

30 April 2021

Quarterly Activities Report for the period ended 31 March 2021

Significant Events

- Renascor entered into non-binding Memoranda of Understanding (**MOUs**) to supply a total of up to 20,000tpa¹ of Purified Spherical Graphite (**PSG**) from its 100%-owned Siviour Battery Anode Material Project (**Siviour**) in South Australia to leading Japanese-based global trading company, Hanwa Co., Ltd. (**Hanwa**), and Jiangxi Zhengtuo New Energy Technology Co. Ltd. (**Zeto**), a top ten anode producer globally.
 - Renascor has now achieved total potential commitments covering in excess of 100% of current Siviour Stage 1 PSG production capacity of 28,000tpa, after previously executing a MOU for up to 10,000tpa with anode company Shanxi Minguang New Material Technology Co. Ltd (**Minguang New Material**)².
- As a response to PSG demand from Renascor's existing offtake partners and increasing inbound enquiries from major anode manufacturers, Renascor commenced work to investigate a substantial increase to PSG production through an increase to Siviour's Stage 1 PSG production capacity and a subsequent Stage 2 expansion.
- Renascor achieved first stage product qualification of Siviour PSG with both Zeto and Minguang New Material, with the results enabling the two parties to progress engagement towards binding PSG offtake agreements.
- Advanced mineral processing trials undertaken by leading independent battery mineral consultancy group Dorfner Anzaplan have confirmed the suitability of Renascor's eco-friendly, hydrofluoric acid-free (**HF-free**) proprietary technology to purify graphite to battery grade, with results of up to 99.98% total carbon (**TC**) (versus anode industry standard of 99.95% TC).
- Letter of in-principle support received from the Clean Energy Finance Corporation (**CEFC**), an Australian Government backed clean energy technology financier. The CEFC support adds to in-principle financing support received from Export Finance Australia (**EFA**), and Atradius, the respective export credit agencies of the Australian and Dutch Governments.
- Renascor received confirmation from the South Australian Government Treasury that Siviour has been classified as a 'New Mine' for the purposes of State royalty calculations³. The granting of New Mine status means that the Siviour will incur a reduced royalty rate of 2% of the net value of the minerals recovered from Siviour through 30 June 2026, representing a reduction from 3.5% over the initial years of production⁴.
- On 23 April 2021, Renascor announced a placement (**Placement**) to raise approximately \$15 million (before costs) led by institutional investors in Australia and overseas. With the proceeds from the Placement, the Siviour Project is now fully funded up to the construction phase, targeted to commence in 2022.
- Renascor's cash position as of 31 March 2021 was approximately \$4.1m. This does not include \$15 million in proceeds (before costs) from the Placement, which are expected to be received in the current quarter.

Sivour Battery Anode Material Project

Offtake MOUs

During the recently completed quarter, Renascor entered into two non-binding Memoranda of Understanding (**MOUs**) to supply a total of up to 20,000tpa⁵ of Purified Spherical Graphite (**PSG**) from the Sivour Battery Anode Material Project (**Sivour**) in South Australia.

The MOUs, entered into with leading Japanese-based global trading company, Hanwa Co., Ltd. (**Hanwa**), and anode producer Jiangxi Zhengtuo New Energy Technology Co. Ltd. (**Zeto**), both cover the supply of up to 10,000tpa of PSG over a ten year term.

The MOUs with Hanwa and Zeto are non-binding and provide the framework for further negotiations in relation to price, product quality and other offtake parameters following completion of additional product validation tests. Under the terms of both MOUs, Hanwa and Zeto have both agreed to work with Renascor to undertake additional product validation tests prior to concluding a formal binding agreement.

Hanwa

Hanwa is amongst the largest traders of battery chemicals in the Asian region, with a market capitalization of ¥ 140 billion (A\$1.7 billion)⁶ and reported net sales of more than ¥ 1,700 billion (A\$21 billion) in 2020⁷.

Hanwa has a long history of trading with some of the world's largest metal and chemical producers and operates a dedicated Battery Team focussed on supplying graphite and other metals across the global battery value chain.

Zeto

Zeto is a top ten anode producer globally, with current anode production capacity of 30,000tpa⁸ and an additional 20,000tpa under construction and planned to be in operation by 2022⁹. Zeto is a major supplier of natural flake graphite anodes and is active in developing anode technologies, including silicon-carbon anode material¹⁰.

Zeto supplies anodes to some of the world's largest battery makers, such as Hong Kong listed BYD Co. Ltd, the world's second largest manufacturer and retailer of electric vehicles¹¹, with a current market capitalisation of around US\$100 billion¹².

Capacity upgrade

Renascor has now achieved potential commitments covering in excess of 100% of Sivour Stage 1 PSG production of 28,000tpa, after previously executing a MOU for up to 10,000tpa with anode company Shanxi Minguang New Material Technology Co. Ltd (**Minguang New Material**)¹³.

In addition to demand for Sivour PSG from existing offtake partners Hanwa, Zeto and Minguang New Material, Renascor has recently received a significant volume of inbound enquiries from leading anode and battery companies.

In light of the increasing interest from anode and battery companies, Renascor is now considering an increase to its Stage 1 production plans and progressing planning for additional Stage 2 PSG production.

Product qualification

During the recently completed quarter, Renascor achieved first stage product qualification of Sivour PSG with both Zeto and Minguang New Material.

The successful product validation results enable Zeto and Minguang New Material to enter into negotiations with Renascor regarding binding PSG offtake and to undertake more advanced testing of Sivour PSG. Preparation of bulk PSG samples is currently underway.



Advanced battery-grade purification trials

During the recently completed quarter, Renascor announced the results of advanced mineral processing trials undertaken by leading independent battery mineral consultancy group Dorfner Anzaplan.

The results confirm suitability of Renascor's eco-friendly, proprietary technology to purify graphite to battery grade, with results up to 99.98% total carbon (TC) (versus anode industry standard of 99.95% TC).

Overview of Renascor's purification technique

Over the past five years, Renascor has undertaken comprehensive mineral processing tests on Siviour graphite and has adapted a HF-free, caustic roasting technique for use with Siviour graphite in order to upgrade Siviour Graphite Concentrates to +99.95% C, the minimum purity level generally accepted for incorporation of natural flake graphite into lithium-ion battery anodes.

Caustic roasting involves using a caustic solution before roasting at low temperature and leaching with hydrochloric acid. An important advantage of the caustic roasting process is that it offers a more environmentally friendly process to purify graphite to battery-grade than the purification technique generally used in China, which uses more environmentally harmful HF.

Since the completion of the Battery Anode Material Study in July 2020, Renascor has continued to develop and refine its HF-free purification technique through programs designed to optimise both the quality of the graphite produced through its use, as well as the projected cost at commercial scale¹⁴.

Recent purification trials

During the recently completed quarter, Renascor undertook purification trials with Dorfner Anzaplan, in collaboration with Renascor's external engineering advisors Wave International.

Dorfner Anzaplan is a leading consultancy and engineering company with particular experience in battery minerals. Dorfner Anzaplan's graphite expertise includes testing, developing and adapting mineral processing parameters to purify Graphite Concentrates to lithium-ion battery grade levels of +99.95% C. Wave International is an Australian-based resource development and engineering consultancy with extensive experience in the battery minerals sector, including acting in the capacity of external study manager and supervising engineers for Siviour¹⁵.

Renascor's program with Dorfner Anzaplan was designed to utilise Renascor's historical work and parameters for producing PSG from Siviour graphite concentrates, validate its suitability for producing battery-grade anode material and optimise its application for use at commercial scale.

The program, in its initial production trials, successfully produced high-purity, battery-grade PSG from Siviour graphite concentrates, with results up to 99.98% C, in excess of both the industry standard of 99.95% C and Renascor's previous work, which produced 99.97% C PSG¹⁶. Subsequent trials will include tests designed to optimise the process to minimise reagent consumption and capital equipment costs.

Significance of recent purification trials

The results of the recent trials are significant because they provide further validation of Renascor's eco-friendly purification technique and its suitability to produce HF-free battery-grade PSG for use by lithium-ion battery companies.

Anode manufacturers are currently 100% dependent on Chinese producers of natural flake PSG, where the vast majority of processors use more environmentally harmful HF. Renascor's technology is HF-free and supports Renascor's strong ESG credentials in meeting high environmental and social standards in delivering mine to market supply chain assurance.

As Renascor continues to advance offtake and finance discussions, the use of Renascor's HF-free



purification technology is an important asset in demonstrating sustainability standards.

The results, which returned the highest purity levels achieved to date, also offer further support for the efficiency of Renascor's purification technology and supports Renascor's plans to optimise the process to reduce reagent consumption and produce PSG at globally competitive costs.

The purification trials with Dorfner Anzaplan are continuing and expected to be completed in the current quarter. Renascor expects to use the results from the trials for detailed engineering design for construction of Renascor's planned Stage 1, PSG manufacturing facility.

Flotation optimisation testwork

During the recently completed quarter, Renascor announced the results of ongoing flotation optimisation trials that have achieved increased purities and recoveries of graphite into concentrate through optimisation of processing parameters within the flowsheet established for the Siviour Graphite Concentrate Definitive Feasibility Study¹⁷.

The flotation trials, which were undertaken at ALS Metallurgy in Perth, WA, were conducted in collaboration with Renascor's external engineering advisors, Wave International.

The results of the trials further validate the Graphite Concentrate flotation plant design and present opportunities for higher plant productivity and lower unit operating costs for the Graphite Concentrate operation.

The outcomes from the on-going optimisation testwork will enhance the feasibility studies completed to date, as Renascor advances the Project toward front-end engineering and design.

In-principle support from the CEFC

During the recently completed quarter, Renascor announced that it has received confirmation from the Clean Energy Finance Corporation (**CEFC**), an Australian Government backed clean energy technology financier, that the CEFC will progress to more detailed discussions in relation to the potential provision of financing for the Siviour. This represents the first milestone in Renascor's engagement with the CEFC. The next step involves further due diligence by the CEFC.

The CEFC is an Australian Government organisation with a range of functions including to invest, directly or indirectly, in opportunities that facilitate the development of clean energy technologies (including renewable energy, energy efficiency and low emissions technologies) in Australia.

The support from CEFC 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 CEFC through its required due diligence investigations.

The CEFC support adds to in-principle financing support received from Export Finance Australia (**EFA**)¹⁸, and Atradius¹⁹, the respective export credit agencies of the Australian and Dutch Governments.

Confirmation of 'New Mine' status permits reduced royalty rate

During the recently completed quarter, Renascor received confirmation from the South Australian Government Treasury that the Siviour has been classified as a 'New Mine' for the purposes of State royalty calculations²⁰.

The successful attainment of New Mine status means that the Project will incur a reduced royalty rate of 2% of the net value of the minerals recovered from the Siviour Mine through 30 June 2026, representing a reduction from 3.5% over the initial years of production²¹.

Siviour identified as 'selected Australian critical minerals project'

During the quarter, Siviour was identified by the Australian Government as a 'selected Australian critical minerals project' as part of the 'Resources Technology and Critical Minerals Processing National Manufacturing Priority road map' (**Road Map**)²².



The Road Map highlights key strategic areas of opportunity and actions for government and industry to work together to lift manufacturing and critical minerals downstream processing capability and provides guiding principles for the Australian Government's A\$140 million Modern Manufacturing Initiative Translation and Integration grant funding scheme.

The Road Map identifies Siviour as one of two selected critical minerals projects located in South Australia. Siviour is also the only graphite deposit included in the Road Map²³.

Graphite is a critical mineral as defined by the Australian Commission for Trade and Investment (**Austrade**) with its vitally important role in the manufacture of lithium-ion batteries, and the decarbonisation of transportation.

The Road Map outlines the Australian Government's vision that:

- Australia will become a global centre for commercialising and manufacturing cutting-edge technology products and services for the global resources sector that benefit a range of other industries; and
- Australia will have a strategic critical minerals processing industry that captures significant additional value, strengthens our global position downstream from our resource endowments and underpins a range of advanced manufacturing opportunities.

European Battery Alliance

During the recently completed quarter, Renascor was accepted as a member of the European Battery Alliance (**EBA**), a group created by the European Commission to foster collaboration between key players in the battery materials space.

This member group has been developed with the aim of meeting the challenges of the rapid migration from fossil fuels to electric powered transport and grid energy by establishing a domestic battery value chain in Europe. The EBA acknowledges that collaboration of this type is an important process in supporting European countries in the transition from fossil fuels to clean energy.

The European Union (**EU**) established the EBA in October 2017 with the aim of bringing together a range of significant players in the future development of a battery value chain in Europe.

The EBA network currently has approximately 600 members including the European Commission, the European Investment Bank, European member states, and a host of other battery materials, technology and financing companies from miners to academics.



Carnding Gold Project

During the recently completed quarter, Renascor completed reconnaissance drilling at its Soyuz gold prospect in South Australia's Central Gawler Craton. Soyuz is part of Renascor's 100%-owned Carnding Project.

Renascor completed a total of 1,896m of reverse circulation drilling comprising fourteen holes varying in depth from 84m to 162m. The drill program focused on identifying potential extensions to previous high-grade drill intercepts and an induced polarisation (IP) chargeability anomaly defined by a co-incident IP/gold and multi-element REE anomaly.

Drilling intersected widespread gold mineralisation, with thirteen of fourteen holes returning intervals of gold mineralisation (>0.1 g/t Au). Drilling results include significant gold intersections proximate to previous high-grade gold intercepts, including:

- 11m @ 0.9 g/t (21SZRC010, 143m to 154m), including 4m @ 2.0 g/t (145m to 149m) and 1m @ 3.3 g/t (148m to 149m), approximately 100m vertically below 2m @ 16.4 g/t (SZRB006, 30m to 32m)²⁴,
- 2m @ 2.0 g/t (21SZRC010, 79m to 81m), and
- 1m @ 2.6 g/t (21SZRC012, 74m to 75m).

A complete list of drill results is included in Renascor's ASX announcement dated 9 April 2021.

Drilling at Soyuz extended the gold mineralised system approximately 400m further south to over 800m and 500m in a E-W direction. See Figure 1, which shows the defined gold envelope relative to historic drilling and the recently completed drilling. The gold envelope coincides with a soil gold anomaly defined by a recent geochemical survey.

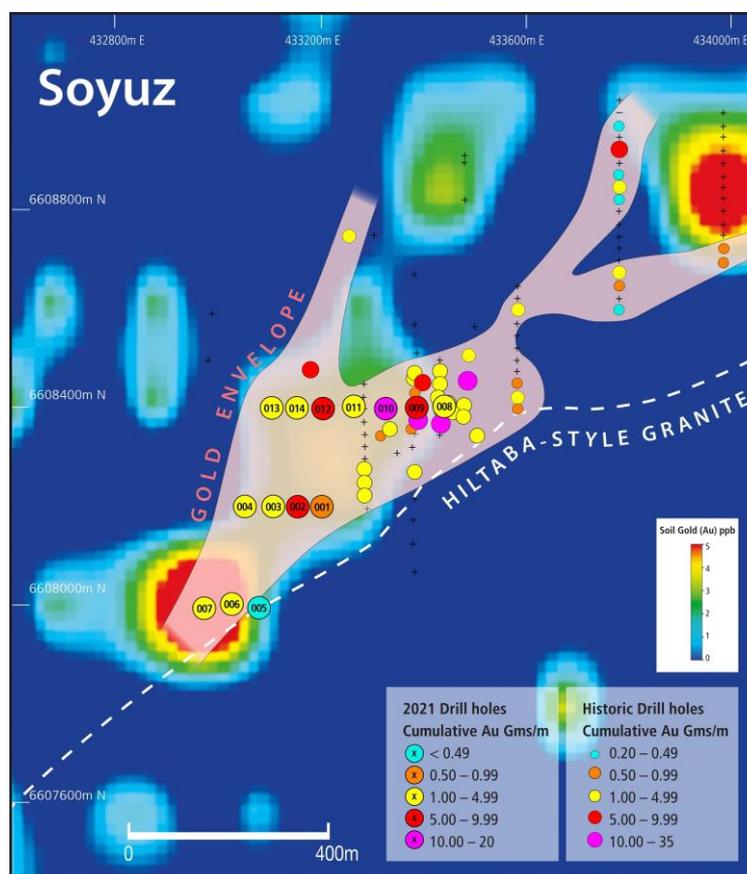


Figure 1. Gold envelope and granite boundary over gold soil image



The results confirm the presence of a broad system of gold mineralisation, with multiple, possible sub-vertical, low level gold shoots, following the granite contact, within an amphibolite / granite host sequence.

The Carnding project area contains multiple gold anomalies defined by soil gold geochemistry, with drill-testing generally limited to Soyuz. See Figure 2. The widespread presence of gold mineralisation at Soyuz suggests potential for these gold-in-soil geochemical anomalies to offer targets for further evaluation.

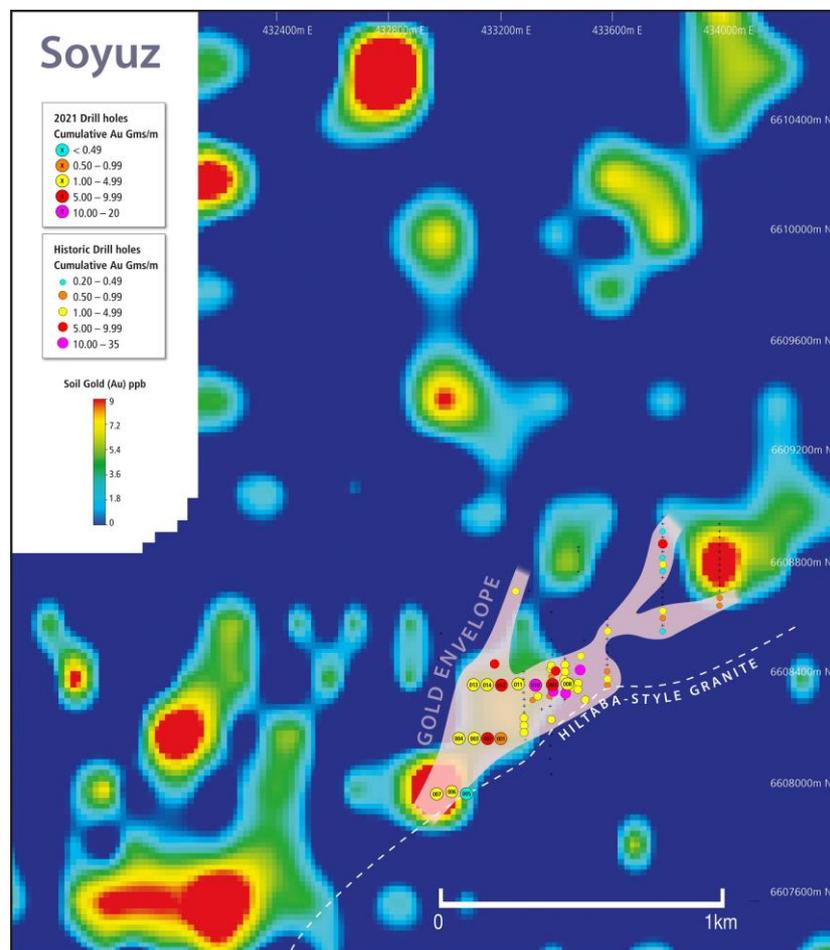


Figure 2. Soil gold geochemical anomalies

Further exploration will be required to delineate the size and continuity of gold mineralisation and potential for economic gold deposits within the areas drilled in the recent program, as well as gold in soil geochemical anomalies along the granite boundary to the south-west, which have not yet been drill tested.

Renascor's next step activities will include infill soil sampling and further evaluation of priority targets within the anomalous gold zones at Soyuz and in the wider Carnding project area.



Corporate Events

On 23 April 2021, Renascor announced a placement (**Placement**) to raise approximately \$15 million (before costs) led by institutional investors in Australia and overseas²⁵. The Placement will be completed by the issue of 187,500,000 fully paid ordinary shares in the Company at a price of A\$0.08 per share to raise \$15 million before offer costs. The issue of shares under the Placement will be completed without shareholder approval, utilising the Company's capacity provided by Listing Rule 7.1. The new shares are expected to be allotted on 30 April 2021.

The Placement is projected to fund all technical, regulatory and marketing workstreams required to reach a Final Investment Decision on Siviour.

Renascor intends to use the net proceeds from the Placement to fund:

- Engineering studies, including the expansion of PSG production capacity,
- Pilot plant production,
- The completion of all regulatory approvals,
- Product qualification and offtake,
- Front-end engineering design,
- The commencement of long lead time procurement and detailed design, and
- Financing and due diligence.

Joint Lead Managers and Bookrunners to the Placement were Petra Capital and Canaccord Genuity, with BurnVair Corporate Finance advising the Company.

Notes in relation to Appendix 5B

The Company had exploration and evaluation costs of \$673,000 during the quarter relating principally to the Siviour and Carnding projects as detailed above.

Payments to related parties and their associates during the recently completed quarter and outlined in Section 6 of Appendix 5B to this quarterly activities report were \$211,000. These payments are related to salaries, superannuation and service and consultancy fees paid to directors and director-related entities during the quarter.



Competent Person's Statements

Exploration Results

The results reported herein, insofar as they relate to exploration activities and exploration results, are based on information provided to and reviewed by Mr G.W. McConachy (Fellow of the Australasian Institute of Mining and Metallurgy) who 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.

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.

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 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:

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Appendix 1

Summary of tenements for quarter ended 31 March 2021

(ASX Listing Rule 5.3.3)

Project Name	Tenement	Area km ²	Registered holder/Applicant	District	Company Interest
Willouran	EL 6170	259	Renascor Resources Limited (Renascor)	South Australia	100%
Flat Hill	EL 5586	283	Renascor	South Australia	100%
Witchelina	EL 6403	316	Renascor	South Australia	100%
Iron Baron	EL 5822 (ELA 2020/232)	253	Renascor	South Australia	100%
Old Wartaka	EL 6191	14	Renascor	South Australia	100%
Carnding	EL 5856 (ELA 2020/231)	35	Renascor	South Australia	100%
Malbooma Railway	EL 6585	32	Renascor	South Australia	100%
Outalpa	EL 6450	159	Astra Resources Pty Ltd (Astra)*	South Australia	100%*
Cutana	EL 6451	157	Astra*	South Australia	100%*
Malbrom	EL 6197	81	Ausmin Development Pty Ltd (Ausmin)*	South Australia	100%*
Lipson Cove	EL 6423	329	Ausmin*	South Australia	100%*
Verran	EL 6469	690	Ausmin*	South Australia	100%*
Malbrom West	EL 5714 (ELA 2020/193)	270	Ausmin*	South Australia	100%*
Dutton Bay	EL 6032	31	Ausmin*	South Australia	100%*
Siviour	ML 6495	16	Ausmin*	South Australia	100%*

* Astra and Ausmin are 100%-owned subsidiaries of Renascor.

¹ The MOUs for both Hanwa and Zeto are for up to 10,000 tonnes per annum of PSG (for a total of up to 20,000 tonnes per annum).

² See Renascor ASX announcement dated 29 September 2020.

³ See South Australian Government Gazette of 14 January 2021.

⁴ In the 2018 South Australian State Budget, the reduced royalty for New Mines was discontinued from 1 July 2020. Notwithstanding this discontinuance, Siviour's classification as a 'New Mine' entitles Siviour to the reduced royalty rate through 30 June 2026. See https://energymining.sa.gov.au/minerals/mining/mineral_royalties.

⁵ The MOUs for both Hanwa and Zeto are for up to 10,000 tonnes per annum of PSG (for a total of up to 20,000 tonnes per annum).

⁶ Bloomberg data 24 March 2021.

⁷ Hanwa news release 12 February 2021. See https://www.hanwa.co.jp/ms/data/pdf/ir/20210212en_3704.pdf.

⁸ Source: Benchmark Mineral Intelligence, "Anode Capacity Index", January 2021.

⁹ Source: Jiangxi Zhengtuo New Energy Technology Co., Ltd website (<http://www.jxzeto.com>).

¹⁰ Source: Jiangxi Zhengtuo New Energy Technology Co., Ltd website (<http://www.jxzeto.com>).

¹¹ Source: Forbes, "The Electric Cars to Look out for in 2021", 9 January 2021 www.forbes.com/sites/jamesmorris/2021/01/09/chinese-electric-vehicles-to-look-out-for-in-2021/?sh=d78905375ddd.

¹² Source: Bloomberg (January 2021).

¹³ See Renascor ASX announcement dated 29 September 2020.

¹⁴ See Renascor ASX announcements dated 14 July 2020 and 12 August 2020.

¹⁵ See Renascor ASX announcement dated 1 July 2020.

¹⁶ See Renascor ASX announcement dated 14 July 2020.

¹⁷ See Renascor ASX announcement dated 1 July 2020.

¹⁸ See Renascor ASX announcement dated 3 March 2020.

¹⁹ See Renascor ASX announcement dated 10 April 2019.



²⁰ See South Australian Government Gazette of 14 January 2021.

²¹ In the 2018 South Australian State Budget, the reduced royalty for New Mines was discontinued from 1 July 2020. Notwithstanding this discontinuance, Siviour's classification as a 'New Mine' entitles Siviour to the reduced royalty rate through 30 June 2026. See https://energymining.sa.gov.au/minerals/mining/mineral_royalties.

²² <https://www.industry.gov.au/sites/default/files/March%202021/document/resources-technology-and-critical-minerals-processing-national-manufacturing-priority-road-map.pdf>, page 10.

²³ <https://www.industry.gov.au/sites/default/files/March%202021/document/resources-technology-and-critical-minerals-processing-national-manufacturing-priority-road-map.pdf>, page 10.

²⁴ See Renascor ASX announcement dated 4 August 2020.

²⁵ See Renascor ASX announcement dated 23 April 2021.

