



SYRAH RESOURCES

Syrah Resources Limited
ABN 77 125 242 284

INTERIM REPORT
for the half-year ended 30 June 2024

Directors' report	1
Auditor's independence declaration	5
Condensed consolidated statement of comprehensive income or loss	6
Condensed consolidated balance sheet	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated financial statements	10
Directors' declaration	27
Independent auditor's review report	28

Level 7, 477 Collins Street
Melbourne VIC 3000
Telephone: +61 3 9670 7264
Email: enquiries@syrahresources.com.au
Website: www.syrahresources.com.au

DIRECTORS' REPORT

The Directors present their report on the Syrah Resources Limited Group ("Syrah", "the Group" or "the consolidated entity"), consisting of Syrah Resources Limited ("the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2024. This interim report is presented in United States Dollars (USD) unless otherwise stated.

Directors

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

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

Principal activities

The principal continuing activities of the consolidated entity consisted of:

- Production of natural graphite products from the Balama Graphite Operation ("Balama") in Mozambique;
- Sales and development of natural graphite, including the enhancement of logistics, sales, and marketing strategies with targeted customers;
- Continued development of the use of graphite from Balama as an input into the production of anode material and industrial products;
- Operation and expansion of the Vidalia Active Anode Material ("AAM") facility including operation of the Vidalia 11,250 tonnes AAM facility and advanced evaluation of a significant further expansion of the Vidalia AAM facility; and
- Engagement with target customers for Vidalia AAM, through provision of Vidalia AAM samples, testing and qualification processes and commercial negotiation of offtake agreements.

REVIEW OF OPERATIONS

Business update

During the interim financial period, Balama production and sales decreased compared with the prior corresponding period. During the half-year there were no sales or shipments of natural graphite to Chinese anode customers with intense competition and oversupply issues in the Chinese domestic synthetic graphite AAM market reducing natural graphite fines demand and maintaining pressure on spot fines prices. Offsetting that market dynamic to a degree, the Group completed an initial large volume fines graphite sale to Indonesia in the interim financial period, which reflects the development of a market for ex-China natural graphite AAM to comply with certain critical minerals sourcing requirements being implemented under the US Inflation Reduction Act ("IRA"), although implementation of non-Foreign Entity of Concern graphite sourcing requirements were recently delayed by two years impacting the pace of this ex-China market developing in the short term. Balama campaign operations were undertaken in the interim financial period, considering the constraints of finished product inventory positions as well as lower Chinese fines demand and bid prices being below incentive price thresholds. Through the interim financial period, Balama produced approximately 34,900 tonnes (H1 2023: 56,300 tonnes) graphite and sold and shipped approximately 29,800 tonnes (H1 2023: 44,700 tonnes) graphite to 3rd party customers, including a 10,000-tonne breakbulk fines shipment to Indonesia. In addition, approximately 500 tonnes graphite was shipped from Balama to the Vidalia AAM facility during the first half of the year.

The Group commenced commercial scale operations at the Vidalia AAM Facility, the first vertically integrated natural graphite AAM supply alternative for the US and European battery supply chains outside of China. The Vidalia AAM facility ramped up operations across the three main process areas with a focus on process consistency, product quality and safety. By the end of the interim financial period, strong capacity utilisation was demonstrated in discrete process lines or stages. The milling area was the key bottleneck process area and hampered the demonstration of higher integrated capacity utilisation across the facility. Substantially, all product from the Vidalia AAM facility was consistent with the Group's targeted specifications. The minimal product volumes that were initially slightly outside target specifications were reprocessed to target specifications successfully. New facility qualification processes for the Vidalia AAM facility were progressed. Commercial scale production samples were dispatched to and tested by customers and positive initial stage qualification feedback was received from three tier 1 battery manufacturers. However, final qualification of the Vidalia AAM facility, as determined by customers, and commencement of commercial AAM sales did not occur during, and has not occurred subsequent to, the interim financial period. Intensity of qualification processes already underway and progression of additional sales appear to have been impacted by a two-year transition period granted to EV OEMs for sourcing of non-Foreign Entity of Concern graphite AAM to potentially qualify US EVs for consumer tax credits under the IRA. Transition engineering on, and customer and financing commitments towards, an expansion of Vidalia's production capacity to at least 45,000 tonnes per annum AAM, inclusive of 11,250 tonnes per annum AAM ("Vidalia Further Expansion"), were progressed during the interim financial period towards readiness for a Final Investment Decision ("FID").

Statement of comprehensive income

The loss for the consolidated entity after income tax amounted to \$67.1 million during the interim financial period ended 30 June 2024 (2023: \$38.6 million loss).

Revenue reported for the interim financial period comprised sales of natural graphite products and AAM totaling \$19.0 million (2023: sales of natural graphite products of \$28.4 million).

Cost of sales reported for the interim financial period was \$44.0 million (2023: \$40.8 million), mainly comprised of mining and production costs of \$36.4 million (2023: \$36.7 million), logistics costs of \$8.7 million (2023: \$8.1 million), depreciation and amortisation expense of \$7.8 million (2023: \$5.5 million), offset by changes in inventories of -\$9.5 million (2023: -\$10.0 million).

Distribution costs were \$4.7 million (2023: \$9.9 million), of which \$3.4 million (2023: \$8.3 million) were shipping costs.

Administrative expenses were \$8.9 million (2023: \$7.1 million), of which \$3.4 million (2023: \$5.3 million) related to employee benefits.

Other expenses of \$9.9 million reflect the write-off of certain costs previously recorded under Assets Under Construction. These costs were determined to be no longer directly attributable to the construction of the Vidalia AAM facility after the Group conducted a comprehensive assessment.

Write-down of product inventories due to valuation of inventories at the lower of cost or net realisable value were \$10.0 million (2023: \$4.4 million).

Other income of \$1.5 million (2023: \$0.1 million) principally due to unrealised foreign exchange gains on revaluation of United States Dollar Cash and Cash Equivalent balances.

Net finance costs were \$9.6 million (2023: \$4.0 million), of which \$10.1 million (2023: \$3.5 million) related to interest incurred on borrowings.

The total comprehensive loss was \$63.3 million (2023: \$37.1 million) and included a non-cash gain of \$3.8 million (2023: gain of \$1.5 million) from the translation of the parent company's financial statements from Australian dollars (AUD) to United States dollars (USD) presentation currency during the interim financial period.

Statement of financial position

Total assets of the consolidated entity as at 30 June 2024 were \$698.2 million (31 December 2023: \$700.0 million).

The consolidated entity's Cash and Cash Equivalents as at 30 June 2024 were \$81.6 million (31 December 2023: \$84.9 million), with \$41.0 million (31 December 2023: \$38.2 million) being restricted cash in accounts associated with the Vidalia Initial Expansion Project, which have certain restrictions as a result of the US Department of Energy ("DOE") loan. The net decrease in Cash and Cash Equivalents is due to net operating cash outflow from the Balama operation, completion of the Vidalia Initial Expansion project, and the Vidalia ramp-up, partially offset by net proceeds received from the Institutional Offer and Entitlement Offer.

Current Trade and Other Receivables were \$11.4 million as at 30 June 2024 (31 December 2023: \$5.3 million). The increase is mainly attributable to an increase in Trade Receivables to \$5.1 million as at 30 June 2024 (31 December 2023: \$3.5 million), which was largely due to the timing of customer payments. Additionally, Prepayments increased to \$5.8 million (31 December 2023: \$1.6 million), primarily reflecting the payment of insurance premiums.

Inventories were slightly lower at \$34.7 million as at 30 June 2024 (31 December 2023: \$34.9 million) as a result of lower production during the first half of the year compared to the prior year.

Property, Plant and Equipment as at 30 June 2024 slightly declined to \$421.2 million (31 December 2023: \$425.2 million). This decrease was mainly driven by capital expenditure on the Balama Tailing Storage Facility Cell 2 and the capitalisation of costs associated with the Vidalia Further Expansion, offset by asset depreciation and the write-off of certain Vidalia pre-commercial production expenses.

Mining Assets decreased during the interim financial period to \$117.1 million as at 30 June 2024 (31 December 2023: \$119.4 million) mainly due to amortisation on Mining Assets of \$1.5 million.

Non-Current Trade and Other Receivables slightly increased during the interim financial period to \$3.6 million as at 30 June 2024 (31 December 2023: \$3.4 million) with the balance principally comprising Input Tax Credits (Value Added Tax) paid in Mozambique. The provision for impairment of Input Tax Credits remains at \$0.5 million (31 December 2023: \$0.5 million).

The consolidated entity had total liabilities of \$266.3 million as at 30 June 2024 (31 December 2023: \$346.4 million), which included Trade and Other Payables of \$21.0 million (31 December 2023: \$28.5 million); a provision for decommissioning and rehabilitation of Balama of \$6.1 million (31 December 2023: \$6.9 million); a provision for Balama community development of \$8.5 million (31 December 2023: \$8.5 million); Borrowings which related to the Convertible Notes and the DOE loan of \$207.3 million (31 December 2023: \$279.9 million) and Lease Liabilities of \$14.5 million (31 December 2023: \$15.9 million).

Total equity of the consolidated entity as at 30 June 2024 was \$431.9 million (31 December 2023: \$353.6 million), with the increase mainly attributable to an increase in issued capital of \$62.1 million due to capital raising during the interim financial period and the conversion of Convertible Note Series 1 and 3 into fully paid ordinary shares totaling \$78.3 million, partially offset by net comprehensive loss for the period of \$63.3 million.

Statement of cash flows

Cash flow from operating activities

Net cash outflow from operating activities during the interim financial period ended 30 June 2024 was \$40.4 million (2023: \$25.2 million) and principally consisted of receipts from the sale of natural graphite products, offset by payments relating to expenses from operating Balama, the Vidalia ramp-up, as well as corporate office, compliance and other employee benefits expenses.

Cash flow from investing activities

Net cash outflow from investing activities during the interim financial period ended 30 June 2024 was \$23.3 million (2023: \$61.9 million) and principally consisted of payments for completion of the Vidalia Initial Expansion project and capital expenditure for Balama.

Cash flow from financing activities

Net cash inflow from financing activities during the interim financial period ended 30 June 2024 was \$60.6 million (2023: \$97.5 million) and principally consisted of net proceeds received from the Institutional Offer and the Entitlement Offer.

Other

The attached financial report for the half year ended 30 June 2024 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 Group is undertaking to mitigate this uncertainty in the near term, together with the auditor's report.

Significant changes in state of affairs

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

Matters subsequent to the end of the interim financial period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

Rounding of amounts

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

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



Shaun Verner
Managing Director

Melbourne, Australia
9 September 2024



Auditor's Independence Declaration

As lead auditor for the review of Syrah Resources Limited for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'Ben Gargett'.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
9 September 2024

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

Liability limited by a scheme approved under Professional Standards Legislation.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

	NOTES	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
Revenue from continuing operations			
Revenue	3	19,042	28,388
Cost of sales	4	(44,029)	(40,837)
Gross loss		(24,987)	(12,449)
Distribution costs	5	(4,662)	(9,898)
Administrative expenses	6	(8,926)	(7,095)
Other income		1,544	130
Other expenses		(9,948)	-
Write-down of inventories		(10,034)	(4,446)
Loss before net finance costs and income tax		(57,013)	(33,758)
Finance income		1,517	934
Finance costs		(11,165)	(4,972)
Net finance costs		(9,648)	(4,038)
Loss before income tax		(66,661)	(37,796)
Income tax expense	7	(447)	(806)
Loss after income tax for the half-year		(67,108)	(38,602)
Other comprehensive income / (loss)			
<i>Items that may be reclassified subsequently to the profit or loss</i>			
Exchange differences on translation of foreign subsidiaries	10(b)	3,823	1,503
Other comprehensive income/(loss) for the period, net of tax		3,823	1,503
Total comprehensive loss for the period		(63,285)	(37,099)
Total comprehensive loss for the period attributable to:			
- Equity holders of Syrah Resources Limited		(63,044)	(35,689)
- Non-controlling interest		(241)	(1,410)
		(63,285)	(37,099)
Loss per share for loss attributable to the owners of Syrah Resources Limited:		Cents	Cents
Basic loss per share		(7.85)	(5.31)
Diluted loss per share		(7.85)	(5.31)

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

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

	NOTES	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Assets			
Current assets			
Cash and cash equivalents	8(a)	81,608	84,889
Trade and other receivables	8(b)	11,361	5,269
Inventories	9(a)	34,732	34,897
Total current assets		127,701	125,055
Non-current assets			
Trade and other receivables	8(b)	3,565	3,379
Property, plant and equipment	9(c)	421,208	425,199
Mining assets	9(b)	117,054	119,379
Intangible assets		20	27
Deferred tax assets	9(d)	28,657	27,009
Total non-current assets		570,504	574,993
Total assets		698,205	700,048
Liabilities			
Current liabilities			
Trade and other payables	8(c)	19,234	26,780
Borrowings	8(e)	3,297	279,922
Lease liabilities	8(d)	2,167	2,178
Provisions	9(e)	3,339	3,023
Total current liabilities		28,037	311,903
Non-current liabilities			
Trade and other payables	8(c)	1,771	1,687
Borrowings	8(e)	204,006	-
Lease liabilities	8(d)	12,355	13,743
Deferred tax liabilities	9(d)	7,367	5,272
Provisions	9(e)	12,774	13,839
Total non-current liabilities		238,273	34,541
Total liabilities		266,310	346,444
Net assets		431,895	353,604
Equity			
Issued capital	10(a)	940,128	798,213
Reserves	10(b)	(18,233)	(20,603)
Accumulated losses		(490,733)	(424,980)
Non-controlling interest	10(c)	733	974
Total equity		431,895	353,604

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR HALF-YEAR ENDED 30 JUNE 2024**

	CONTRIBUTED EQUITY US\$'000	ACCUMULATED LOSSES US\$'000	NON- CONTROLLING INTEREST US\$'000	RESERVES US\$'000	TOTAL EQUITY US\$'000
Balance at 1 January 2024	798,213	(424,980)	974	(20,603)	353,604
Loss after income tax expense for the period	-	(66,867)	-	-	(66,867)
Non-controlling interest	-	-	(241)	-	(241)
Other comprehensive income for the period, net of tax	-	-	-	3,823	3,823
Total comprehensive income/(loss) for the period	-	(66,867)	(241)	3,823	(63,285)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	62,142	-	-	-	62,142
Share-based payments	-	-	-	1,179	1,179
Conversion of Convertible Notes to ordinary shares	78,255	-	-	-	78,255
Transfers from share-based payment reserve:					
- Issuance of shares	1,518	-	-	(1,518)	-
- Expired/lapsed performance rights	-	1,114	-	(1,114)	-
	141,915	1,114	-	(1,453)	141,576
Balance at 30 June 2024	940,128	(490,733)	733	(18,233)	431,895
Balance at 1 January 2023	795,975	(341,095)	2,352	(19,055)	438,177
Loss after income tax expense for the period	-	(37,192)	-	-	(37,192)
Non-controlling interest	-	-	(1,410)	-	(1,410)
Other comprehensive income for the period, net of tax	-	-	-	1,503	1,503
Total comprehensive income/(loss) for the period	-	(37,192)	(1,410)	1,503	(37,099)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	(29)	-	-	-	(29)
Share-based payments	-	-	-	2,418	2,418
Transfers from share-based payment reserve					
- Issuance of shares	2,186	-	-	(2,186)	-
- Expired/lapsed options and performance rights	-	16	-	(16)	-
	2,157	16	-	216	2,389
Balance at 30 June 2023	798,132	(378,271)	942	(17,336)	403,467

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

		30 JUNE 2024	30 JUNE 2023
	NOTES	US\$'000	US\$'000
Cash flows from operating activities			
Receipts from customers		17,234	35,173
Payments to suppliers and employees (inclusive of goods and services tax)		(59,177)	(61,629)
Interest received		1,564	1,275
Net cash outflow from operating activities		(40,379)	(25,181)
Cash flows from investing activities			
Payments for property, plant and equipment		(23,311)	(70,331)
Receipt for security deposits		-	8,431
Net cash outflow from investing activities		(23,311)	(61,900)
Cash flows from financing activities			
Proceeds from issue of shares		64,146	-
Proceeds from convertible note		-	33,150
Proceeds from borrowings		-	65,807
Share issue transaction costs		(2,004)	-
Payment for lease principal and interest		(1,531)	(1,507)
Net cash inflow from financing activities		60,611	97,450
Net (decrease)/increase in cash and cash equivalents		(3,079)	10,369
Cash and cash equivalents at the beginning of the half-year		84,889	90,376
Effects of exchange rate changes on cash and cash equivalents		(202)	(107)
Cash and cash equivalents at the end of the half-year	8(a)	81,608	100,638

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2023 and any public announcements made by Syrah during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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 half-year ended 30 June 2024, the Group incurred a loss after income tax of \$67.1 million (30 June 2023: \$38.6 million) and incurred net cash outflows from operating activities of \$40.4 million (30 June 2023: \$25.2 million). As of 30 June 2024, the Group had a Cash and Cash Equivalents balance of \$81.6 million (31 December 2023: \$84.8 million), of which \$40.6 million is unrestricted cash, and net current assets of \$99.7 million (31 December 2023: net current liabilities of \$186.8 million).

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 Group 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, including the potential Vanadium project 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, and recent changes by the US Government in relation to an extension of the deadline associated with sourcing of natural graphite anode material from countries not designated as "Foreign Entities of Concern" in order for purchasers of electric vehicles to be eligible for a tax credit.

At the same time, the Group is ramping up production of the Vidalia Initial Expansion Project following the completion of construction, in order to provide material to offtake customers for qualification and to commence sales. The timelines and requirements associated with the qualification, and purchase of material from Vidalia appears to have impacted by the changes in US Government policy relating to the deadline for sourcing of natural graphite material.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(a) Basis of preparation (Continued)

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. Certain initiatives were identified at year end and have continued to be executed. 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. Equally, if demand conditions remain subdued, further action will be taken to reduce costs.
- 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, a more stable utilisation of Balama's production capacity.
- In the first half, the Group completed the raising of approximately A\$98.0 million (US\$64.1 million) through a fully underwritten institutional placement and 1 for 10.2 pro rata accelerated non-renounceable institutional and retail entitlement offer. The Group also agreed with AustralianSuper Pty Ltd as trustee for AustralianSuper ("AustralianSuper") to an amendment of Convertible Notes Series 1 and 3 resulting in the conversion of US\$78.3 million of borrowings into equity at an amended conversion price of A\$0.6688 per share, which took place following shareholders' approval at the Company's Annual General Meeting held on 24 May 2024.
- 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 ("DFC loan") for which loan documentation has been agreed, and which is pending final government approvals with a first disbursement targeted for the third 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 Vidalia, and general and administrative expenditures. The Group is undertaking activities to prepare for a Final Investment Decision ("FID") for the Vidalia Further Expansion project. Timing of the FID will be determined by customer and financing commitments, clarity in relation to US Government policy, 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 Group expects the DFC loan to be completed shortly, as at the date of signing it has 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 this loan not be completed as expected, the Group 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(b) Material accounting policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent Annual Financial Report for the year ended 31 December 2023 unless otherwise stated in this report.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended accounting standards as set out below.

i) New and amended accounting standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has identified that there is no material impact of new standards issued but not yet applied.

(c) Comparative figures

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. SEGMENT INFORMATION

(a) Description of segments

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

The Group primarily monitors performance according to the following segments:

Balama	Production, distribution, and sale of natural flake graphite from the Balama Graphite Operation in Mozambique.
Vidalia	Production, qualification and sale of natural graphite AAM from the Vidalia AAM facility, 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 provided to the Executive Management Team

	BALAMA US\$'000	VIDALIA US\$'000	CORPORATE US\$'000	CONSOLIDATED US\$'000
Half-year ended 30 June 2024				
Total segment revenue	19,349	135	-	19,484
Inter-segment revenue	(442)	-	-	(442)
Revenue from external customers	18,907	135	-	19,042
Loss after income tax for the half-year				
Finance income	-	(717)	(800)	(1,517)
Finance costs	666	1,611	8,888	11,165
Depreciation and amortisation expenses	4,095	4,037	62	8,194
Income tax expenses	447	-	-	447
Adjusted EBITDA 2024	(21,360)	(19,869)	(7,590)	(48,819)
Half-year ended 30 June 2023				
Total segment revenue	29,736	-	-	29,736
Inter-segment revenue	(1,348)	-	-	(1,348)
Revenue from external customers	28,388	-	-	28,388
Loss after income tax for the half-year				
Finance income	(11)	(9)	(914)	(934)
Finance costs	1,291	-	3,681	4,972
Depreciation and amortisation expenses	5,529	-	70	5,599
Income tax expenses	504	302	-	806
Adjusted EBITDA 2023	(21,236)	139	(7,062)	(28,159)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. SEGMENT INFORMATION (CONTINUED)

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

	BALAMA US\$'000	VIDALIA US\$'000	CORPORATE US\$'000	CONSOLIDATED US\$'000
Total segment current assets				
30 June 2024	33,947	52,701	41,053	127,701
31 December 2023	34,151	43,985	46,919	125,055
Total segment non-current assets				
30 June 2024	255,935	314,175	394	570,504
31 December 2023	261,152	313,377	464	574,993
Total segment liabilities				
30 June 2024	(44,294)	(107,239)	(114,777)	(266,310)
31 December 2023	(45,322)	(112,829)	(188,293)	(346,444)

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

NOTE 3. REVENUE

	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
Revenue from external customers	19,042	28,388

(a) Geographical information

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

	30 JUNE 2024 US\$'000	30 JUNE 2023 US\$'000
China	-	12,419
Europe	9,033	7,052
Asia (exc.China & India)	5,350	-
India	2,579	1,878
Americas	1,970	6,815
Other locations	110	224
	19,042	28,388

(b) Major customer information

Revenue from four major customers (two in Europe, one in Americas and one in Asia (excluding China and India), which individually accounted for approximately 6% or greater of total revenues, amounted to \$13.3 million. Sales to European customers were 47% of the total revenue, while sales to American, Indian and Asian (excluding India and China) customers were 10%, 14% and 28% respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4. COST OF SALES

	30 JUNE 2024	30 JUNE 2023
	US\$'000	US\$'000
Mining and production costs	36,364	36,694
Logistics costs	8,656	8,062
Government royalties	260	590
Depreciation and amortisation expense	7,810	5,527
Changes in inventories	(9,544)	(10,046)
Other costs	483	10
	<u>44,029</u>	<u>40,837</u>

NOTE 5. DISTRIBUTION COSTS

	30 JUNE 2024	30 JUNE 2023
	US\$'000	US\$'000
Shipping costs	3,367	8,311
Other selling costs	1,295	1,587
	<u>4,662</u>	<u>9,898</u>

NOTE 6. ADMINISTRATIVE EXPENSES

	30 JUNE 2024	30 JUNE 2023
	US\$'000	US\$'000
<i>Employee benefits expense</i>		
Salaries and wages	1,822	2,226
Share-based payments	1,179	2,701
Employee entitlements	188	222
Contribution superannuation expense	171	171
Total employee benefits expenses	<u>3,360</u>	<u>5,320</u>
<i>Legal and consulting expenses</i>		
Legal expenses	216	215
Consulting expenses	4,270	856
Total legal and consulting expenses	<u>4,486</u>	<u>1,071</u>
<i>Other expenses</i>		
Other administrative expenses	1,080	704
Total other expenses	<u>1,080</u>	<u>704</u>
Total administrative expenses	<u>8,926</u>	<u>7,095</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 7. INCOME TAX EXPENSE

(a) Income tax expense

	30 JUNE 2024	30 JUNE 2023
	US\$'000	US\$'000
Current tax expense	-	-
Deferred tax expense	447	806
Total tax expense	447	806
Deferred income tax		
(Increase)/decrease in deferred tax assets	(1,648)	173
Increase/(decrease) in deferred tax liabilities	2,095	633
Total deferred tax expense	447	806

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

	30 JUNE 2024	30 JUNE 2023
	US\$'000	US\$'000
Loss before income tax expense from continuing operations	(66,661)	(37,796)
Tax at the Australian tax rate of 30% (30 June 2023: 30%)	(19,998)	(11,339)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- Share-based payments	339	810
- Non-deductible interest expenses	-	774
- Thin Capitalisation	2,029	548
- Other non-deductible expenses	1,904	652
- Differences in overseas tax rate	(366)	823
- Movement in unrecognised temporary differences	62	303
- Current period taxation losses not recognised as deferred tax assets	14,933	6,795
- Other differences	1,544	1,440
Income tax expense	447	806

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Cash and cash equivalents

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Cash at bank and in hand	28,904	34,892
Deposits at call	11,674	11,787
Other - restricted cash	41,030	38,210
Total cash and cash equivalents	81,608	84,889

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

Total cash and cash equivalents are held in trading accounts or term deposits with major financial institutions under normal terms and conditions appropriate to the operation of the accounts. These deposits earn interest at rates set by these institutions. As at 30 June 2024, the weighted average interest rate on current accounts and term deposits was 3.76% (31 December 2023: 4.54%).

Restricted cash consists of bank accounts held by Syrah Technologies LLC which are subject to loan agreement restrictions and are therefore not available for general use by other entities within the Group.

(b) Trade and other receivables

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Current		
Trade receivables	5,055	3,512
Prepayments	5,773	1,591
Other receivables	397	138
Input tax credits	136	28
Total current trade and other receivables	11,361	5,269
Non-current		
Input tax credits	4,020	3,834
Provision for impairment of input tax credits ⁽¹⁾	(485)	(485)
Security deposits	30	30
Total non-current trade and other receivables	3,565	3,379

- (1) The Group regularly assesses the recoverability of input tax credits. In 2022, the Group conducted an assessment and determined that there was some doubt relating to the recoverability of input tax credits at Twigg Exploration and Mining Limitada prior to 2017. As a result, a provision of \$0.5 million for impairment of input tax credits was recognised. The balance remains unchanged for the interim financial period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

c) Trade and other payables

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Current		
Trade payables and accruals	16,529	23,898
Other payables	2,705	2,882
Total current trade and other payables	19,234	26,780
Non-current		
Trade payables and accruals	1,771	1,687
Total non-current trade and other payables	1,771	1,687

(d) Leases

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Current	2,167	2,178
Non-current	12,355	13,743
Total lease liabilities	14,522	15,921

(e) Borrowings

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Current borrowings		
Initial face value of Convertible Notes issued and DoE loan	-	259,693
Capitalised to principal outstanding		
- Interest charges	-	27,918
- Convertible Notes transaction costs	-	3,234
Borrowing costs	-	(6,377)
Deferred transaction costs	-	(2,128)
Transfer from non-current borrowings – interest payables	3,297	-
Exchange differences	-	(2,418)
Total current borrowings	3,297	279,922

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(e) Borrowings (Continued)

	30 JUNE 2024	31 DECEMBER 2023
	US\$'000	US\$'000
Non-current borrowings		
Initial face value of Convertible Notes issued and DoE loan	199,550	-
Capitalised to principal outstanding		
- Interest charges	16,104	-
- Convertible Notes transaction costs	2,031	-
Borrowing costs	(6,377)	-
Deferred transaction costs	(1,670)	-
Transfer to current borrowings – interest payables	(3,297)	-
Exchange differences	(2,335)	-
Total non-current borrowings	204,006	-

Syrah Resources Limited issued a 5-year unsecured A\$55.8 million (US\$37.0 million) Convertible Note Series 1 in October 2019, and a A\$28.0 million (US\$18.6 million) Convertible Note Series 3 in June 2021 with the same maturity as Series 1. On the conversion date of 31 May 2024, the total balance of Convertible Note Series 1 and 3 was A\$117.9 million (US\$78.3 million), which includes the capitalised interest of A\$32.4 million (US\$21.5 million) and capitalised transaction costs of A\$1.7 million (US\$1.2 million). This total balance converted into 176,296,803 fully paid ordinary shares at a conversion price of A\$0.6688 per share.

Syrah Resources Limited issued A\$150.0 million (US\$ 101.6 million) unsecured Convertible Notes to AustralianSuper in three equal series (Series 4, 5 and 6 Convertible Notes at A\$50.0 million principal per series) with maturity date on 12 May 2028. The Series 4, 5 and 6 Convertible Notes were issued in full to AustralianSuper on 12 May 2023, 8 August 2023 and 23 October 2023, respectively. Prior to approval of the Shareholder Resolutions for the issuance of these Convertible Notes, 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, the interest is accrued at a rate of 11% per annum, compounded daily, capitalised quarterly in arrears and added to principal outstanding for Series 4, 5 and 6.

Syrah Technologies LLC drew down on the DOE loan on 15 February 2023, 25 April 2023 and 3 October 2023 for a total amount of \$98.0 million. The DOE loan is for up to \$102.0 million including \$98.0 million in loan advances and approximately \$4.0 million in maximum capitalised interest. The maturity date of the loan is 20 April 2032. Syrah Technologies also incurred \$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.

It was determined that as at 31 December 2023 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 31 December 2023 if either DOE or AustralianSuper chose to exercise their rights under the respective loan agreements. Subsequent to the year-end, waivers were received from both DOE and AustralianSuper. As of 30 June 2024, no Event of Default had occurred. Therefore, the AustralianSuper Convertible Notes and DOE loan are accounted for in non-current liabilities, until such time as the maturity dates on the borrowings are within 12 months of the balance sheet date.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(a) Inventories

	30 JUNE 2024	31 DECEMBER 2023
	US\$'000	US\$'000
Stores and materials	24,124	23,800
Ore stockpile	-	3,615
Work in progress	342	114
Finished goods	10,266	7,368
Total inventories	34,732	34,897

Inventory write-down

Write-down of product inventories to net realisable value totaled \$10.0 million in the interim period (30 June 2023: \$4.4 million) and was recognised as an expense in the Condensed Consolidated Statement of Comprehensive Income or Loss.

(b) Mining assets

	30 JUNE 2024	31 DECEMBER 2023
	US\$'000	US\$'000
Exploration and evaluation	1,303	1,305
Mine properties and development	115,751	118,074
Total mining assets	117,054	119,379

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

	EXPLORATION AND EVALUATION US\$'000	MINE PROPERTIES AND DEVELOPMENT US\$'000	TOTAL US\$'000
At 1 January 2024			
Cost	1,305	190,716	192,021
Accumulated depreciation and impairment	-	(72,642)	(72,642)
Net book amount	1,305	118,074	119,379
6 months to 30 June 2024			
Balance at beginning of period	1,305	118,074	119,379
Change in rehabilitation estimate	-	(847)	(847)
Amortisation expenses	-	(1,476)	(1,476)
Exchange differences	(2)	-	(2)
Balance at end of period	1,303	115,751	117,054

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(b) Mining assets (Continued)

Exploration and evaluation

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

Mine properties and development

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

(c) Property, Plant and Equipment

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	RIGHT- OF-USE ASSETS	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2024						
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
For the half year ended 30 June 2024						
Balance at beginning of period	8,843	67,125	149	339,574	9,508	425,199
Additions	312	601	-	12,886	-	13,799
Transfers from Assets Under Construction	95,747	207,989	182	(303,918)	-	-
Lease modifications	-	-	-	-	(1,196)	(1,196)
Depreciation charge	(1,287)	(5,217)	(83)	-	(131)	(6,718)
Write-off of certain Vidalia pre-commercial production expenses ⁽¹⁾	-	-	-	(9,948)	-	(9,948)
Exchange differences	-	(4)	-	89	(13)	72
Balance at end of period	103,615	270,494	248	38,683	8,168	421,208
At 30 June 2024						
Cost	111,474	335,458	1,079	38,683	19,298	505,992
Accumulated depreciation and impairment	(7,859)	(64,964)	(831)	-	(11,130)	(84,784)
Net book amount	103,615	270,494	248	38,683	8,168	421,208

(1) As part of the construction finalisation review process in FY2024, the Group conducted a comprehensive assessment and determined that certain costs recorded within Assets Under Construction were no longer directly attributable to the construction of the Vidalia AAM facility. Consequently, these costs have been written off.

Assets under construction – additions

Assets Under Construction additions as at 30 June 2024 consists of the capitalisation of costs associated with the Vidalia Further Expansion of \$12.5 million and capital costs for Balama of \$0.3 million, which mainly relates to Tailing Storage Facility Cell 2.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(c) Property, Plant and Equipment (Continued)

Declaration of Vidalia commercial production

The Vidalia facility commenced Active Anode Material (AAM) production in February 2024. The major criteria considered in terms of declaring commercial production, include, but may not be limited to the following:

- The facility is ready for use and capable of operating in the manner intended by management having achieved technical and performance thresholds.
- The construction of the facility's key components has been completed, and all major capital expenditures necessary to bring the facility to operational status have been finalised.
- The facility, along with other critical infrastructure components, has been transitioned from construction phase to the control of the Operations team, signifying the completion of the construction phase and the readiness of the facility for operational management.
- The facility has fulfilled all mandated compliance and regulatory requirements, thereby ensuring its operational readiness and adherence to industry standards.
- The production output of the anode material has met the required quality standards and aligns with the targeted specifications as intended by management.

Following the completion of the Vidalia Initial Expansion and the declaration of commercial production, capitalised project construction costs were transferred from Assets Under Construction to Land and Buildings, Plant and Equipment, and Computer Equipment, respectively, and depreciation commenced.

(d) Deferred tax balances

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
<i>The balance comprises temporary differences attributable to:</i>		
<i>Deferred tax assets</i>		
Taxation losses ⁽¹⁾	7,367	5,272
Mining assets	21,290	21,737
Total deferred tax assets	28,657	27,009
<i>Deferred tax liabilities</i>		
Non-financial assets	(7,367)	(5,272)
Total deferred tax liabilities	(7,367)	(5,272)

(1) Relates to tax losses held by Syrah Technologies LLC up to the balance of Deferred Tax Losses held.

Movements in deferred tax balances

	BALANCE AT 1 JANUARY 2024 US\$'000	(CHARGED)/ CREDITED TO PROFIT OR LOSS US\$'000	BALANCE AT 30 JUNE 2024 US\$'000
<i>Deferred tax assets</i>			
Taxation losses	5,272	2,095	7,367
Mining assets	21,737	(447)	21,290
Total deferred tax assets	27,009	1,648	28,657
<i>Deferred tax liabilities</i>			
Non-financial assets	(5,272)	(2,095)	(7,367)
Total deferred tax liabilities	(5,272)	(2,095)	(7,367)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(e) Provisions

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Current		
Employee benefits	1,368	1,381
Other current provisions ⁽¹⁾	1,971	1,642
Total current provisions	3,339	3,023
Non-current		
Employee benefits	85	67
Decommissioning and restoration	6,112	6,894
Other non-current provisions ⁽¹⁾	6,577	6,878
Total non-current provisions	12,774	13,839

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

Movements in decommissioning and restoration provision

	6 MONTHS TO 30 JUNE 2024 US\$'000
Balance at beginning of period	6,894
Movements:	
- Capitalised to Mine Properties and Development (note 9b)	(847)
- Unwind of discount	65
Balance at end of period	6,112

Movements in other provision

	6 MONTHS TO 30 JUNE 2024 US\$'000
Balance at beginning of period	8,520
Movements:	
- Unwind of discount	153
Amounts used during the half-year	(125)
Balance at end of period	8,548

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 10. EQUITY

(a) Issued Capital

	30 JUNE 2024 SHARES	31 DECEMBER 2023 SHARES	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Issued and fully paid ordinary shares	1,034,891,766	675,897,730	940,128	798,213
Total issued and fully paid ordinary shares	1,034,891,766	675,897,730	940,128	798,213

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

	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUED PRICE (A\$)	US\$'000
6 months to 30 June 2024			
Balance at beginning of period	675,897,730		798,213
Issue of new shares:			
- Institutional placement	111,638,899	AUD 0.55	40,065
- Entitlement offer	66,551,623	AUD 0.55	24,081
- Equity-settled remuneration	4,506,711	- (1)	-
- Transfers from share-based payment reserve (2)	-		1,518
- Conversion of Convertible Note Series 1 and 3	176,296,803	AUD 0.67	78,255
Capital raising costs	-		(2,004)
Balance at end of period	1,034,891,766		940,128

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

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

(b) Reserves

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Foreign currency translation reserve	(25,122)	(28,945)
Share-based payments reserve	6,889	8,342
Total reserves	(18,233)	(20,603)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 10. EQUITY (CONTINUED)

(b) Reserves (Continued)

(i) Movements in reserves

Movements in each class of reserve are set out below:

	FOREIGN CURRENCY RESERVE US\$'000	SHARE-BASED PAYMENTS RESERVE US\$'000	TOTAL US\$'000
6 months to 30 June 2024			
Balance at beginning of period	(28,945)	8,342	(20,603)
Foreign currency translation	3,823	-	3,823
Share-based payments	-	1,179	1,179
Issuance of shares	-	(1,518)	(1,518)
Transfer of expired performance rights	-	(1,114)	(1,114)
Balance at end of period	(25,122)	6,889	(18,233)

(ii) Nature and purpose of reserves

Foreign currency reserve

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

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

Share-based payments reserve

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

(c) Non-controlling Interest

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 11. COMMITMENTS, CONTINGENCIES AND GUARANTEES

(a) Capital expenditure commitments

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

	30 JUNE 2024 US\$'000	31 DECEMBER 2023 US\$'000
Property, plant and equipment	25,357	41,027
Total capital commitments	25,357	41,027

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

(b) Contingencies

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

(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 Limitada's obligations to the Government of Mozambique for environmental bond under the Mining Agreement between The Government of Mozambique and Twigg.

NOTE 12. EVENTS OCCURRING AFTER THE REPORTING PERIOD


No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year financial period ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Shaun Verner
Managing Director

Melbourne, Australia
9 September 2024

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Syrah Resources Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed Consolidated Balance Sheet as at 30 June 2024, the Condensed Consolidated Statement of Comprehensive Income or Loss, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the half-year 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 half-year 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 conclusion is not modified in respect of this matter.

Responsibilities of the directors for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in grey ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in grey ink that reads 'Ben Gargett'.

Ben Gargett
Partner

Melbourne
9 September 2024