

ASX Release

March 3, 2020

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ASX CODE

RNU

Developing Australia's Largest Graphite Deposit



In-Principle Finance Support from Australian Government Export Finance Agency for the Siviour Graphite Concentrate and Spherical Graphite Projects

- **Letter of Support received for the provision of finance from Export Finance Australia (EFA), the official Export Credit Agency (ECA) of the Australian Government**
- **EFA finance support to extend to cover both the Siviour Graphite Concentrate and downstream Spherical Graphite developments**
- **Renascor now has the support of two Government-backed ECAs, having previously received a Letter of Interest for ECA cover from Atradius Dutch State Business (Atradius) for up to approximately 60% of initial Siviour Graphite Project capital expenditure**
- **ECA cover typically supports favourable debt financing terms, including competitive margin and increased loan tenor**

Renascor Resources Limited (ASX: RNU) (**Renascor**) is pleased to announce that, following its preliminary review of the Siviour Graphite Project and downstream Spherical Graphite Project, EFA has issued a Letter of Support confirming that, subject to further due diligence, it will consider providing finance.

The Letter of Support represents the outcome of discussions to date with EFA in relation to the proposed vertically integrated development of a flake graphite concentration operation, plus downstream production of spherical graphite. The integrated development is proposed to comprise:

- **Graphite Concentrate:** production of approximately 80ktpa of flake graphite concentrates based on Stage One of the Siviour Definitive Feasibility Study (**DFS**) (*See Renascor ASX announcement dated 11 November 2019*). Up to approximately 60% of the capital expenditure for this development is expected to qualify for in-principle support from Atradius, the Dutch ECA, subject to finalising the procurement strategy and further work during the front-end engineering design (**FEED**) phase; plus
- **Spherical Graphite:** processing approximately 62ktpa of Siviour graphite concentrates to produce 29ktpa of Spherical Graphite, as highlighted in the results of the Prefeasibility Study (the "**Spherical PFS**") for the spherical graphite production operation (*See Renascor ASX announcement dated 21 February 2019*).

EFA is Australia's export credit agency and is wholly owned by the Australian Government. EFA provides financial solutions to support Australian exporters, including loans, guarantees, bonds and insurance. Projects which boost the ability to extract and process minerals in Australia for export may be eligible for support from EFA.

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Interest rates charged by lenders on debt guaranteed by ECA Cover are typically lower than commercial rates, as repayment of the debt is guaranteed, with longer tenor also a feature of ECA supported debt.

The Letter of Support represents the first milestone in Renascor's engagement with EFA. The next step in obtaining finance involves further due diligence by EFA. The Letter of Support itself does not constitute a commitment to provide finance and there is no certainty that an agreement will be reached between the parties. Renascor will assist EFA through its required due diligence investigations.

Commenting on the in-principle support from EFA, Renascor Managing Director David Christensen stated:

"Nearly all spherical graphite used in lithium-ion battery anodes for electric vehicles is currently sourced from China.

We are pleased that EFA recognises Siviour's unique advantage to leverage off the globally competitive quality of the Siviour deposit to produce an Australian supply of this globally important commodity.

Siviour now has in-principle support from both the Australian and Dutch government export credit agencies, giving Renascor much greater access to the debt markets and enabling us to accelerate our financing plan for the combined graphite concentrate and spherical graphite operations.

I would like to thank our financial adviser BurnVoor Corporate Finance for assisting Renascor in obtaining this important preliminary support from EFA."

Bibliography

Renascor ASX announcement dated 11 November 2020, "Siviour Definitive Feasibility Study".

Renascor ASX announcement dated 21 February 2019, "Spherical PFS Demonstrates Increased Returns for Siviour".

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.

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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