



SYRAH RESOURCES

Annual General Meeting Presentation

26 May 2016

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Our vision and values



Syrah's vision is to be the **leading supplier** of **superior quality graphite products**, working closely with our customers and supply chain to innovate and bring **enhanced value** to **industrial** and **emerging technology markets** globally.

Syrah is committed to:

- **WORKING SAFELY** at all times
- **PARTNERING WITH STAKEHOLDERS** for community and environmental sustainability
- **INTEGRITY** and **FAIRNESS** in all our business dealings
- Being **ACCOUNTABLE** for all our decisions and actions
- **SETTING GOALS** and supporting people to achieve them

We will work as a team and act as owners.



Investment highlights



**LOW CAPITAL
INVESTMENT
AND
OPERATING COSTS**
OVER THE LIFE OF THE MINE



OVER
350K TPA
GRAPHITE
CONCENTRATE
PRODUCTION
OVER THE FIRST
10 YEARS



OVER
40 YEARS
OF MINE LIFE WITH
**FURTHER
GROWTH**
OPPORTUNITIES



**BALAMA PROJECT
DEVELOPMENT
ACTIVITIES
SIGNIFICANTLY
PROGRESSED**



**FIRST BALAMA
SPHERICAL
GRAPHITE
OFFTAKE
FINALISED**



**BALAMA
SPHERICAL
GRAPHITE
QUALIFIED BY
3 MAJOR BATTERY
PRODUCERS**



**SPHERICAL
GRAPHITE
ENGINEERING
STUDY
PROGRESSING**

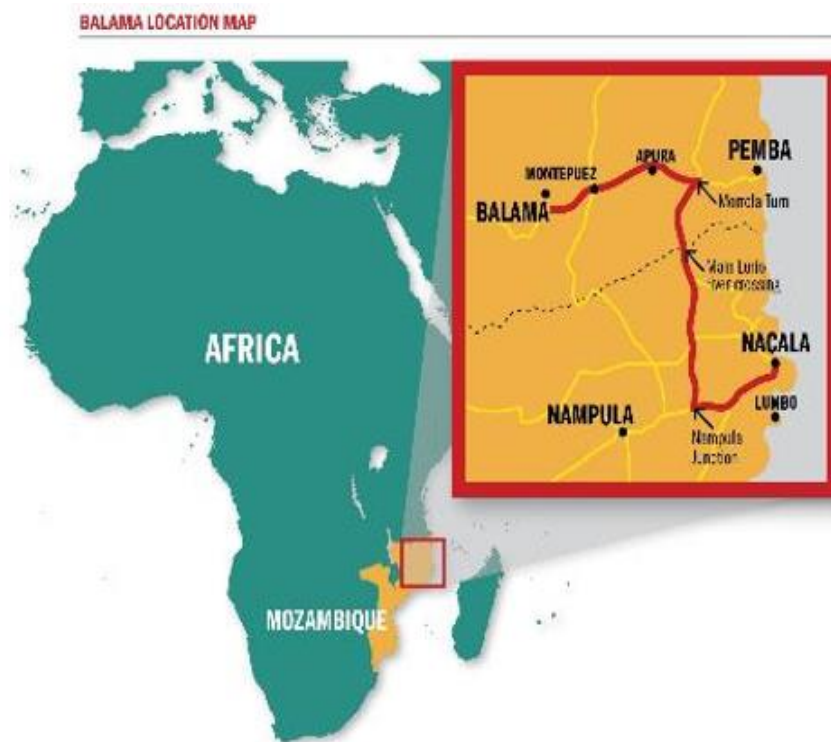


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Building the world's premier graphite company



- Feasibility Study confirms the **world class** potential of the **Balama Project**
- **Low cost** producer of superior quality graphite products
- Targeting “traditional” **industrial** graphite markets and emerging **technology** markets
- **Development** activities significantly underway
- Production **ramp up** in 2017



New Director appointed – Dr. Christina Lampe-Onnerud



- **United States** based **authority** in **battery system innovation** and **design**
- **20 years experience** in R&D and commercialization of **lithium ion battery technologies**
- **Founder** of **Boston-Power Inc** (Boston-Power), a developer of high-energy, efficient and safer battery “building blocks” that could be deployed into the portable electronics, transportation and utility energy storage markets
- **Co-founder, Chairman** and **CEO** of **Cadenza Innovation LLC**, which is focused on developing high-performance, low cost battery technologies
- **Lauded** as a **Technology Pioneer** by the **World Economic Forum Technology**, and similarly honored by other prestigious organizations that include the **Massachusetts Institute of Technology**
- Dr. Lampe-Onnerud’s extensive **technical knowledge** and **commercial experience** in the lithium ion battery sector **adds a skill** directly **relevant** to the Company’s **spherical graphite strategy**



Balama Project



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Development activities significantly progressed



- **Detailed engineering** and **design** is well advanced
- **Steelwork** and **plate work** fabrication is well underway with **deliveries** commencing to site during **Q2 2016**
- **Manufacture** of **principal mechanical equipment** continues and will be ready for **delivery** to site during **Q2** and **Q3 2016**
- **Concrete works** have commenced in the key areas of the **crushing facility** and **primary mill foundations** in preparation for the commencement of construction
- Tender submissions for **Structural, Mechanical** and **Piping (SMP)** construction work have been submitted and are currently being reviewed
- Key **construction** and **operational staff** being progressively **recruited** with a number of positions being awarded to **highly qualified Mozambican** nationals



Ore storage



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Crushing



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Process water, filter building and thickener



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Flotation and grinding



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Truck parking for product haulage



Administration building



Components and equipment being manufactured



Clockwise from top left: Flash dryer cyclone, bag filter hopper, recycle crusher and structural steel being manufactured



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A low-angle photograph of two Black men in industrial workwear. They are wearing tan work shirts with reflective green and yellow stripes, white hard hats, and safety glasses. They are holding a large, dark, cylindrical pipe or pipe section high above their heads with both hands. The background is a bright blue sky with scattered white clouds. The ground appears to be a dark, possibly muddy or sandy, construction site.

Product marketing and offtake



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Marketing strategy and product mix



- **Partnerships** with major **end users** or key regional **commodity traders**
- **Technology** markets (lithium ion battery applications) require **-100 mesh** graphite
- **General Manager – Sales & Marketing** Antonio Assis appointed with over 28 years of experience in the graphite and other industrial sectors

Mesh Size	Balama Profile			Applications
	µm	Average Size Distribution (%) ⁽¹⁾	Expected Production (Kta) ⁽²⁾	
+50	>300	8.5%	30	Industrial uses (e.g. Steelmaking, iron castings, foundries, automotive parts, lubricants etc.)
+80	<300 to >180	12.0%	43	
+100	<180 to >150	11.5%	41	
-100	<150	68.0%	241	Spherical graphite (i.e. lithium ion batteries) Recarburiser products

(1) Average estimated size distribution over the LOM based on Snowden Feasibility Study. Refer to “Balama Feasibility Study and Corporate Presentation” as announced to ASX on 29 May 2015 for relevant assumptions and qualifications to the conclusions of this study.

(2) Average estimated production over the first 10 years of the project based on Snowden Feasibility Study. Refer to “Balama Feasibility Study and Corporate Presentation” as announced to ASX on 29 May 2015 for relevant assumptions and qualifications to the conclusions of this study.



Proposed Spherical Graphite Project



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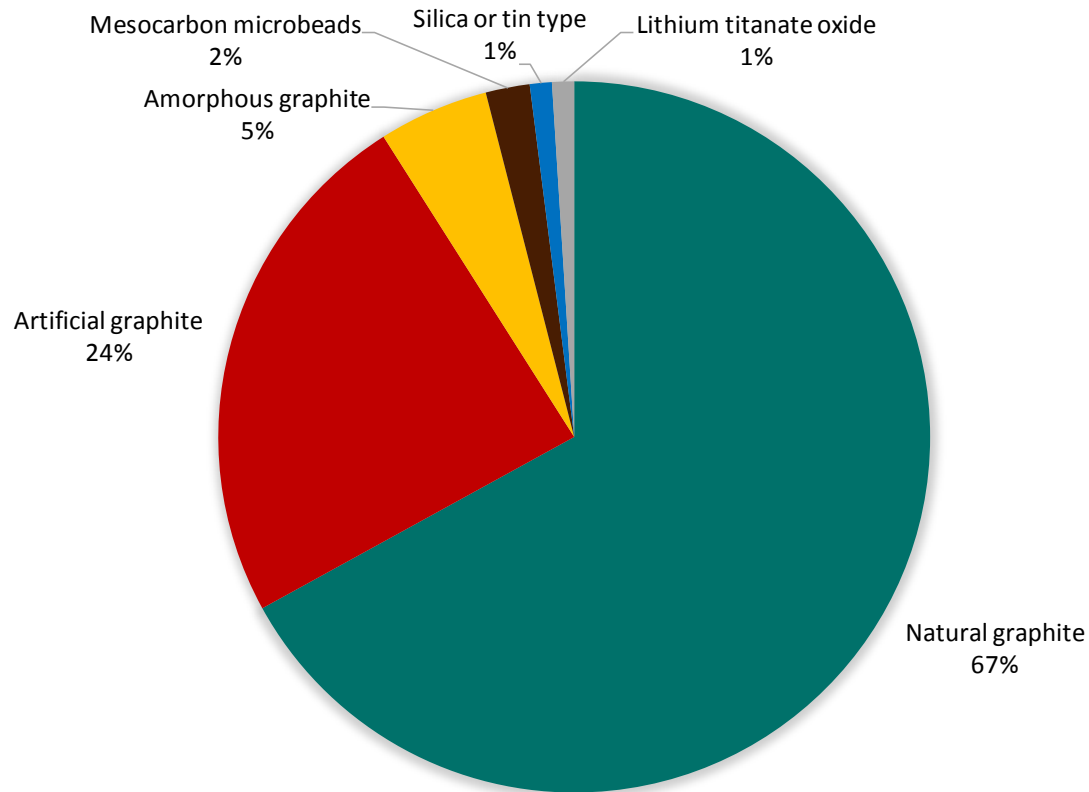
Emerging technology markets



- Emerging macroeconomic theme – **electric vehicles** and **grid storage**
- Significant **lithium ion battery** demand continues
- **Coated spherical graphite** used as **anode material** in lithium ion batteries
- **1KWh** requires **~1kg** of spherical graphite
- Increasing **shift** towards **natural graphite** as a cost effective alternative to synthetic graphite



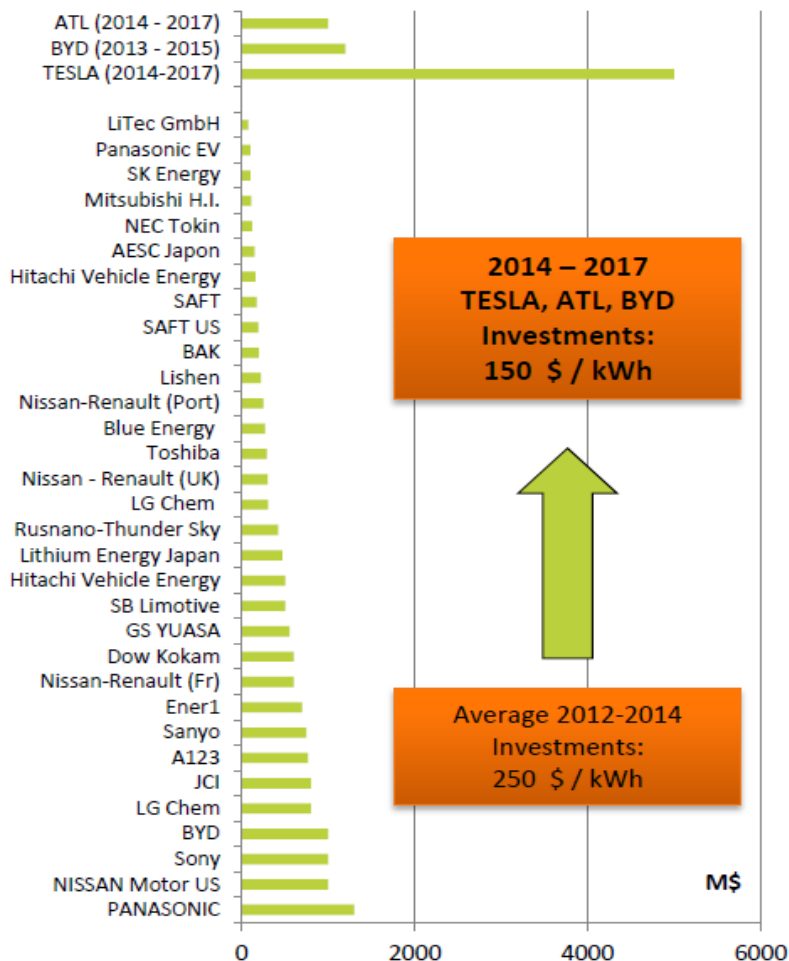
Anode materials used in lithium ion batteries



Composition of anode materials used in lithium ion batteries in 2014
(Source: Avicenne Energy 2015)



Significant planned battery capacity

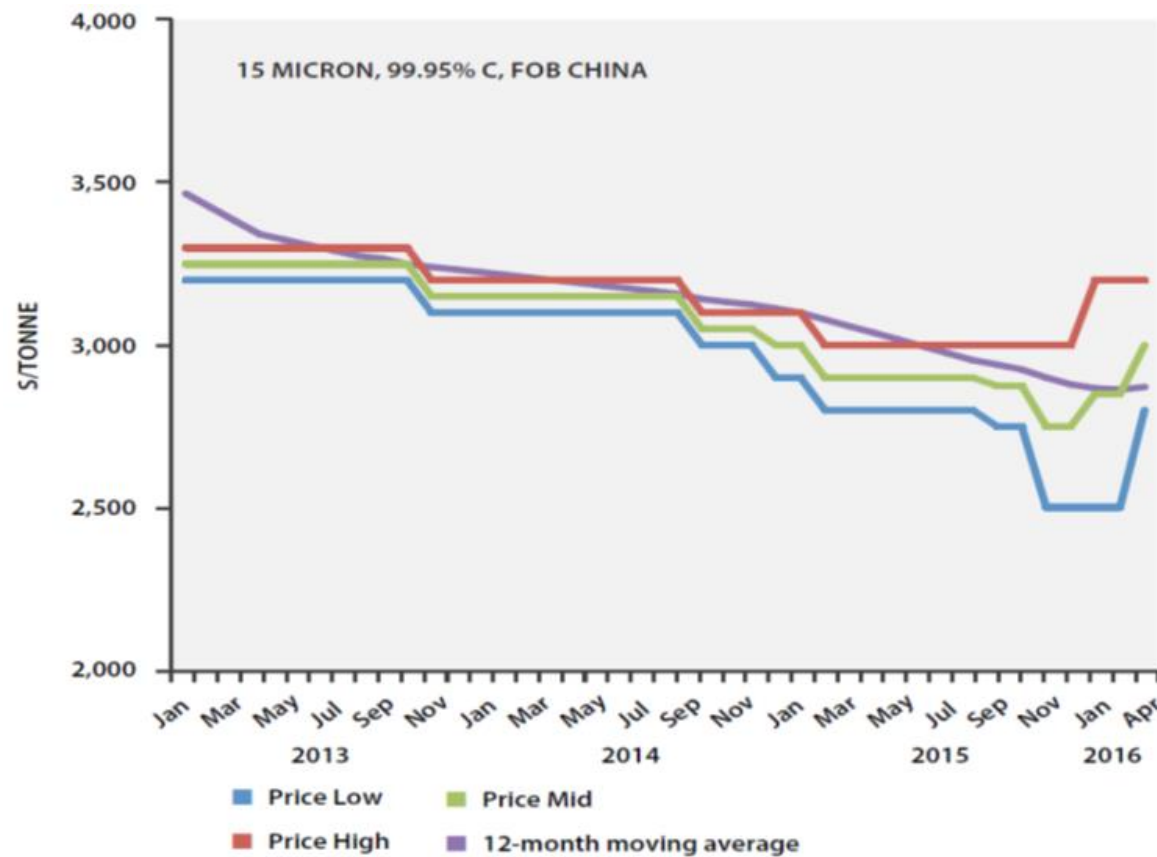


Historical and expected lithium battery manufacturing investment - 2011 to 2017 (Source: Avicenne Energy 2015)

- Significant **additional** planned lithium ion battery capacity has been announced globally
 - **US\$10 billion – US\$12 billion** invested during 2011 to 2014
 - **Over US\$6 billion** is expected to be invested from 2014 to 2017 by Telsa, BYD and Amperex Technology Limited



Historical spherical graphite prices



Historical 15 micron, 99.95% C FOB China uncoated spherical graphite prices (Source: Benchmark Minerals)



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Tesla Model 3



Newly unveiled Tesla Model 3 which had nearly 400,000 pre-orders three weeks after launching on 31 March 2016



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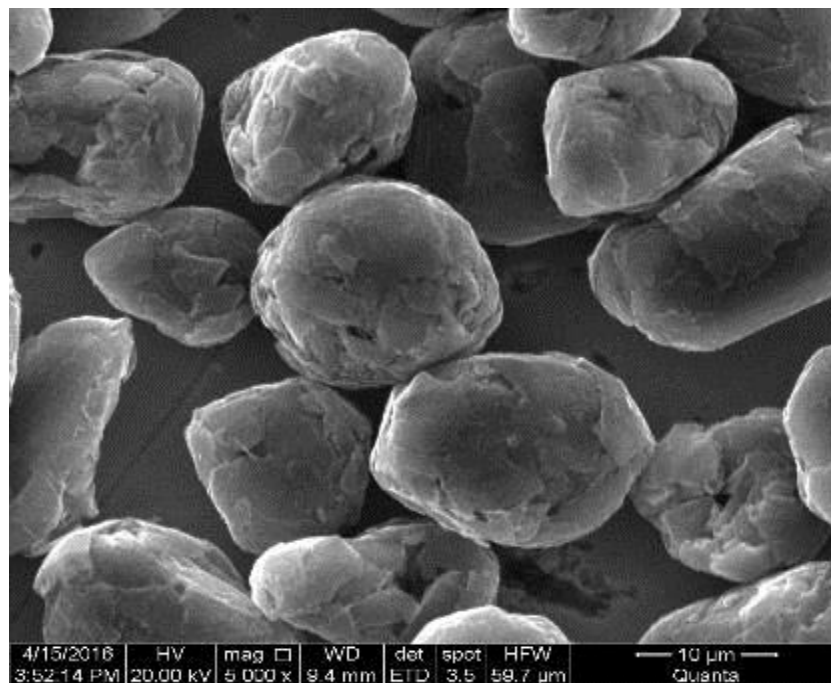
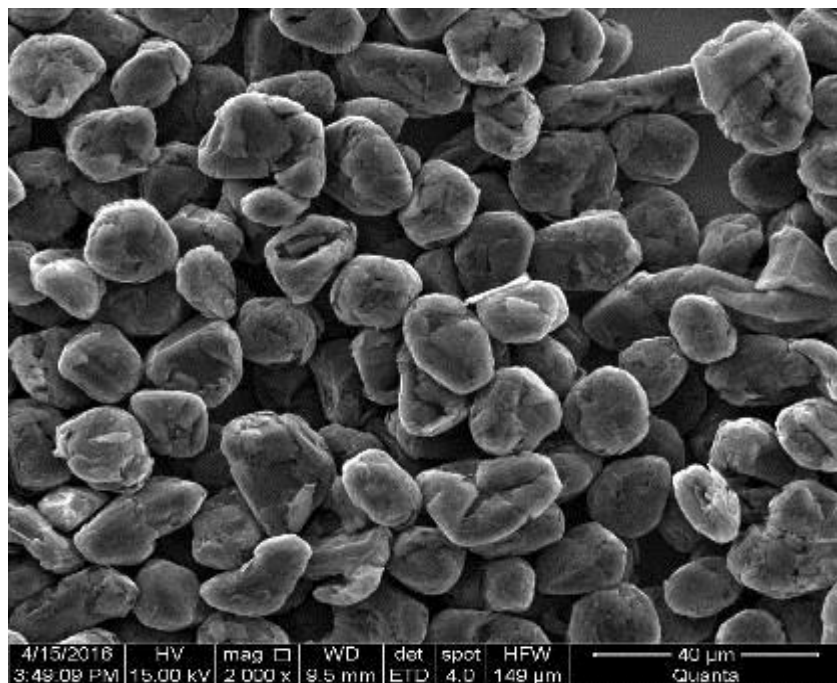
Ideal characteristics of flake graphite for battery applications



- **Optimal flake size** – using -100 mesh maximises production yield
- **Degree of crystal order** – Balama graphite has a fully ordered crystalline structure
- **Degree of spheroidisation** – well rounded spherules increases tap density and anode efficiency
- **Purity level** – purification to 99.95%+ carbon increases anode life and conductivity
- **High production yields** – test work to date has shown that a spherical graphite production yield of 50% can be achieved with Balama graphite, compared to typical yields of 30% to 40%



Balama spherical graphite



Purified, uncoated Balama spherical graphite



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The Balama journey



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The future of graphite



- World's largest, **low cost** producer, with a capacity over **350,000 tpa**⁽¹⁾
- Balama has the ability to become a **long term, consistent** and **high quality** graphite supplier
- **Rapid** progress – **concept** to **mine development** in **4 years**
- Highly **experienced** Board and management team
- Ideally **positioned** to innovate and bring **enhanced value** to **industrial** and **emerging technology markets** globally
- **Production ramp up** Balama Project in early 2017

(1) Average annual production over first 10 years.



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