For personal use only

RENASCOR RESOURCES

ASX: RNU

ASX Release

20 September 2022

Renascor Secures Site for Battery Anode Material Manufacturing Facility from South Australian Government-owned utility SA Water

Lease options for 40 years over 20 hectare site

- Renascor has executed an option-to-lease for the site of its proposed state-of-the-art Battery Anode Material facility to produce purified spherical graphite (**PSG**) – a key material in the manufacture of lithium-ion batteries.
- The option agreement with South Australian Government-owned utility SA Water provides Renascor with initial lease options for 40 years over the site north of Adelaide in Bolivar, South Australia.
- The site is ~20km from South Australia's main shipping port at Port Adelaide and is close to SA Water's Bolivar water treatment and industrial facilities.
- The site is 20 hectares, providing sufficient scale to permit both an increase to the originally planned Stage 1 PSG production capacity of 28,000tpa[1], as well as additional Stage 2 PSG production capacity.
- Renascor is currently undertaking an optimised Battery Anode Material Study for its vertically integrated operation that will combine the planned Siviour graphite mine and concentrator in South Australia's Eyre Peninsula with the Bolivar PSG production facility.
- Renascor aims to become a world leader in the sustainable production of 100% Australian-made PSG for use in the lithium-ion batteries for use in electric vehicles.

For personal use only

Renascor Resources Limited (ASX: RNU) (**Renascor**) is pleased to announce that is has entered into a 40-year option-to-lease agreement with South Australian Government-owned utility SA Water for the site of its proposed state-of-the-art Battery Anode Material facility to produce purified spherical graphite (**PSG**) – a key material in the manufacture of lithium-ion batteries.

The site is located at Bolivar, South Australia, north of Adelaide and approximately 20km from South Australia's main shipping port at Port Adelaide (Figure 1) and is owned by the South Australian Government-owned utility SA Water.

Commenting on the agreement, Renascor Managing Director David Christensen stated:

> *"We are delighted to have executed the option-to-lease with SA Water for the site for our proposed Battery Anode Material Manufacturing. It provides certainty over a key component of our plans to become a leading producer of Purified Spherical Graphite for the growing lithium-ion battery sector.*
>
> *In securing the strategically positioned and scalable Bolivar site, Renascor will be able to leverage off the high quality of the Siviour Resource by vertically integrating the mine and concentrator with a state-of-the-art Battery Anode Material Manufacturing facility to supply responsibly produced, 100% Australian-made Purified Spherical Graphite for the lithium-ion battery industry.*
>
> *We look forward to working with SA Water and the South Australian Government as we bring a major new industry to the State."*

Figure 1. Location of Renascor's proposed Battery Anode Material manufacturing facility

For personal use only

Discussion

Renascor is developing a South Australian-based, vertically integrated Battery Anode Material Manufacturing operation that will combine:

- **the Siviour Graphite Deposit** - the world's second largest Proven Reserve of Graphite and the largest Graphite Reserve outside of Africa[2];
- **the Siviour Graphite Mine and Concentrator** - a conventional open-pit mine and crush, grind, flotation processing circuit delivering world-class operating costs in large part due to the favourable geology and geometry of Renascor's Siviour Graphite Deposit; and
- **a Battery Anode Material Production Facility** - where Graphite concentrate will be converted to PSG using an eco-friendly processing method before being exported to lithium-ion battery anode manufacturers.

The mine and concentrator operation will be located at the site of the Siviour Graphite Deposit in South Australia's Eyre Peninsula, and following today's announcement regarding the lease option with South Australian Government-owned utility SA Water, the PSG production facility will be located north of Adelaide in Bolivar, South Australia, approximately 20km from South Australia's main shipping port at Port Adelaide. See Figure 1.

The Bolivar site is located nearby to SA Water's Bolivar water treatment and industrial facilities, providing access to key infrastructure, including power and water, and is located along the transport corridor from the proposed Siviour mine to the shipping port of Port Adelaide.

At 20ha, the site is of sufficient scale to permit both an increase to the originally planned Stage 1 PSG production capacity of 28,000tpa[3], as well as additional Stage 2 PSG production capacity.

The agreement with SA Water provides Renascor with initial lease options[4] over the 20ha site for 40 years, with the rent to be set at market rates following a market valuation. The lease option can be exercised any time prior to 30 June 2025.

Next steps

Renascor is currently undertaking an updated, optimised Battery Anode Material (**BAM**) Study building on previous detailed feasibility work for the planned vertically integrated mine and PSG facility, with the optimised BAM study being based on utilising the Bolivar site for the BAM production facility.

Renascor is also undertaking additional concurrent workstreams in relation to the BAM project, including programs related to:

- **Resource expansion drilling.** Following the extension of the Siviour project area through an agreement to acquire the north-western extension of the Siviour Inferred Resource and other areas immediately along-strike of the existing Mineral Resource[5], Renascor has commenced drilling in the newly secured area. The potential extension of the Siviour Mineral Resource in this area is expected to be used to support future capacity expansions beyond those considered in the optimised BAM Study.
- **PEPR.** Following review and feedback regarding the Program for Environment Protection and Rehabilitation (**PEPR**) from the South Australian Department for Energy and Mining (**DEM**), Renascor has finalised responses to all queries for DEM's final approval of the PEPR for the proposed Siviour Graphite Mine[6] and is awaiting final approval.
- **Offtake.** Renascor is progressing negotiations on binding PSG offtake agreements with Renascor's existing offtake partners, including active discussion on PSG price and other material contract terms[7]. In addition, Renascor continues to have discussions with other leading anode and battery manufacturers concerning potential PSG offtake.

For personal use only

- **Finance.** The Australian Government, through Export Finance Australia (**EFA**), has conditionally approved a loan facility of A$185 million (**Loan Facility**) to fund the development of the Siviour BAM Project[8]. The Loan Facility was approved through Export Finance Australia under the Australian Government's $2 billion Critical Minerals Facility. Renascor continues to work with EFA towards satisfying the conditions, which include customary project financing conditions, for final approval of the Loan Facility. Satisfaction of the conditions of approval is projected to coincide with a final investment decision for the development of the BAM Project.

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

For further information, please contact:

Company Contact
David Christensen
Managing Director
+61 8 8363 6989
info@renascor.com.au

Media Enquiries Contact
James Moses
Mandate Corporate
+61 (0) 420 991 574
james@mandatecorporate.com.au

Keep in the Loop: Subscribe to our newsletter

Disclaimer

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.

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.

For personal use only

Appendix

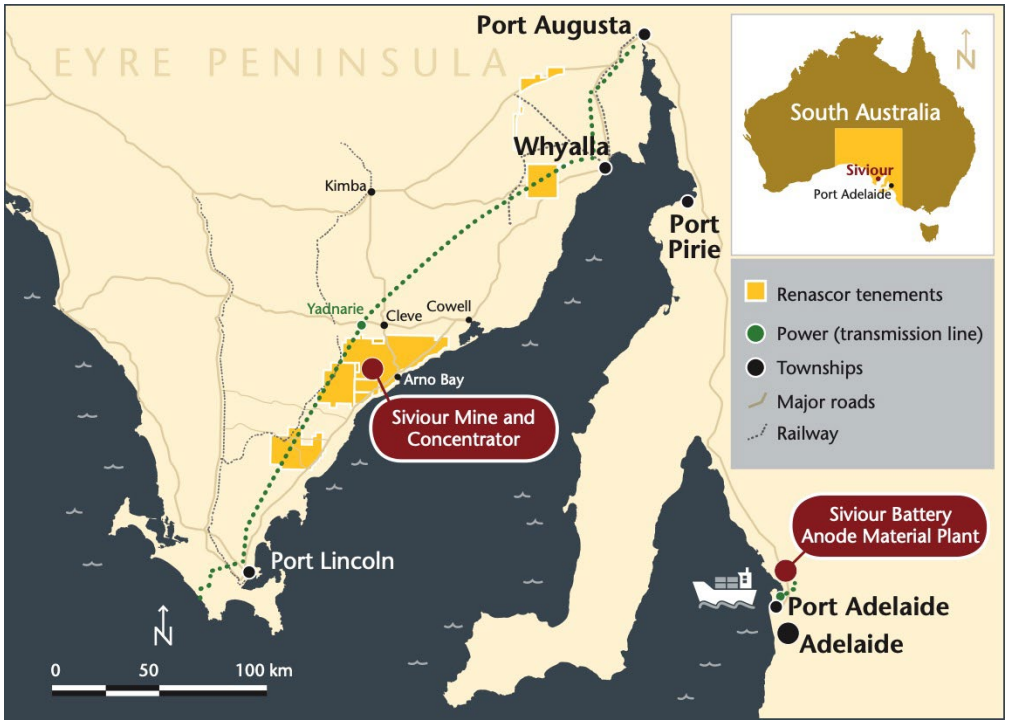
The World-Class Siviour Graphite Project

Renascor Resources Limited (**ASX: RNU**) ("**Renascor**") is a 'Critical Mineral' project developer and minerals explorer with a portfolio of 100%-owned, high-upside assets in key minerals districts in South Australia.

Renascor presents an opportunity for Australia to leverage a world-class graphite Reserve and plug-in to the global electric vehicle ("**EV**") revolution via downstream manufacturing of high-value Purified Spherical Graphite for use in EV batteries.

Renascor is developing a vertically integrated Battery Anode Material Manufacturing Operation ("**the Project**") in South Australia. The Project comprises:

- **the Siviour Graphite Deposit** - the world's second largest Proven Reserve of Graphite and the largest Graphite Reserve outside of Africa[1];
- **the Siviour Graphite Mine and Concentrator** - a conventional open-pit mine and crush, grind, float processing circuit delivering world-class operating costs in large part due to the favourable geology and geometry of Renascor's Siviour Graphite Deposit; and
- **a Purified Spherical Graphite ("PSG") Production Facility** - where Graphite concentrate will be converted to PSG using an eco-friendly processing method before being exported to lithium-ion battery anode manufacturers.



HF-free

Figure 1: Project location.

[1] Renascor ASX announcement 21 July 2020

For personal use only

The 100% Renascor owned Siviour Graphite deposit is unique in both its near-surface, flat-lying orientation and its scale as one of the world's largest graphite Reserves. The favourable geology and size of the deposit will allow Renascor to produce Graphite Concentrate at a low-cost over a 40-year mine life.

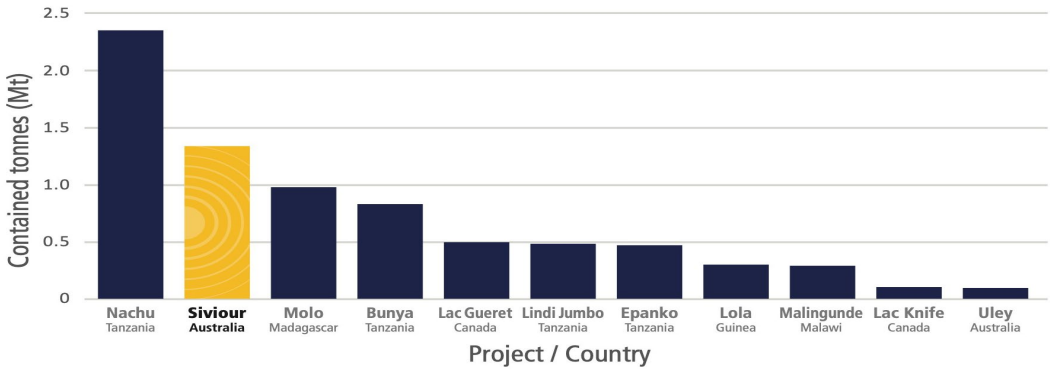


Figure 2. Global graphite Proven Reserves

Renascor intends to leverage this inherent advantage and develop a vertically integrated operation to manufacture high value PSG from a low-cost graphite concentrate feedstock and provide a secure cost-competitive supply of battery anode raw material into the rapidly growing lithium-ion battery market.

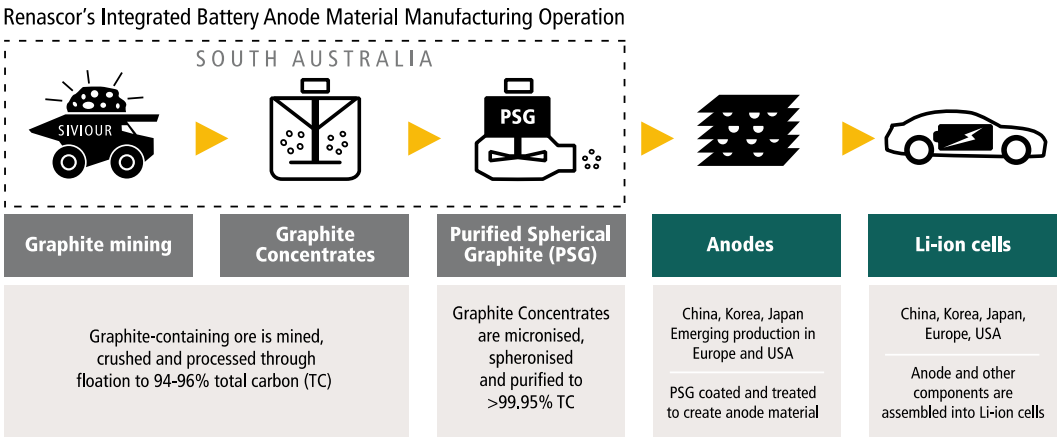


Figure 3: Renascor's vertically integrated Mine and Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain.

[1] See Renascor ASX announcement dated 1 July 2020.
[2] Renascor ASX announcement 21 July 2020
[3] See Renascor ASX announcement dated 1 July 2020.
[4] The lease option includes an option fee payment of an amount Renascor does not consider material.
[5] See Renascor ASX announcements dated 12 July 2022.

[6] The PEPR, which must be approved by the South Australian Department for Energy and Mining before mining operations may commence, is the second step in the Government's two-stage assessment and approval process and follows the grant of the Siviour Mineral Lease in 2019. See Renascor ASX announcement dated 8 April 2019. Pursuant to the PEPR, Renascor is seeking approval to mine and process a 1.65 million tonne per annum, which would permit Renascor to produce up to 150,000 tonnes per annum of Graphite Concentrate production at full capacity. See Renascor ASX announcement dated 11 November 2019, page 40.

[7] Renascor has entered into four non-binding memoranda of understanding for up to 60,000tpa of PSG, comprised of up to 30,000tpa to South Korean conglomerate POSCO and up to 10,000tpa 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. See Renascor ASX announcements dated 25 August 2021, 25 March 2021, 11 February 2021 and 29 September 2021.

[8] See Renascor ASX announcement dated 2 February 2022.

For personal use only