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RENASCOR RESOURCES

ASX: RNU

ASX Release

7 February 2022

Renascor PSG Samples Advancing Through Customer Qualification

Large-scale Purified Spherical Graphite samples have been dispatched to existing and potential offtake partners to support binding agreements

Highlights:

- Renascor has completed a bulk production campaign to produce large-scale samples of Siviour Purified Spherical Graphite (PSG) for customer qualification purposes for existing and potential offtake partners for Renascor's Siviour Graphite and Battery Anode Material Project in South Australia.
- The PSG production campaign has included the production of Graphite Concentrates from a 63 tonne bulk scale production program[1] and the subsequent production of PSG through mechanical shaping and milling, followed by purification using Renascor's eco-friendly, HF-free purification process.
- Renascor has achieved potential offtake commitments covering up to 60,000tpa of PSG, with non-binding MOUs executed with South Korean conglomerate POSCO, Japan-based trading company Hanwa Co. Ltd. and Chinese anode companies Shanxi Minguang New Material Technology Co. Ltd and Jiangxi Zhengtuo New Energy Technology Co. Ltd[2].
- Large-scale PSG samples produced from the current campaign have been dispatched to existing offtake partners to support further customer qualification testing to secure binding offtake agreements; additional samples have been sent to other potential offtake partners.
- With the support of the recently announced A$185 million loan facility from the Australian Government (through Export Finance Australia)[3], Renascor aims to become a world leader in the sustainable production of 100% Australian-made PSG for use in lithium-ion batteries anodes.

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Renascor Resources Limited (ASX: RNU) (Renascor) is pleased to announce the completion of a bulk production campaign to produce large-scale samples of Siviour Purified Spherical Graphite (PSG) for customer qualification purposes, an important step in securing binding offtake agreements for Renascor's planned vertically integrated graphite mine and battery anode material manufacturing operation in South Australia (the Siviour Project).

PSG Production Campaign

The PSG production campaign has included the production of Graphite Concentrates from 63 tonnes of representative ore from Renascor's Siviour Graphite Deposit in South Australia[4]. The bulk ore sample material was processed at an independent commercial graphite facility, where Renascor previously undertook an 18 tonne pilot plant production trial[5], to produce Graphite Concentrates via conventional froth flotation.

To meet specific physical requirements of potential lithium-ion battery anode customers, including product size, particle size distribution, tap density and surface area, Siviour Graphite Concentrates from the bulk sample program were subsequently mechanically shaped into a micronised spherical form.

Spherical Graphite samples were produced at multiple sizes between 8 and 20 microns to meet specific requirements of Renascor's existing and potential offtake partners.

Spheronised graphite was then purified to battery-anode purity requirements of +99.95% Carbon through Renascor's eco-friendly purification process. Renascor's process avoids the use of hydrofluoric acid (HF), which is generally used in Chinese PSG operations. Instead, Renascor uses less environmentally harmful reagents to purify Siviour graphite for use in lithium-ion battery anodes.

Significance

PSG samples produced from the production campaign are intended to support qualification of Siviour PSG in order to secure binding offtake agreements.

Renascor has achieved potential offtake commitments though non-binding Memoranda of Understanding covering up to 60,000tpa of PSG. The existing offtake agreements are comprised of:

- up to 30,000tpa of PSG to South Korean conglomerate POSCO. POSCO, one of South Korea's largest conglomerates, is the largest anode manufacturer outside of China, with anode production capacity of 44,500tpaand a further 83,500tpa in construction[6]; and
- Up to 10,000tpa of PSG to each of Japan-based trading company Hanwa Co. Ltd. and Chinese anode companies Shanxi Minguang New Material Technology Co. Ltd and Jiangxi Zhengtuo New Energy Technology Co. Ltd[7].

Large-scale PSG samples produced from the current campaign have been dispatched to both existing and potential additional offtake partners to support customer qualification testing in order to secure binding offtake agreements.

This ASX announcement has been approved by Renascor's Board of Directors and authorised for release by Renascor's Managing Director David Christensen.

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[1] See Renascor ASX announcement dated 13 May 2021.
[2] See Renascor ASX announcements dated 25 August 2021, 25 March 2021, 11 February 2021 and 29 September 2020.
[3] See Renascor ASX announcement dated4 February 2022.
[4] See Renascor ASX announcement dated 13 May 2021.
[5] See Renascor ASX announcement dated 31 October 2018. Graphite concentrates produced from the 2018 program were used for both test work supporting the processing of graphite concentrates into PSG and for subsequent testing by existing and potential PSG offtake partners.
[6] See Renascor ASX announcement dated 25 August 2021.
[7] See Renascor ASX announcements dated 25 March 2021, 11 February 2021 and 29 September 2020.

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About Renascor

Renascor is committed to powering the clean energy transition through the development, in Australia, of a vertically integrated graphite mine and manufacturing operation to produce sustainable and ethically-sourced battery anode material for the lithium-ion battery market.

The Project will combine:

- the Siviour Graphite Deposit in South Australia, the largest reported graphite Reserve outside of Africa[8]; and
- a state-of-the-art processing facility in South Australia to manufacture purified spherical graphite through Renascor's eco-friendly purification process.

Total capital expenditure for the Project has been estimated to be A$204 million[9].

The Siviour Project has previously been granted a Major Project status by the Federal Government in recognition of its potential to contribute to Australia's Critical Mineral Strategy and Resource Technology and Critical Mineral Processing National Manufacturing Priority Roadmap.

The Siviour Graphite Project's competitive advantage is underpinned by:

- being the largest Graphite Reserve outside of Africa[10] and second largest Proven Reserve in the world;
- a vertically integrated operation allowing the production PSG wholly within South Australia, a Tier-1 jurisdiction with low sovereign risk with established infrastructure;
- favourable geology allowing manufacturing of PSG at costs that are competitive with current Chinese production and advantaged over developments outside of China; and
- a proven, HF-free, eco-friendly purification process endorsed by leading global anode companies.

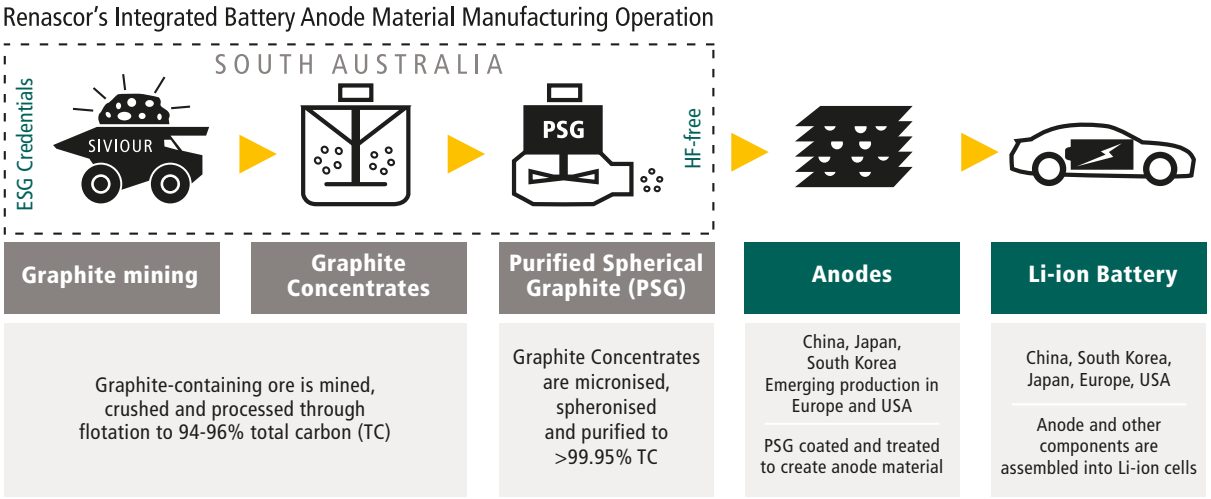

Figure 1: Renascor's vertically integrated Mine and Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain

Renascor's aim is to become a leading supplier of 100% Australian-made and low-cost purified spherical graphite for lithium-ion battery anode makers worldwide.

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Competent Person Statement

The information in this document that relates to exploration activities and exploration results is based on information compiled and reviewed by Mr G.W. McConachy who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McConachy is a director of the Company. Mr McConachy has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr McConachy consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

Renascor confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Renascor confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Sample material used for the test work discussed in this announcement was sourced from Renascor's Siviour Graphite Deposit that was processed into Graphite Concentrates as part of pilot flotation trial. See Renascor ASX announcement dated 31 August 2021, which outlines drill hole data and sample section criteria.

Disclaimer

This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that a number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

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[8] See Renascor ASX release dated 21 July 2020.
[9] See Renascor ASX release dated 1 July 2020.
[10] See Renascor ASX release dated 21 July 2020.