

ASX Release

25 August 2021

Strategic Cooperation and Offtake Agreement with POSCO

Non-binding MOU to supply up to 30ktpa of PSG to South Korean conglomerate POSCO and potential equity investment by POSCO in Renascor

Highlights:

- Renascor Resources (ASX: RNU) (“**Renascor**”) enters into non-binding Strategic Cooperation and Offtake Memorandum of Understanding (“**MOU**”) with South Korean conglomerate POSCO.
- The MOU provides for the purchase of 20,000 to 30,000tpa of Purified Spherical Graphite (“**PSG**”) from Renascor’s planned Battery Anode Material operation in South Australia and also provides for a potential equity investment by POSCO in Renascor.
- POSCO, one of South Korea’s largest conglomerates, is the largest anode manufacturer outside of China, with production capacity of 44,000tpa and a further 69,000tpa in construction.
- Listed on the New York Stock Exchange and Korean Stock Exchange with a market capitalisation of over US\$25 billion¹, POSCO is the world’s leading steel-making company² and one of the world’s largest suppliers of lithium-ion battery material³. POSCO operates in 52 countries with more than 29,000 employees⁴ and is the largest single private customer of Australian exports⁵.
- Recently, POSCO has been actively pursuing battery minerals exposure in Australia through transactions with Pilbara Minerals (lithium)⁶ and First Quantum (nickel)⁷. POSCO’s stated goal is to become the world’s top player in the global electric vehicle battery materials market by 2030 by establishing a value chain from raw material procurement to battery materials production⁸.
- With the MOU with POSCO, Renascor has now executed and announced offtake MOUs covering up to 60,000tpa of PSG. Renascor’s currently proposed Stage 1 PSG production capacity is approximately 30,000tpa. In addition, Renascor continues to receive a significant volume of inbound enquiry from globally-recognised international groups that are leaders in the battery supply chain.
- To fulfil the increased offtake volume requirements, Renascor is currently undertaking feasibility work to facilitate an increase in Stage 1 PSG production capacity and a Stage 2 expansion.

Siviour
Battery Anode Material Project
For a green future



Renascor Resources Limited (ASX: RNU) ("**Renascor**") is pleased to announce that it has executed a Strategic Cooperation and Offtake MOU with POSCO.

The MOU with POSCO covers the purchase of 20,000 to 30,000tpa of PSG from Renascor's planned Battery Anode Material operation in South Australia. The final annual amount to be delivered under the offtake and the term of the agreement will be finalised as POSCO and Renascor progress to a formal binding offtake agreement.

Subject to the satisfactory completion of technical and economic studies, the MOU also provides that POSCO may propose one or more forms of strategic cooperation between Renascor and POSCO (or one of its affiliate companies) which may include an equity investment in Renascor. Any such proposal for strategic cooperation will be at the complete discretion of POSCO, and acceptance of any such proposal is at the discretion of both parties. If any such strategic cooperation includes a proposal for equity investment that is acceptable to Renascor, such equity investment will be based on the value of Renascor immediately prior to the execution of this MOU.

With the MOU with POSCO, Renascor has now executed and announced offtake MOUs covering up to 60,000tpa of PSG, compared to Renascor's current Stage 1 PSG production capacity of approximately 30,000tpa. In addition, Renascor continues to receive a significant volume of inbound enquiry from globally-recognised international groups that are leaders in the battery supply chain.

To fulfil the increased offtake volume requirements, Renascor has commenced feasibility work to facilitate an increase in Stage 1 PSG production capacity and a Stage 2 expansion.

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

"We are delighted to be working with POSCO, a world leader in the supply of lithium-ion battery materials with an established track-record of working with Australian companies, including, most recently, Australian suppliers of battery minerals."

The significant offtake requirements from POSCO represent a transformational step change for Renascor, as the demand from POSCO, together with our existing offtake partners, not only fulfils our current Stage 1 PSG capacity, but also warrants material PSG capacity expansions through an increase of Stage 1 and an expanded Stage 2."

The exceptional demand for Siviour PSG is a significant validation of Renascor's strategy to become one the world's largest suppliers of low-cost and secure PSG and places Renascor in a strong position as we progress toward binding offtake."

The MOU with POSCO provides the framework for further negotiations in relation to price, term, product quality and other offtake parameters. Under the terms of the MOU, Renascor and POSCO have agreed to work together to undertake additional product validation tests with a view to concluding a formal and definitive agreement for the sale to POSCO of PSG and for potential further strategic cooperation between Renascor and POSCO.

About POSCO

Listed on the New York Stock Exchange (NYSE: PKX) and Korean Stock Exchange (KRX: 005490) with a market capitalisation of over US\$25 billion⁹, POSCO is the world's leading steel-making company and is consistently recognised among the World's Most Sustainable Companies (Dow Jones Sustainability Indices) and the Global 100 Most Sustainable Corporations in the World (Davos World Economic Forum)¹⁰. POSCO operates in 52 countries with more than 29,000 employees¹¹.

POSCO is the largest single private customer of Australian exports¹².

Through POSCO's materials manufacturing and supply division, POSCO Chemical Co. Ltd, POSCO is among the world's largest suppliers of lithium-ion battery anodes and the largest supplier outside of China, with existing production capacity of 44,000tpa, and a further 69,000tpa planned or under construction¹³.



Recently, POSCO has been actively pursuing battery minerals exposure in Australia through transactions with Pilbara Minerals (lithium)¹⁴ and First Quantum (nickel)¹⁵. POSCO's stated¹⁶ goal is to become the world's top player in the global electric vehicle battery materials market by 2030 by establishing a value chain from raw material procurement to battery materials production.

About Renascor

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 sustainable and ethically-sourced battery anode material for the lithium-ion battery market.

Renascor's operation will combine:

- The Siviour Graphite Deposit in South Australia, the largest reported graphite Reserve outside of Africa¹⁷, and
- A state-of-the-art processing facility in South Australia to manufacture purified spherical graphite through Renascor's eco-friendly purification process.

Renascor's aim is to become a leading supplier of 100% Australian-made and low-cost purified spherical graphite for lithium-ion battery anode makers worldwide.

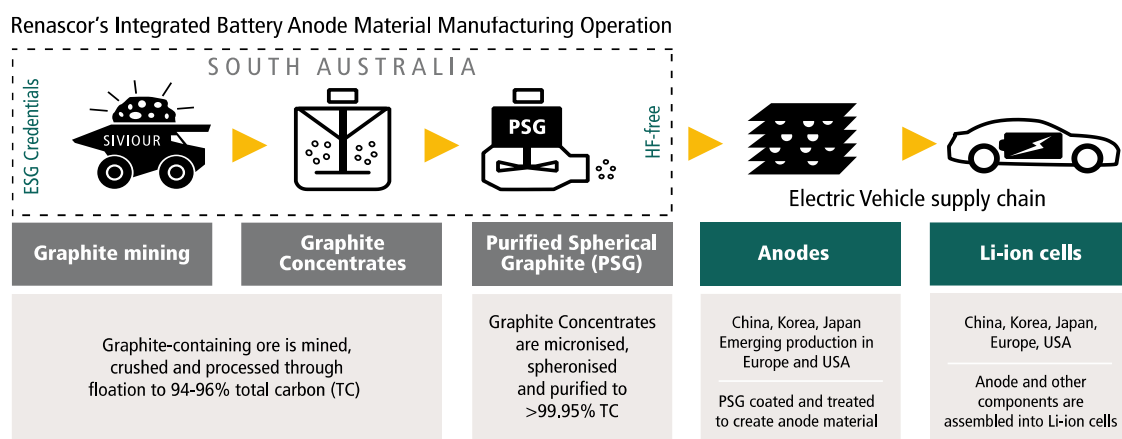


Figure 1: Renascor's vertically integrated Mine and Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain

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

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.



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¹ Source: Bloomberg, June 2021.

² Source: POSCO Fact Sheet, <https://newsroom.posco.com/en/about-posco>.

³ Source: Benchmark Mineral Intelligence, Anode Market Assessment, April 2021.

⁴ Source: POSCO Fact Sheet, <https://newsroom.posco.com/en/about-posco>.

⁵ Source: <https://www.humecoal.com.au/about/posco-australia>.

⁶ See Pilbara Minerals ASX release dated 11 May 2021.

⁷ See First Quantum media release dated 19 May 2021.

⁸ Source: <https://www.kedglobal.com/newsView/ked202012150002>.

⁹ Source: Bloomberg, June 2021.

¹⁰ Source: POSCO Fact Sheet, <https://newsroom.posco.com/en/about-posco>.

¹¹ Source: POSCO Fact Sheet, <https://newsroom.posco.com/en/about-posco>.

¹² Source: <https://www.humecoal.com.au/about/posco-australia>.

¹³ Source: Benchmark Mineral Intelligence, Anode Market Assessment, April 2021.

¹⁴ See Pilbara Minerals ASX release dated 11 May 2021.

¹⁵ See First Quantum media release dated 19 May 2021.

¹⁶ Source: <https://www.kedglobal.com/newsView/ked202012150002>.

¹⁷ See Renascor ASX release dated 21 July 2020.

