: US$12.3 million) which are mostly covered within the maximum credit exposures for individual customers and by the non-release of the bill of lading pending the receipt of the amount owing for the majority of customers. There were only $ 0.40 million of trade receivables overdue with the external customers as at 31 December 2023.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, 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.

The Group has announced commercial production of natural graphite products from Balama but is not yet cashflow positive. The Group may require additional financing, in addition to cash reserves, to meet operating and capital expenditure requirements for Balama, general and administrative expenditures and Vidalia Facility activities.

Maturities of Financial Liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 Months	Between 6-12 Months	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount Liabilities
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2023							
Non-derivatives							
Non-interest bearing							
- Current trade and other payables	26,780	-	-	-		26,780	26,780
Interest bearing							
- Non current trade and other payables	-	-	-	-	2,320	2,320	1,686
- Lease liabilities	1,250	1,817	3,110	9,727	3,919	19,823	15,921
- Borrowings[(1)]	362,033[(1)]	-	-	-	-	362,033	279,922
Total non-derivative liabilities	**390,063**	**1,817**	**3,110**	**9,727**	**6,239**	**410,956**	**324,309**

(1) It was determined that as at year end an Event of Default had occurred in relation to the DOE loan and as a result, the DOE loan and the AustralianSuper Convertible Notes could contractually have become payable as at balance sheet date if either DOE or AustralianSuper chose to exercise their rights under the respective loan agreements. Engagement with the DOE and AustralianSuper on this and related topics identified that waiver requests associated with the Event of Default would be assessed. Nevertheless, absent waivers in place at the end of the financial year, the DOE loan and the AustralianSuper Convertible Notes Series 4, 5 and 6 are accounted for in current liabilities, rather than non-current liabilities as at 31 December 2023. Since year end, the Event of Defaults have been waived and subject to meeting the requirements of the loan facilities going forward, the DOE loan and AustralianSuper Convertibles Notes Series 4, 5 and 6 would expect to be treated as non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date. In addition, following year-end the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3 resulting in the conversion of Series 1 and 3, subject to shareholder approval.

	Less than 6 Months	Between 6-12 Months	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount Liabilities
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2022							
Non-derivatives							
Non-interest bearing							
- Current trade and other payables	25,670	-	-	-	-	25,670	25,670
Interest bearing							
- Non current trade and other payables	-	-	-	-	4,640	4,640	1,588
- Lease liabilities	1,241	1,305	2,146	6,804	5,838	17,334	14,649
- Non-current borrowings[(1)]	-	-	82,502	-	-	82,502	70,925
Total non-derivative liabilities	**26,911**	**1,305**	**84,648**	**6,804**	**10,478**	**130,146**	**112,832**

(1) Non-current borrowings represent the Convertible Notes issued by the Group. The Convertible Notes have a 5 year term however the noteholder may elect to convert into fully paid ordinary shares of Syrah Resources Limited any time after 30 months from Date of Completion and prior to maturity or earlier if: a third party makes a takeover offer for all the Shares in the Company; or, the Company announces the execution of a scheme implementation agreement in respect of acquisition of all the Shares in the Company by scheme of arrangement. In an Event of Default the Noteholder may give notice to the Company to demand payment of the Principal Outstanding on the Convertible Notes by way of redemption of the Convertible Notes, in which case the Principal Outstanding shall become immediately due and payable; or, elect to Convert the Convertible Notes into Shares.

d) Capital risk management

When managing capital, the Group's objective is to safeguard the ability to continue as a going concern so that the Group continues to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management is constantly reviewing and adjusting, where necessary, the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine future capital management requirements. To ensure sufficient funding, a range of assumptions are modelled to determine sensitivities of the Group's financial position and capital requirements under different circumstances and/or potential outcomes.

UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

NOTE 13. 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:

	2023 US$'000	2022 US$'000
Property, plant and equipment	41,027	108,913
Total capital commitments	41,027	108,913

The above capital expenditure commitments are in relation to the development of the Vidalia AAM facility expansion and Balama in Mozambique (mainly relating to Tailings Storage Facility Cell 2 and installation of a 11.25 MWp solar photovoltaic).

b) Contingencies

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

c) Guarantees

A parent company guarantee is provided by Syrah Resources Limited to Banco Societe Generale Mocambique in the amount of $11.3 million to support Twigg Exploration and Mining Limitida ("Twigg")'s obligations to the Government of Mozambique for environmental bond under the Mining Agreement between The Government of Mozambique and Twigg.

NOTE 14. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 March 2024, Syrah announced to the ASX that it had signed a binding long-term offtake agreement with Posco Future M for Balama natural graphite product the key terms of which include volume of up to 2,000 tonnes per month (24,000 tonnes per annum) in the year following commencement of the offtake agreement as notified by POSCO Future M, and up to 5,000 tonnes per month (60,000 tonnes per annum) at the option of Posco Future M with at least 6 months notice from the second year to the end of the term. The terms of the offtake is 6 years commencing on notification from Posco Future M which must occur on or before 31 December 2025. Price is to be negotiated on a quarterly basis over the term referencing independently reported price indices for natural graphite fines, with adjustment for product grade and volume.

On 13 March 2024, Syrah announced to the ASX that it would be raising approximately A$98.0 million (US$65.0 million) through a fully underwritten institutional placement and 1 for 10.2 pro rata accelerated non-renounceable entitlement offer and that proceeds of the raising will be used to preserve Balama operating mode optionality, fund Vidalia operating costs and reserve accounts under its loan with the US Department of Energy, support Vidalia's ramp-up and progress in product qualification, and accelerate AAM development. The institutional placement and institutional entitlement offer completed on 15 March 2024, together raising approximately A$80.0 million (US$53.0 million) at a fixed price of A$0.55 per new share. The institutional placement and institutional entitlement offer settled on 21 March 2024 and the new shares commenced trading on 22 March 2024. The retail entitlement offer is also fully underwritten and is expected to raise A$18.0 million (US$12.0 million). It closes on 3 April 2024 and will be settled on 9 April 2024.

On 13 March 2024, the Company and AustralianSuper agreed an amendment to Convertible Notes Series 1 and 3, which comprise US$77.8 million of borrowings at 31 December 2023, to amend the conversion price to A$0.6688 per share. AustralianSuper have committed to convert the notes into new shares. This conversion is subject to Syrah Resources shareholder approval, with AustralianSuper committed to the conversion within 5 business days of the approval.

Since year end, the Events of Default as at the end of the financial year and any subsequent Events of Default identified prior to the equity raising have been waived and, subject to meeting the requirements of the loan facilities going forward, the DOE loan and AustralianSuper Convertibles Notes Series 4, 5 and 6 would expect to be treated as non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date.

Immediately prior to the completion of these financial statements, management became aware of an additional Event of Default under the DOE loan, which could result in the DOE Loan and AustralianSuper Convertible Notes becoming payable under the terms of those facilities if either counterparty enforced their rights. Waivers were promptly sought from the counterparties and are currently being processed.

No other events have occurred subsequent to 31 December 2023 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the state of affairs in future financial periods.

ADDITIONAL OTHER INFORMATION

This section of the notes includes additional other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 15. RELATED PARTY TRANSACTIONS

a) Ultimate parent

Syrah Resources Limited is the ultimate holding company of the Group.

b) Subsidiaries

Interests in subsidiaries are set out in note 20.

c) Key management personnel compensation

	2023 US$	2022 US$
Short-term employee benefits	1,340,552	1,512,615
Post-employment benefits	72,722	76,107
Other benefits	11,229	5,770
Share-based payments	3,068,022	2,754,438
	4,492,525	4,348,930

Detailed remuneration disclosures are provided in the Remuneration Report on pages 50 to 74 of the Annual Report.

d) Transactions with related parties

Transactions with related parties are set out below:

	2023 US$	2022 US$
Purchases of goods and services		
Legal services provided by Sal & Caldeira Advogados, Lda[1]	183,873	273,422

(1) Represents legal services provided to the Group by Sal & Caldeira Advogados, Ltd in Mozambique. J Caldeira is a Non-Executive Director of the Company and is a Senior Partner at Sal & Caldeira Advogados, Lda.

e) Outstanding balances arising from purchases of goods and services

	2023 US$	2022 US$
Trade and other payables		
Legal services provided by Sal & Caldeira Advogados, Lda[1]	-	2,500

(1) Represents outstanding balances arising of legal services provided to the Group by Sal & Caldeira Advogados, Ltd in Mozambique. J Caldeira is a Non-Executive Director of the Company and is a Senior Partner at Sal & Caldeira Advogados, Lda.

f) Loans to/from related parties

There are no loans made to or from related entities by the Group.

NOTE 16. SHARE-BASED PAYMENTS

a) Types of share based payment plans

The Group has a Non-Executive Director Share Rights Plan and Equity Incentive Plan in existence.

These share-based payment plans form an important part of a comprehensive remuneration strategy for the Company's employees and Directors and align their interests with those of shareholders by linking rewards to the long-term success of the Company and its financial performance.

Non-Executive Director Share Rights Plan ("NEDSP")

The Company also has a Non-Executive Director Share Plan ("NEDSP"), which was established and approved by shareholders originally at the Annual General Meeting on 22 May 2020 for the first time. At the Company's Annual General Meeting held on 19 May 2023, shareholders re-approved the NEDSP, in respect of FY23, FY24 and FY25. The plan is intended to support NEDs to develop a meaningful shareholding in the Company and as a means of aligning the interests of NEDs and shareholders generally through the diversion of current and future cash remuneration to equity. In addition, it will assist the company in implementing its cost reduction strategies and maintain its cash reserves. The shareholders also approved an additional equity grant to Non-Executive Directors under the NEDSP in the form of Rights, at the Annual General Meeting held on 19 May 2023 in respect of FY23, FY24 and FY25 valued at A$40,000 per annum.

The key element of the NEDSP for NEDs is that it provides the opportunity for NEDs to sacrifice part or all of their cash fees in favour of Equity Securities under this plan to build their shareholding in the Company. The introduction of the NEDSP is also intended to remunerate individual NEDs for any material additional efforts that individual NEDs are required to deliver in progressing the Company's goals.

The NEDSP does not attach any performance measures to vesting. This is in line with best practice governance standards which recommend that non-executive directors generally should not receive equity with performance hurdles attached as it may lead to bias in decision- making and compromise their objectivity and in turn their independence.

Equity Incentive Plan ("EIP")

The EIP was established and approved by shareholders at the Annual General Meeting on 17 May 2018, and subsequently refreshed at the Annual General Meeting on 21 May 2021, which applies to all shares, performance rights and options offered for grant from 17 May 2018 onwards. Under the EIP, the Company may issue performance rights, options and shares to directors and employees of the Company (or a subsidiary). The grant of performance rights, options and shares is subject to such conditions (if any) as determined by the Board of Directors.

Any performance rights, options and shares granted under the EIP may be subject to such vesting conditions (if any) as determined by the Board of Directors.

Measurement

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share- based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

b) Summary and movement of options on issue

The table below summarises the number, weighted average exercise prices and movements in Options on issue during the financial year:

	2023		2022	
	Weighted Average Exercise Price Per Share Option	Number Of Options	Weighted Average Exercise Price Per Share Option	Number Of Options
Balance at beginning of the year	-	-	A$ 0.70[1]	600,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	A$ 0.67[1]	(600,000)[2]
Expired during the year	-	-	-	-
Balance at end of the year	-	-	-	-
Vested and exercisable at end of year	-	-	-	-

(1) Effective from 17 March 2022, the exercise price of these options were reduced by A$0.03 (3 cents) per options to A$0.67 in accordance with the terms of the Employee Incentive Plan adopted on 17 May 2018 and refreshed on 21 May 2021, ASX Listing Rules 3.11.2 and 6.22 as a result of the issuance of shares from a 1 for 5.9 pro-rata accelerated non-renounceable entitlement offer.

(2) During 2022 financial year, S. Wells exercised 600,000 options via the cashless exercise facility which resulted in 377,901 shares being issued in accordance with the Equity Incentives Plan Rules.

Each option is convertible into one ordinary share. There are no voting or dividend rights attached to the options. Voting and dividend rights will attach to the ordinary shares when the options have been exercised.

c) Summary and movement of performance rights on issue

The table below summarises the number and movements in Performance Rights issued during the financial year:

	2023 Number	2022 Number
Balance at the beginning of the year	12,963,376	11,840,433
Granted during the year	4,500,416[(1)(2)]	4,421,632
Exercised during the period	(4,948,219)	(1,996,500)
Lapsed during the year	(386,175)	(1,302,189)
Balance at the end of the year	12,129,398	12,963,376
At 31 December 2023:		
- Vested	4,745,925	2,976,586
- Unvested	7,383,473	9,986,790
	12,129,398	12,963,376

	2023 Number	2022 Number
Performance testing dates for unvested Performance Rights above are as follows:		
- 01 January 2023	-	6,370,246
- 22 May 2023	-	100,000
- 01 January 2024	4,351,118	1,976,724
- 01 January 2025	1,828,873	1,539,820
- 01 January 2026	1,203,482	-
	7,383,473	9,986,790

(1) In relation to the table above, as at the date of this report, the FY23 NEDSP salary sacrifice Rights and FY23 Annual Equity Grant Rights remain yet to be physically issued to the NED's, however for accounting purposes they have been recognised as granted in accordance with AASB2 Share-based payments.

(2) FY25 additional NED equity program is not included as the number of rights is yet to be determined in the future.

Performance rights on issue as part of the NEDSP and EIP have a nil exercise price.

Fair value of performance rights granted:

Grant Date	Vesting Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
20 January 2023	31 December 2023	A$2.26	-	-	-	-	A$2.26
1 February 2023	31 December 2025	A$2.10	-	70%	-	3.30%	A$1.36
19 May 2023	31 December 2025	A$0.98	-	70%	-	3.56%	A$0.43
19 May 2023	31 December 2023	A$0.98	-	-	-	-	A$0.98[2]
19 May 2023	31 December 2024	-	-	-	-	-	-[2]
5 June 2023	31 December 2025	A$0.93	-	70%	-	3.34%	A$0.39
19 May 2023	31 December 2023	A$0.98	-	-	-	-	A$0.98[1]
30 June 2023	31 December 2023	-	-	-	-	-	-[1]
30 September 2023	31 December 2023	-	-	-	-	-	-[1]
31 December 2023	31 December 2023	-	-	-	-	-	-[1]

(1) On 19 May 2023, shareholders re-approved the NEDSP salary sacrifice program, for FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the first quarter of the NEDSP salary sacrifice program. The remaining awards under this program are for a fixed dollar amount with variable number of shares to be determined in the future.

(2) On 19 May 2023, shareholders also approved an additional equity amount program to the value of A$40,000 per Non-Executive Director over the next three years, being FY23, FY24 and FY25. As at the date of this report, these Rights remain not yet issued. The A$0.98 is the fair value based on closing share price of AGM date and represents the fair value of the FY23 NED additional equity amount program. The remaining awards under this program are for a fixed dollar amount with variable number of shares to be determined in the future. The number of rights for FY24 has been included here and calculated using the 30 trading day VWAP to 29 Dec 2023. The number of rights for FY25 is yet to be determined.

d) Summary of STI shares on issue

The table below summarises the number of shares issued during the financial period pursuant to the STI Program in respect of the year ended 31 December 2022:

Grant Date	Number of Shares	Fair Value Granted
20 January 2023	285,655	A$2.26
8 May 2023	3,185	A$1.57
19 May 2023	89,961	A$0.98

e) 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 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.

f) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the financial year were as follows:

	2023 US$'000	2022 US$'000
Recognised in profit and loss: Employee benefits		
- Performance rights issued under the EIP	3,166	3,175
- Performance rights issued under the NEDSP	402	275
- Equity settled remuneration	1,041	552
	4,609	4,002

NOTE 17. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	2023 US$	2022 US$
Audit services:		
PwC Australian firm	360,616	260,026
Network firms of PwC Australian firm	91,536	83,917
Total remuneration for audit services	452,152	343,943
Non-audit services:		
PwC Australian firm		
Tax compliance services	26,273	50,018
Tax consulting services	115,936	72,805
Other non-audit services	10,050	17,361
Total remuneration for non-audit services	152,259	140,184
Total remuneration paid to PricewaterhouseCoopers	**604,411**	**484,127**

NOTE 18. EARNINGS PER SHARE

	2023 US Cents	2022 US Cents
Earnings/(loss) per share		
Basic loss per share	(13.02)	(4.95)
Diluted loss per share	(13.02)	(4.95)

a) Reconciliations of earnings used in calculating earnings per share

	2023 US$'000	2022 US$'000
Basic loss		
Total profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic loss per share	(87,804)	(31,969)
Diluted loss		
Total profit/(loss) attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	(87,804)	(31,969)

b) Weighted average number of shares used as the denominator

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	674,285,287	645,876,773
Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share	674,285,287	645,876,773

NOTE 19. PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 US$'000	2022 US$'000
Balance sheet		
Current assets	51,727	89,543
Total assets	**695,056**	**594,953**
Current liabilities	187,852	1,419
Total liabilities	**188,255**	**72,833**
Shareholders' equity		
Issued capital	798,213	795,975
Reserves	(48,867)	(55,678)
Accumulated losses	(242,545)	(218,177)
Total equity	**506,801**	**522,120**
Loss after income tax for the year	**(24,384)**	**(3,940)**
Other comprehensive income/ (loss)	4,456	(38,524)
Total comprehensive income/ (loss) for the year	**(19,928)**	**(42,464)**

b) Contingent liabilities of the parent entity

The parent entity has no contingent liabilities as at 31 December 2023 and 31 December 2022.

c) Guarantees of the parent entity

A parent company guarantee is provided by Syrah Resources Limited to Banco Societe Generale Mocambique in the amount of $11.3 million to support Twigg Exploration and Mining Limitada ("Twigg")'s obligations to the Government of Mozambique for environmental bond under the Mining Agreement between The Government of Mozambique and Twigg.

At the commencement of the production suspension at Balama, Syrah Global DMCC and Grindrod Mauritius agreed to an immediate reduction in monthly cash payments for contracted fixed costs through to December 2021 in exchange for a commitment to repay the foregone amount of a maximum US$7.2m once volume and price reach certain thresholds on a consistent basis, or at the end of the contract term if not repaid by then, secured by a parent company guarantee. Under the terms of the agreement, the repayment obligation would be lower if Balama resumed production earlier than December 2021 and does not receive the monthly fixed cost reduction, or if certain services were used prior to the end of the arrangement. The arrangement ended on 31 December 2021 and the amount owed is US$4.6m.

NOTE 20. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 22.

		Percentage Of Equity Interest Held By The Group	
Name	Principal Place Of Business / Country Of Incorporation	2023 (%)	2022 (%)
Jacana Resources Proprietary Limited	Australia	100	100
Syrah Resources (KSA) Pty Ltd	Australia	100	100
Twigg Exploration and Mining, Limitada	Mozambique	95[1]	95[1]
Jacana Resources (Zambia) Ltd	Zambia	100	100
Syrah Resources Saudi Arabia LLC	Saudi Arabia	100	100
Syrah Resources Group Holdings Pty Ltd	Australia	100	100
Syrah Resources and Trading DMCC	United Arab Emirates	100	100
Syrah Global DMCC	United Arab Emirates	100	100
Syrah US Holdings Pty Ltd	Australia	100	100
Syrah Technologies LLC	United States of America	100	100
Syrah US Holdings No. 2 Pty Ltd	Australia	100	100
Syrah Plus LLC	United States of America	100	100

(1) In accordance with the obligations under the Mining Agreement between the Mozambique Government and Twigg Exploration and Mining Limitada, the Mozambique Government holds a 5% minority interest in Twigg through EMEM.

NOTE 21. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee (Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (ASIC Instrument):

- Syrah Resources Limited
- Jacana Resources Proprietary Limited (formerly Jacana Resources Limited)

The above companies represent a 'Closed Group' for the purposes of the ASIC Instrument, and as there are no other parties to the Deed that are controlled by Syrah Resources Limited, they also represent the 'Extended Closed Group'. The effect of the Deed is that each party to the Deed guarantees the debts of the other entities in the Closed Group in the event of winding up.

Pursuant to the ASIC Instrument, the eligible wholly-owned entities within the Closed Group have been relieved from the requirement to prepare financial statements and a directors' report under the ASIC Instrument issued by the Australian Securities and Investments Commission (ASIC).

a) Consolidated statement of comprehensive income and summary of movements in consolidated accumulated losses

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated accumulated losses for the current or previous financial year for the 'Closed Group'.

	2023 US$'000	2022 US$'000
Consolidated statement of comprehensive income		
Revenue from continuing operations	1,747	2,085
Expenses:		
Employee benefits expense	(9,367)	(8,225)
Legal and consulting expense	(2,877)	(1,545)
Depreciation and amortisation expense	(144)	(128)
Foreign exchange gains/(losses) net	(1,037)	11,471
Other expenses	(1,585)	(1,739)
Finance expenses	(11,126)	(5,866)
Loss for the year before income tax expense	(24,389)	(3,947)
Income tax expense	-	-
Loss after income tax expense for the year	**(24,389)**	**(3,947)**
Other comprehensive income/ (loss)		
Exchange differences on translation of foreign subsidiaries	4,360	(37,942)
Total comprehensive income/ (loss) for the year	**(20,029)**	**(41,889)**
Summary of movements in consolidated accumulated losses		
Balance at beginning of the year	(218,019)	(214,937)
Loss after income tax expense for the year	(24,389)	(3,947)
Transfer from share-based payment reserve	17	865
Balance at end of the year	**(242,391)**	**(218,019)**

b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at the end of the current and previous financial year for the 'Closed Group'

	2023 US$'000	2022 US$'000
Current assets		
Cash and cash equivalents	43,628	81,209
Trade and other receivables	238	547
Total current assets	**43,866**	**81,756**
Non-current assets		
Other receivables	587	582
Property, plant and equipment	12,352	11,584
Mining assets	11,577	11,577
Intangibles	27	44
Investments in subsidiaries	629,112	491,906
Total non-current assets	**653,655**	**515,693**
Total assets	**697,521**	**597,449**
Current liabilities		
Trade and other payables	1,443	827
Lease liabilities	86	74
Provisions	689	518
Borrowings	185,634	0
Total current liabilities	**187,852**	**1,419**
Non-current liabilities		
Borrowings	-	70,925
Lease liabilities	336	400
Provisions	67	90
Total non-current liabilities	**403**	**71,415**
Total liabilities	**188,255**	**72,834**
Net assets	**509,266**	**524,615**
Equity		
Issued capital	798,213	795,904
Reserves	(45,334)	(52,049)
Accumulated losses	(243,613)	(219,240)
Total equity	**509,266**	**524,615**

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied for all the periods presented, unless otherwise stated.

The financial statements are for the consolidated entity consisting of Syrah Resources Limited and its subsidiaries. Syrah Resources Limited and its subsidiaries together are referred to in these financial statements as the Group or the 'consolidated entity'.

a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Syrah Resources Limited ('Company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the financial year then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Details of subsidiaries are set out in note 20.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit and loss.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Syrah Resources Limited.

b) Segment reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Refer to note 2 for further information on segment descriptions.

c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars (USD).

Transactions and balances

All foreign currency transactions during the financial period are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses that relate to borrowings are presented in the Statement of Comprehensive Income within Finance Costs. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income on a net basis within Other Income or Other Expenses.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the profit and loss, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

d) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised for the major business transactions as follows:

Sales of Graphite

The Group recognises revenue related to the sale of graphite when control of the goods passes to customers and the amount of revenue can be measured reliably. The majority of the Group's sales arrangements specify that control passes when the product is transferred to the vessel on which the product will be shipped. Revenues are generally recognised on the bill of lading date. Revenue is recognised and measured at the fair value of the consideration received or receivable, net of agency commissions. Sales arrangements allow for an adjustment to the sales price based on a survey of the goods by the customer (an assay for mineral content and particle size distribution). If necessary, adjustments to sales revenues arising from a survey of the goods by the customer are accounted for in the period in which the Group agrees to such adjustments.

The Group sells a significant proportion of its products on CIF Incoterm. This means that the Group is responsible for providing shipping services after the date at which control of the goods passes to the customer at the loading port.

The Group treats freight, where applicable, as a separate performance obligation and therefore recognises the revenue and associated costs over time.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences, including unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax Consolidation Legislation

Syrah Resources Limited (the "head entity") and its wholly- owned Australian subsidiaries formed an income tax consolidated group on 1 July 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

f) Leases

The Group leases various offices, warehouses and equipment. Rental contracts are typically made for fixed periods of 1 to 11 years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received as a starting point and make adjustments specific to the lease, eg term, country, currency and security.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The Right of use Asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment and office equipment.

Extension and termination options are included in several leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

g) Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non- current.

Deferred tax assets and liabilities are always classified as non-current.

h) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents comprises cash on hand, deposits held at call with 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, and bank overdrafts. Bank overdrafts are shown within Borrowings in current liabilities on the balance sheet.

i) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for potential losses.

j) Inventories

Inventories are valued at the lower of weighted average cost and estimated net realisable value. Cost is determined primarily on the basis of weighted average costs and comprises of the purchase price of direct materials and the costs of production which include:

- labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- depreciation of mining assets, property, plant and equipment used in the extraction and processing of ore; and
- production overheads directly attributable to the extraction and processing of ore.

Stockpiles represent ore that has been extracted and is available for further processing and work-in-progress includes partly processed material. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as mined. If the ore will not be processed within 12 months after the balance sheet date it is included within non-current assets. Quantities of stockpiled ore are assessed primarily through surveys and assays.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, including royalties.

k) Property, plant and equipment

Plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation, amortisation or impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Land is not depreciated. Assets Under Construction are measured at cost and are not depreciated until they are ready and available for use. Depreciation on assets is calculated using either a straight-line or diminishing value method to allocate the cost, net of their residual values, over the estimated useful lives or the life of the mine, whichever is shorter. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter lease term.

Other non-mine properties typically has the following estimated useful lives:

Buildings	10 to 50 years
Plant and equipment	5 to 50 years
Computer equipment	2 to 6 years

The assets residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial period end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the period the asset is derecognised.

l) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment in value. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment in value. The gains or losses recognised in profit and loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on either a straight-line or diminishing value method over the estimated useful life, being a finite life not exceeding 5 years.

m) Mine properties and development

Mine Properties and Development

Mine Properties and Development represents the accumulation of all exploration, evaluation and development expenditure incurred by, or on behalf of, the entity in relation to areas of interest in which construction or development has commenced and/or mining of a mineral resource has commenced. Where further development expenditure is incurred in respect of a production property after the commencement of production, such expenditure is carried as part of the cost of that production property only when substantial future economic benefits arise, otherwise such expenditure is classified as part of the cost of production.

Mine development costs for production properties in which the Group has an interest are amortised over the estimated life of mine on a straight-line basis.

n) Exploration and evaluation

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- research and analysing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- compiling scoping and feasibility studies.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the balance sheet where it is expected that expenditure will be recovered through the successful development and exploitation of an area or interest, or by its sale; or exploration and evaluation activities are continuing in an area of interest and those activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off to the profit and loss in the financial period in which the decision is made.

Exploration and evaluation expenditure is reclassified to Mine Properties and Development in the financial period when the technical feasibility and commercial viability of extracting a mineral resource is demonstrated. The carrying value of the exploration and evaluation expenditure is assessed for impairment prior to reclassification (refer to note 9).

o) Impairment of assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

At each reporting date, the Group assesses whether there is any indication that other non-financial assets may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit and loss.

Recoverable amount is the greater of fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Where there is no binding sale agreement or active market, fair value less costs of disposal is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a post- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the pre- impairment value, adjusted for any depreciation that would have been recognised on the asset had the initial impairment loss not occurred. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

p) Ore reserves

The Group estimates its mineral resources and ore reserves based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code).

Reserves, and for certain mineral resources, determined in this way are used in the calculation of depreciation, amortisation and impairment charges.

In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction.

q) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Comprehensive Income or Other Comprehensive Income.

The Group reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in the Statement of Comprehensive Income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classify its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of comprehensive income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Statement of Comprehensive Income.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in statement of comprehensive income and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Comprehensive Income following the derecognition of the investment. Dividends from such investments continue to be recognised in Statement of Comprehensive Income as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the Statement of Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses for the Group's trade receivables are reviewed on an ongoing basis. The Group has policies in place to manage exposures to customers from the sale of graphite. These include credit coverage by the issuance of letters of credit from high credit quality financial institutions and limits on credit exposures to individual customers where there is no letter of credit.

r) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid. They arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and current trade and other payables are usually paid within 30 days of recognition.

s) Borrowings

Borrowings are recognised initially at fair value. Borrowings are subsequently measured at amortised cost, representing the applicable interest rate on the borrowings, and any value attributed to the option to convert the Note and any repayment of loan.

Fees paid on the establishment of loan facilities are recognised as origination costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. These origination costs are amortised through profit and loss over the life of the loan using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

t) Provisions

Provisions are recognised when the Group has a present obligation, it is probable that there will be a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be recovered from a third party, for example under an insurance contract, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain and it can be measured reliably. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the current market assessment of the time value of money. Where this is the case, its carrying amount is the present value of these estimated future cash flows. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning and restoration provision

Decommissioning and restoration provisions include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas.

The provision is recognised in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. The costs are estimated on the basis of a closure plan drawn in accordance with the business plan and environmental regulations. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the profit or loss in each accounting period as a finance cost. Any changes in the provision, including those resulting from new disturbances, updated cost estimates, changes to the lives of operations and revisions to discount rates, are accounted for prospectively.

On initial recognition of the provision and for prospective changes in estimates, an equivalent amount is capitalised as part of Mine Properties and Development, or the respective asset or area of interest that the restoration obligation relates to. Capitalised decommissioning and restoration provision costs are depreciated over the life of the respective assets. Where future changes in the provision result in a significant addition to the cost of the related asset, consideration will be given to whether an indication of impairment exists and the impairment policy will apply.

u) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, rights or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using the Black- Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit and loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

v) Contributed equity

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, of the share proceeds received.

w) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

y) Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

z) Rounding of amounts

The amounts contained in the financial report have been rounded off to the nearest $'000 (where rounding is applicable) under the relief available to the Group under ASIC Corporations (Rounding in Financial Reports) Instrument 2016/191. The Company is an entity to which the Class Order applies.

aa) New accounting standards and interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- *AASB 2023-2* Amendments to Australian Accounting Standards – Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules *[AASB 112]*.
- *AASB 2021-5* Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction *[AASB 112]*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ab) New accounting standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Director's Declaration

SYRAH RESOURCES

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In the Directors' opinion:

a. the financial statements and notes set out on pages 78 to 134 are in accordance with the Corporations Act 2001, including:
   - (i) complying with Accounting Standards, 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 31 December 2023 and of its performance for the year 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, and

c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 20 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 21.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer as required by section 295A of the Corporations Act 2001.

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

Shaun Verner

Managing Director

Melbourne, Australia

25 March 2024

Independent Auditor's Report

Independent auditor's report

To the members of Syrah Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Syrah Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group is dependent on the successful implementation of its key funding and operational initiatives, some of which are not completed as at the date of the financial report. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group's operations consist principally of the Balama Graphite Operation located in Mozambique and the Vidalia Active Anode Material facility, under development, located in Louisiana, USA.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Australian Group engagement team directed the involvement of the Mozambican component audit team, which performed an audit of the financial information of Twigg Exploration & Mining Limitada, given its financial significance to the Group. All other components of the Group are audited by the Australian Group engagement team.
- We determined the nature, timing and extent of work that needed to be performed by the Mozambican component auditor operating under our instruction. We determined the level of involvement we needed to have in the audit work performed by the component auditor to enable us to conclude whether sufficient appropriate audit evidence had been obtained. Our involvement included discussions, written instructions and inspecting a selection of their workpapers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Carrying value of non-current assets ***(Refer to note 9b & 9c) [US$544.6 million]*** As at 31 December 2023, the Group recognised US$425.2 million of Property, Plant and Equipment and US$119.4 million of Mining Assets (together 'the non-current assets'). During the year the Group identified indicators of impairment on both of its Cash Generating Units (CGUs), being the Balama Graphite Operation (Balama) and the Vidalia Active Anode Material (AAM) project (Vidalia). As a result, the Group assessed both CGUs for impairment. The recoverable amounts of the CGUs were assessed under the fair value less cost of disposal method, using discounted cash flow models. No impairment expense was recorded. The impairment assessment involved significant judgements including: • Forecasting short and long-term commodity prices • Estimating future production volumes and total reserve and resources estimates for the Balama mine • Determining an appropriate discount rate for each CGU • Estimating future production and operating costs; and • Considering expectations regarding future investment decisions This was a key audit matter due to the significant carrying value of the Group's non-current assets, and the significant judgements required by the Group in estimating the carrying value of non-current assets.	We performed the following procedures, amongst others, for both CGUs, unless otherwise stated: • Assessed whether each CGU appropriately included all directly attributable assets and liabilities. • Together with PwC valuation experts, assessed whether the valuation methodology, which utilised discounted cash flow models to estimate the recoverable amount of each CGU, was consistent with the requirements of Australian Accounting Standards. • Assessed whether the forecast cash flows in the discounted cash flow models used in the impairment assessments were appropriate by performing the following procedures, amongst others: ○ Together with PwC valuation experts, assessed the appropriateness of commodity pricing information used in the cash flow models. ○ For the Balama CGU, compared the Group's total forecast graphite production over the life of mine to the Group's most recent reserves and resources statement. ○ Compared a selection of forecast operating expenditures to the most recent internal budgets and Life of Mine operating plans. ○ For the Balama CGU, compared a selection of forecast operating costs to historical actual expenditures. ○ With assistance from PwC valuation experts, evaluated the appropriateness of the discount rate used for each CGU, with reference to externally derived data where possible. ○ For the Vidalia CGU, evaluated the cash flows associated with the Further Expansion Project with reference to internal and external demand forecasts. • Performed tests of the mathematical accuracy of the impairment models for a selection of items in the model. • Evaluated the reasonableness of the disclosures made in Note 9b and 9c in light of the requirements of Australian Accounting Standards.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

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Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of Syrah Resources Limited for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Ben Gargett
Partner

Melbourne
25 March 2024

Additional ASX Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 12 March 2024 except where otherwise indicated.

EQUITY SECURITY HOLDERS

Top 20 largest quoted security holders as at 12 March 2024

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	Units	% of Units
1.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	144,225,029	21.25
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	81,222,751	11.97
3.	CITICORP NOMINEES PTY LIMITED	64,694,141	9.53
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	12,236,668	1.80
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	10,903,240	1.61
6.	NATIONAL NOMINEES LIMITED	10,622,866	1.57
7.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	8,137,937	1.20
8.	BNP PARIBAS NOMS PTY LTD	7,913,817	1.17
9.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,220,921	0.77
10.	PALM BEACH NOMINEES PTY LIMITED	5,000,000	0.74
11.	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	4,453,014	0.66
12.	MONTARAQI ADVISORY PTY LTD <THOMAS LOUELLA A/C>	3,613,843	0.53
13.	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	3,401,353	0.50
14.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,178,664	0.47
15.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	2,585,496	0.38
16.	MASFEN SECURITIES LIMITED	2,092,117	0.31
17.	BNP PARIBAS NOMS (NZ) LTD	2,003,299	0.30
18.	HOOKS ENTERPRISES PTY LTD <HOEKSEMA SUPERFUND A/C>	2,000,000	0.29
19.	MR JULIO CESAR DINIZ COSTA MRS MARISA COUTINHO-DINIZ COSTA <JUMAJERO A/C>	1,916,642	0.28
20.	MR ANTONIO MATTIAZZI	1,900,000	0.28
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**377,321,798**	**55.59**
Total Remaining Holders Balance		**301,415,983**	**44.41**

UNQUOTED EQUITY SECURITIES AS AT 12 MARCH 2024

	Number on Issue	Number of Holders
Convertible Note	5	1
Performance rights over ordinary shares	14,269,637	33
Non-Executive Director Share Rights	1,201,786	5

SUBSTANTIAL HOLDERS

Substantial holders in the Company, as disclosed in substantial holder notices given to the Company, are set out below:

Rank	Name	Units
1.	AustralianSuper Pty Ltd	114,684,627
2.	Paradice Investment Management Pty Ltd & David Paradice	52,270,115
3.	JPMorgan Chase & Co. and its affiliates	50,038,809
4.	Citigroup Global Markets Australia Pty Limited (ACN 003 114 832) and each of the related bodies corporate in the Citigroup of companies worldwide	36,974,981
5.	Bruce N Gray	35,943,668

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding as at 12 March 2024:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	3,514	1,938,788	0.29
1,001 - 5,000	5,159	14,284,216	2.10
5,001 - 10,000	2,266	17,833,163	2.63
10,001 – 100,000	3,997	126,997,476	18.71
>100,001	535	517,684,138	76.27
Rounding			0.00
Total	**15,471**	**678,737,781**	**100.00**
Holding less than a marketable parcel	2,315	832,468	0.12

Unlisted Performance Rights

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	5,213	0.04
10,001 – 100,000	7	501,288	3.51
>100,001	25	13,763,136	96.45
Rounding			
Total	**33**	**14,269,637**	**100.00**
Holding less than a marketable parcel	-	-	-

Non-Executive Director Share Rights

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 – 100,000	2	92,474	7.69
>100,001	3	1,109,312	92.31
Rounding			0.00
Total	**5**	**1,201,786**	**100.00**
Holding less than a marketable parcel	-	-	-

Convertible Notes

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	1	5	100.00
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 – 100,000	-	-	-
>100,001	-	-	-
Rounding			0.00
Total	**1**	**5**	**100.00**
Holding less than a marketable parcel	-	-	-

Convertible Notes

	Number Held	% of Total Unlisted Convertible Notes
AUSTRALIANSUPER PTY LTD AS TRUSTEE FOR AUSTRALIANSUPER	5	100.00

VOTING RIGHTS

The voting rights attached to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted Performance Rights

There are no voting rights attached to unlisted performance rights.

Non-Executive Director Share Rights

There are no voting rights attached to Non-Executive Director Share Rights.

Convertible Notes

There are no voting rights attached to convertible notes.

There are no other classes of equity securities.

ON MARKET BUY BACK

There is currently no on market buy-back in place.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is available on the Company's website at:

https://www.syrahresources.com.au/about/corporate-governance

TENEMENT SCHEDULE AS AT 12 MARCH 2024

Project	License Number	License Type	Country	Interest Owned
Balama	6432C	Mining Concession	Mozambique	95%

Corporate Directory

DIRECTORS

James Askew
Non-Executive Chairman

Shaun Verner
Managing Director and
Chief Executive Officer

José Manuel Caldeira
Non-Executive Director

Lisa Bahash
Non-Executive Director

Sara Watts
Non-Executive Director

John Beevers
Non-Executive Director

COMPANY SECRETARY

Melanie Leydin
Company Secretary

REGISTERED AND CORPORATE OFFICES

Corporate Head Office – Melbourne Registered Office

Syrah Resources Limited
c/- Vistra Australia (Melbourne) Pty Ltd
Level 4, 96-100 Albert Road
South Melbourne VIC 3205
Telephone: +61 3 9670 7264
Email: enquiries@syrahresources.com.au
Website: www.syrahresources.com.au

Principal Place of Business

Syrah Resources Limited
Level 7, 477 Collins Street
Melbourne, VIC 3000

Dubai Office

Syrah Global DMCC
Office No.1004, Indigo Icon Tower
Cluster F, Jumeirah Lake Towers
Dubai, United Arab Emirates
Telephone: +971 4244 5955
Email: marketing@syrahresources.com.au

Mozambique Office

Twigg Exploration and Mining Limitada
Millennium Park Building
Avenida Vladimir Lenine
Nr 174, Block B, Level 5 Andar
Maputo, Mozambique
Website: www.twigg.co.mz

Louisiana Offices

Syrah Technologies LLC
2001 D. A.
Biglane Road, Vidalia
LA, 71373
United States of America

SHARE REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (overseas)
Email: web.queries@computershare.com.au
Website: www.computershare.com.au

AUDITORS

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

SOLICITORS

Ashurst
Level 16, 80 Collins Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

Australian Securities Exchange
(ASX Code: SYR)

American Depository Receipts
(Ticker Symbol: SRHYY)

SYRAH RESOURCES

Corporate Head Office – Melbourne
Registered Office

Syrah Resources Limited
c/- Vistra Australia (Melbourne) Pty Ltd
Level 4, 96-100 Albert Road
South Melbourne VIC 3205
Telephone: +61 3 9670 7264
Email: enquiries@syrahresources.com.au
Website: www.syrahresources.com.au

Principal Place of Business

Syrah Resources Limited
Level 7, 477 Collins Street
Melbourne, VIC 3000