



SYRAH ANNOUNCES FIRST PRODUCTION

Syrah Resources Limited (**ASX: SYR**) ("Syrah" or "Company") is pleased to announce the first production of bagged saleable flake graphite from the Balama Project ("Balama") in Mozambique.

Highlights

- Production of first bagged saleable flake graphite at Balama
- Flake graphite grade in excess of 95% fixed carbon
- Construction essentially complete
- Process plant optimisation underway

Shaun Verner, Managing Director and CEO said, "This is a significant achievement for Syrah, our subsidiary Twigg, and our host communities in Mozambique as the Company moves into operations. The development of Balama has been achieved through an extremely dedicated construction, commissioning and operations team, with great support from the local communities, investors, suppliers, government and other stakeholders. We look forward to reliably and consistently supplying the global graphite market and our planned Battery Anode Material operation with the highest quality natural graphite."

Shaun Verner also added, "Following the intermediate concentrate produced in late October, Syrah has now successfully commissioned the final stages of the flake circuit including polishing, filtration, drying, screening and bagging. Flake graphite produced is within our expected grade range, in excess of 95% fixed carbon. Remaining commissioning activities will focus on the fines circuit and further optimisation works. We expect our first shipment of flake product from Nacala Port in the coming weeks. First cash receipts are expected in early 2018 with production of 160,000 to 180,000 tonnes¹ in 2018, following customer qualification processes."

Construction Progress

- All major project construction works are essentially complete, remaining construction activities limited to electrical and instrumentation works, completion of construction punch list items and verification checklists for the fines circuit
- Construction of Chipembe Dam pipeline (14 kilometres) and pump station is complete
- Attrition cells are on site and civil works completed, with installation to commence after commissioning of the fines circuit
- Demobilisation of construction teams is well underway

(1) Refer to ASX announcements titled "Syrah finalises Balama Graphite study and declares maiden ore reserve" released on 29 May 2015, "Syrah increases Balama Reserves and awards Laboratory Contract" released on 15 November 2016. All material assumptions underpinning the production target in these announcements continue to apply and have not materially changed.



Commissioning

- Commissioning sequence was prioritised for initial production of coarse flake
- Full ore commissioning of the combined crusher, primary mill, scrubber, classification, thickener and tails disposal to the tailings storage facility is complete and optimisation work is underway
- Ore commissioning of the flake circuit including flotation, polishing, drying, screening and bagging completed with first production of saleable bagged graphite achieved
- Chipembe Dam pipeline is fully commissioned
- During the commissioning phase, costs of Balama production offset by any revenue received will be capitalised on the balance sheet until commercial production is declared. Further details will be provided as commissioning draws to completion and production ramps up.

Balama Processing Plant

1. Primary Milling



3. Thickener



2. Flotation



4. Flake Cleaner



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5. Flake Filter Feed Tank



8. Flake Bagging



6. Flake Filtration



9. Flake Graphite Produced



7. Flake Drying



10. Saleable Bagged Product



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About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah is currently constructing the Balama Graphite Project (Balama) in Mozambique, with construction substantially complete. Commissioning activities commenced in May 2017 and Syrah produced its first saleable flake graphite product in November 2017. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also developing a downstream Battery Anode Material plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium ion batteries. For further information, visit www.syrahresources.com.au

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