

ASX Release

January 12, 2021

Renascor Resources Ltd
ABN 90 135 531 341

Head Office

36 North Terrace
Kent Town, SA 5067
Australia

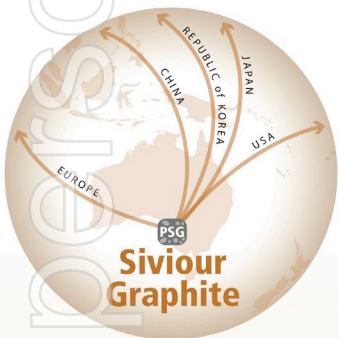
CONTACT

T: +61 8 8363 6989

info@renascor.com.au
www.renascor.com.au

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Renascor Achieves First Stage Product Qualification with Offtake Partner Minguang New Material

Successful initial product qualification supports marketability of Siviour Purified Spherical Graphite for lithium-ion battery market

Highlights

- In September 2020, Renascor signed a non-binding Memorandum of Understanding (**MOU**) with anode company Shanxi Minguang New Material Technology Co. Ltd. (**Minguang New Material**) for the purchase of up to 10,000tpa of Purified Spherical Graphite (**PSG**) over a ten year term¹.
- Under the terms of the MOU, Minguang New Material and Renascor agreed to work together to undertake product validation tests prior to concluding a formal binding agreement.
- Renascor is pleased to report that it has now achieved first stage product qualification of Siviour PSG with Minguang New Material, with the results enabling the two parties to enter into negotiations regarding binding PSG offtake.
- Minguang New Material is a subsidiary of Fujian Metallurgical Holding Co. Ltd. (**Fujian Metallurgical**) a large Chinese state-owned enterprise with 142 subsidiaries (including 3 listed companies), more than 38,000 employees and total assets of approximately A\$17 billion².
- Fujian Metallurgical's holdings include a majority ownership interest in XTC New Energy Materials Co. Ltd., China's largest battery cathode producer³, and Minguang New Material, which is developing a 40,000 tonnes per annum (**tpa**) battery anode manufacturing facility in China's Shanxi Province.
- China continues to be the dominant market for PSG. Chinese anode production capacity represents around 85% of global capacity, and over 90% of capacity currently under construction⁴.
- Renascor is concurrently discussing additional potential PSG offtake agreements and undertaking PSG validation with other anode and battery companies, with a view to securing binding commitments for its planned 28,000tpa PSG operation.

Renascor Resources Limited (ASX: RNU) (**Renascor**) is pleased to announce that it has achieved first stage qualification of Siviour PSG after recent product quality testing by MOU partner Minguang New Material.

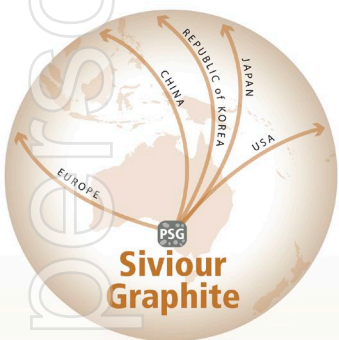
The non-binding MOU, in place since September 2020, provides for the supply over ten years of up to 10,000tpa of PSG, which represents approximately one-third of the projected initial PSG production capacity of Renascor's planned Battery Anode Material operation in South Australia. See Renascor ASX announcement dated 1 July 2020.

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The successful product validation results enable Renascor and Minguang New Material to enter into negotiations regarding binding PSG offtake and complete product qualification testing.

Commenting on the verification from Minguang New Material, Renascor Managing Director David Christensen stated:

"The first stage qualification of Renascor's purified spherical graphite is a significant milestone in the pathway to achieving binding offtake and project financing for our integrated Siviour Battery Anode Material Project in South Australia."

Reaching this gate now allows us to work with Minguang to progress a binding PSG offtake agreement in line with our MOU framework."

We are delighted to be moving ahead with an anode material company of the calibre of Minguang, part of the broader Fujian Metallurgical group, which is one of China's largest lithium-ion battery material suppliers."

Progress on additional PSG offtake

Renascor is concurrently advancing offtake negotiations for the balance of its planned PSG production capacity, including with anode manufacturers and lithium-ion battery companies headquartered in Northeast Asia and Europe.

While COVID-19 has caused some delays by preventing site visits and in-person meetings, Renascor continues to make progress in relation to PSG offtake, with current activities largely focused on undertaking PSG validation tests, responding to due diligence enquiries and negotiating potential offtake terms.

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:

David Christensen

Managing Director

+61 8 8363 6989

info@renascor.com.au

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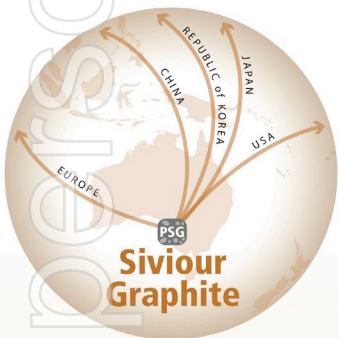
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Lithium-ion Battery Anode Market

As a result of growth in the electric vehicle and lithium-ion battery markets, the demand for lithium-ion battery anodes is also experiencing significant expansion. This has resulted in increased demand for PSG by anode manufacturers, with annual growth rates of up to 29% predicted through to 2030, leading to an increase in the market from approximately 200,000 tonnes in 2019 to 2.4 million tonnes by 2029⁵ (Figure 1).

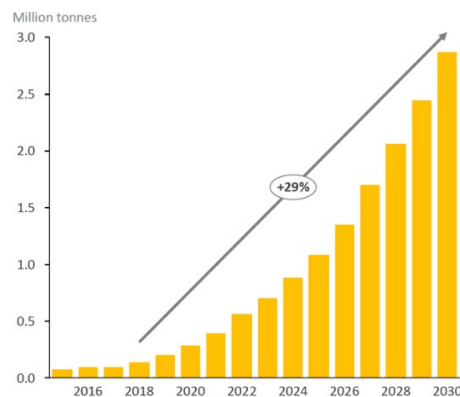


Figure 1. PSG demand forecast (Source: Benchmark Mineral Intelligence)

The production of lithium-ion battery anodes is largely concentrated in China, which accounts for approximately 85% (600,000tpa) of current lithium-ion battery anode capacity. The remaining 15% of lithium-ion battery anode capacity is centered in South Korea and Japan, with emerging anode production sources being developed in Europe and North America. China is also the highest growth market for lithium-ion battery anodes, with over 90% (560,000tpa) of new capacity currently under construction⁶. See Figure 2.

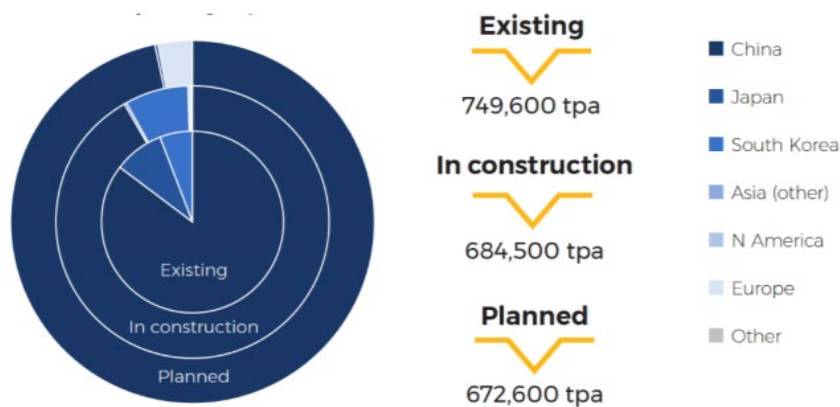


Figure 2. Global anode capacity (Source: Benchmark Mineral Intelligence)

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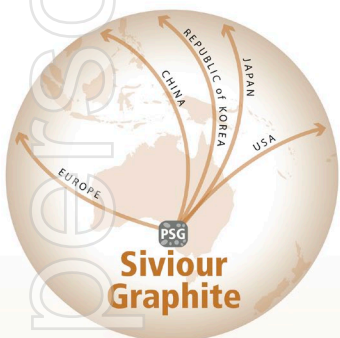
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**Bibliography**

1. Renascor ASX announcement dated 1 July 2020, "Battery Anode Material Study"
2. Renascor ASX announcement dated 29 September 2020, "MOU with One of China's Largest Battery Material Supplier Groups"

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.

¹ See Renascor ASX announcement dated 29 September 2020.

² Source: Fujian Metallurgical (Holding) Co., Ltd website <http://www.fjyjk.com>.

³ Source: Benchmark Mineral Intelligence (2020).

⁴ Source: Benchmark Mineral Intelligence, "Anode Market Assessment", April 2020.

⁵ Source: Benchmark Mineral Intelligence (2019).

⁶ Source: Benchmark Mineral Intelligence (2020).