ASX Release

19 July 2023

Strategic Cooperation Agreement with Mitsubishi Chemical

Non-binding MOU for the supply of graphite products and potential commercial partnership

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Highlights:

- Renascor Resources (**ASX: RNU**) (**Renascor**) enters into non-binding Strategic Cooperation Memorandum of Understanding (**MOU**) with Japanese anode material manufacturer Mitsubishi Chemical Corporation (**Mitsubishi Chemical**).
- Mitsubishi Chemical is Japan's largest chemical corporation and one of the world's largest producers of lithium-ion battery anode materials.
- The MOU provides for the potential purchase by Mitsubishi Chemical of Graphite Concentrates, Purified Spherical Graphite and other graphite products from Renascor's Siviour Graphite and Battery Anode Material Project (**BAM Project**) in South Australia.
- The MOU further provides a framework for Mitsubishi Chemical to work with Renascor to consider a commercial partnership with Renascor to help facilitate the development of the BAM Project.
- The parties have agreed to undertake further product validation testwork and negotiations to determine potential contract delivery terms and a commercial partnership.
- This MOU compliments Renascor's product offtake workstreams which are well progressed and include a non-binding strategic cooperation and offtake agreement with South Korean conglomerate POSCO[1].

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Renascor Resources (**ASX: RNU**) (**Renascor**) is pleased to announce that it has executed a non-binding Strategic Cooperation Memorandum of Understanding (**MOU**) with Mitsubishi Chemical Corporation (**Mitsubishi Chemical**).

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

> *"We are delighted to be working with Mitsubishi Chemical, one of the world's leading anode manufacturers, with an established track record of supplying high quality anodes to the lithium-ion battery sector.*
>
> *As we move forward to the completion of our optimised Battery Anode Material Study and our transition into the construction phase, we will continue to align Renascor with leading anode companies seeking high quality Graphite Concentrates and Purified Spherical Graphite.*
>
> *Our agreement with Mitsubishi Chemical is a further significant step toward Renascor constructing, in Australia, the first integrated, in-country mine and Purified Spherical Graphite operation outside of China."*

Discussion

The MOU provides for the potential purchase by Mitsubishi Chemical of both Graphite Concentrates and Purified Spherical Graphite sourced from Renascor's Siviour Graphite Deposit in South Australia.

The MOU also provides a framework for Mitsubishi Chemical to work with Renascor to consider a commercial partnership with Renascor to help facilitate the development of the Graphite and Battery Anode Material Project (**BAM Project**) in South Australia.

Renascor is currently in the advanced stages of an updated and optimised BAM study. The optimised BAM study, which is assessing an increase in Purified Spherical Graphite (**PSG**) production capacity, as well as additional staged expansion of PSG operations[2], will reflect the accelerated commencement of construction and operation of the Siviour Mine and Concentrator[3].

Following approval from the South Australian Department of Energy and Mining (**DEM**) of the Program for Environment Protection and Rehabilitation (**PEPR**) for the proposed Siviour Mine and Concentrator in South Australia[4], the accelerated commencement of the Siviour Mine and Concentrator would permit the early production of Graphite Concentrates, prior to the production of PSG following the planned commencement of the BAM operation.

Next steps

The parties will work to assess the feasibility of Renascor supplying to Mitsubishi Chemicals Graphite Concentrates, Purified Spherical Graphite (**PSG**) and other refined graphite products consistent with Renascor's projected construction schedule for the planned Siviour Graphite Mine and Battery Anode Material (**BAM**) operation in South Australia.

Following the successful completion of preliminary product validation tests, the parties have agreed to undertake further product testwork on Renascor's Graphite Concentrates, Purified Spherical Graphite and other products and to progress negotiations to determine potential volume, price and other key supply terms, as well as a potential commercial partnership.

This MOU with Mitsubishi Chemicals compliments Renascor's previously announced product offtake workstreams which are well progressed with a number of groups. These groups include South Korean conglomerate POSCO, with whom Renascor has entered into a non-binding strategic cooperation and offtake agreement[5], as well as Chinese anode companies Shanxi Minguang New Material Technology Co. Ltd. and Jiangxi Zhengtuo New Energy Technology Co. Ltd. and Japanese trading company Hanwa Co. Ltd., with whom Renascor has entered into non-binding offtake MOUs[6].

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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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.

[1] See Renascor ASX release 25 August 2021.
[2] Studies to date have considered an initial Stage 1 production capacity of 28,000tpa PSG. See Renascor ASX announcement dated 1 July 2020.
[3] See Renascor ASX release dated 9 May 2023.
[4] See Renascor ASX release 28 November 2022.
[5] See Renascor ASX release 25 August 2021.
[6] See Renascor ASX releases dated 29 September 2020, 27 January 2021 and 25 March 2021.

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Appendix

The World-Class Siviour Graphite and Battery Anode Material Project

Renascor Resources Limited (**ASX: RNU**) ("**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 100% Australian-made, sustainable and ethically-sourced battery anode material for the lithium-ion battery market.

Renascor's Battery Anode Material Manufacturing Operation in South Australia comprises:

- **the Siviour Graphite Deposit** - the world's second largest Proven Reserve of Graphite and the largest Graphite Reserve outside of Africa[7];
- **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 Battery Anode Material Production Facility** - where Renascor will manufacture Purified Spherical Graphite using an eco-friendly processing method before being exported to lithium-ion battery anode manufacturers.

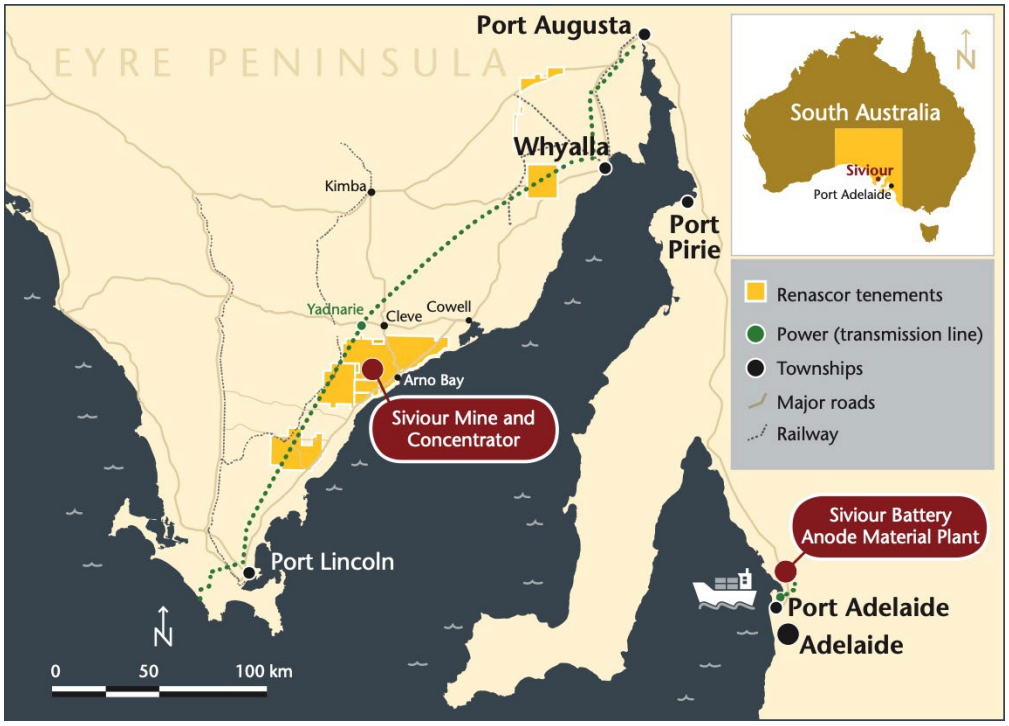

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Figure 1: Project location.

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.

[7] Renascor ASX announcement 21 July 2020