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SYRAH SIGNS STATEMENT OF SALES INTENT WITH LEADING REFRactory PRODUCER

INTRODUCTION

Highlights:

- 10 year Statement of Sales Intent signed with one of the world's largest refractory producers
- This leading refractory producer intends to purchase up to 15,000 tonnes per annum of natural graphite for its production facilities around the world
- This agreement reflects the strong confidence that industry participants have in the Balama Project
- Refractory applications are currently the largest driver of graphite demand

STATEMENT OF SALES INTENT

Syrah Resources (ASX:SYR) is pleased to announce that it has signed a Statement of Sales Intent (SSI) for an offtake agreement with one of the world's largest refractory producers.

Syrah Managing Director, Mr. Tolga Kumova commented: *"This SSI represents the first agreement between a major end user and an emerging graphite producer. Refractory applications are currently the largest driver of graphite demand and we are very excited to work with a leading company in this area. This agreement reflects the strong confidence that industry participants have in the Balama Project and the quality of its graphite concentrate. We look forward to formalising additional offtake agreements globally in the future."*

Key terms

The SSI will be valid for a 10 year period and this leading refractory producer intends to purchase up to 15,000 tonnes per annum of natural graphite for its production facilities around the world. Initial concentrate samples have been provided to this party and have satisfied their internal product qualification process. Balama graphite concentrate will be used for refractory bricks and parts for industrial high-temperature processes exceeding 1,200 °C.

Refractories

Refractories are the heat resistant materials that are used as protective insulation in high temperature industrial processes. They are manufactured in the form of shaped (bricks) and unshaped (monolithic) products and used in industries such as iron and steel production. Natural graphite with its unique qualities is one of the most widely used refractory materials. Depending on the process, temperature and wearing rate, different specifications of natural graphite will be required.



Figure 1: High temperature refractory bricks.

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About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian resource company that is rapidly progressing its flagship Balama Graphite and Vanadium Project in Mozambique to production. The Project hosts the largest graphite ore reserves in the world with an Australasian Joint Ore Reserves Committee (JORC) compliant Ore Reserve of 81.4 Mt at 16.2% total graphitic carbon. Balama is a 110 km² granted Mining Concession located within the Cabo Delgado province in the district of Namuno in northern Mozambique. The Project is approximately 260 km by road west of Pemba and is accessible by a sealed, main road, running directly from Pemba Airport. The Port of Nacala is approximately 490 km by road south east of the Project and is the deepest port in Southern Africa.