

ASX Announcement / Media Release

30 October 2024

US\$150 million DFC binding loan for Balama

Highlights

- **US\$150 million (A\$227 million) binding loan agreement executed with United States International Development Finance Corporation (“DFC”)**
- **DFC loan will fund capital requirements at the Balama Graphite Operation and is aligned with the US Government’s commitment to support development in Africa**
- **First DFC loan to a graphite operation, demonstrating the importance of Balama to bolstering US supply chain security for critical minerals**
- **Initial disbursement of the DFC loan is expected to be completed in November 2024**
- **DFC loan supports Syrah in managing near-term volatile natural graphite market conditions and continued operations in preparation for increased sales to ex-China anode customers.**

Syrah Resources Limited (ASX: SYR) (“Syrah” or the “Company”) announces its subsidiary, Twigg Exploration and Mining Limitada (“Twigg”) has signed binding documentation with United States International Development Finance Corporation for a loan facility of US\$150 million (A\$227 million) to support the Balama Graphite Operation in Mozambique (“Balama”). Execution of the DFC loan agreement follows a conditional loan commitment from DFC to Twigg in September 2023¹. An initial US\$73 million disbursement of the DFC loan to Twigg is expected to be completed in November 2024.

The DFC loan to Twigg will fund Balama capital requirements including:

- Working and sustaining capital in the operations of Balama;
- Current and future expansion of Balama’s tailings storage facility (“TSF”); and
- Feasibility studies for the development of Balama’s vanadium resource.

The DFC loan to Twigg is aligned with DFC’s commitment to foster trade and investment deals and partnerships between the US and Africa. As Balama is a critical piece of the supply chain development for the global energy transition, the DFC loan also supports the first priority pillar of the G7’s Partnership for Global Infrastructure and Investment².

Execution of the DFC loan agreement follows a three-year process, which included detailed market, technical, legal, environmental and social due diligence on Balama, Twigg and Syrah in addition to extensive negotiation of loan documentation. Syrah first applied to DFC for loan funding for Balama in May 2021 and due diligence by DFC commenced in September 2021. The DFC loan has been approved by the Syrah and Twigg Boards, DFC and Mozambique Government entities.

¹ Refer ASX release 11 September 2023.

² <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment/>

Key terms and conditions of the DFC loan are summarised below.

Amount	<ul style="list-style-type: none"> US\$150 million maximum loan amount, including: <ol style="list-style-type: none"> US\$100 million in aggregate disbursements to fund working and sustaining capital of Balama operations, current TSF expansion, and vanadium development capital (“Tranche 1”); and US\$50 million in aggregate disbursements to fund longer-term TSF expansion projects (“Tranche 2”).
Disbursements	<ul style="list-style-type: none"> Up to six disbursements from Tranche 1 are available to Twigg during a three-year period ending in October 2027 (the “Tranche 1 Commitment Period”). Up to four disbursements from Tranche 2 are available to Twigg during a one-year period ending no later than September 2031 (the “Tranche 2 Commitment Period”) Certain conditions precedent must be satisfied prior to each disbursement of the DFC loan.
Interest Rate	<ul style="list-style-type: none"> Interest rate is fixed from the date of each loan disbursement for the term of the loan at DFC’s applicable cost of funding (approximately equal to the US 20-year treasury rate) plus 400 basis points. DFC’s current applicable cost of funding is 4.61%³.
Interest and Principal Repayments	<ul style="list-style-type: none"> Half yearly interest payments will commence following first loan disbursement and can be paid from loan proceeds during the Tranche 1 Commitment Period. Half yearly structured principal repayments of Tranche 1 will commence three years after the first Tranche 1 loan disbursement. Half yearly structured principal repayments of Tranche 2 will commence one year after the first Tranche 2 loan disbursement. Repayment of the DFC loan is allowed at any time after the relevant commitment period with premium penalties being applicable for accelerated repayment.
Maturity	<ul style="list-style-type: none"> Maturity date is May 2037.
Security	<ul style="list-style-type: none"> First priority ranking security over Twigg’s assets and Syrah’s interests in Twigg and a parent company guarantee from Syrah.
Covenants	<ul style="list-style-type: none"> Customary covenants and events of defaults for a project loan facility from a lender such as DFC.

DFC Acting Vice President of Infrastructure Danielle Montgomery said, *“This is a highly significant transaction that will support more diverse, resilient, and sustainable critical mineral supply chains and bolster investment in Africa. DFC’s loan demonstrates the commitment of the United States to support the transition to clean energy technology, grow economic opportunity, and uphold high labor and environmental standards.”*

Syrah Managing Director and CEO Shaun Verner said, *“The execution of a binding loan agreement with DFC for Twigg further demonstrates the importance of Balama, which is the largest integrated graphite mining and processing operation globally, to the critical minerals strategy of the US. Together with the US Department of Energy loan for Syrah’s downstream business, the DFC loan positions Syrah as a strategic partner in bolstering supply chain security for critical minerals required for the electric vehicle and energy transition in the US. The DFC loan will provide Twigg capital to preserve optionality with respect to Balama’s operating strategy and for the orderly transition to a more sustainable level of capacity utilisation, supported by a more diverse customer base.”*

Syrah Chief Financial Officer Stephen Wells said, *“We are pleased to have finalised this loan agreement with DFC after extensive due diligence and negotiation of terms and conditions. The DFC loan further diversifies Syrah’s sources of funding and provides non-dilutive funding to support Balama operations. Syrah and DFC are focused on completing the initial loan disbursement to Twigg as required for Balama. Syrah expresses its gratitude to the Mozambique Government and DFC for their collaboration and commitment to completing the DFC loan.”*

³ As at 28 October 2024. Source: <https://www.federalreserve.gov/releases/h15>

This release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

Investor Relations Contact:

Viren Hira

T: +61 3 9670 7264

E: v.hira@syrahresources.com.au

Media Enquiries Contact:

Nathan Ryan

T: +61 420 582 887

E: nathan.ryan@nwrcommunications.com.au

About Syrah

Syrah (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is 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.

Forward Looking Statement

This document contains certain forward looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. The forward looking statements in this document speak only as of the date of this document. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this document. About Syrah Resources Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is 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.