

## ASX Release

7 December 2022

### Renascor announces fully underwritten A\$70 million Institutional Placement

#### Institutional raise to accelerate development of Siviour Battery Anode Material Project

*Not for release to US wire services or distribution in the United States*

##### Highlights:

- Renascor to undertake a fully underwritten institutional placement to raise approximately A\$70 million to progress the development of the Siviour Battery Anode Material Project (the “**BAM Project**”).
- The Placement follows recent approval from the South Australian Department of Energy and Mining (“**DEM**”) of the Program for Environment Protection and Rehabilitation (“**PEPR**”) for its proposed Siviour Mine and Concentrator in South Australia<sup>1</sup>, a key condition of the Australian Government’s A\$185 million loan.
- The Company is currently undertaking an optimised BAM study that is assessing expanded production of Purified Spherical Graphite (“**PSG**”) to meet increasing demand from the lithium-ion battery sector
- Renascor is well-funded with pro-forma 30 November 2022 cash of A\$140 million, before costs, on completion of the Placement, in addition to a A\$185 million conditionally approved loan from the Australian Government’s A\$2 billion Critical Minerals Facility<sup>2</sup>.
- The placement is another successful step toward Renascor’s goal of powering Australia’s clean energy transition through the development of its vertically integrated manufacturing operation to produce sustainable and ethically-sourced battery anode material for the lithium-ion battery market.
- Barrenjoey Markets Pty Limited, Canaccord Genuity (Australia) Limited and Petra Capital Pty Ltd are acting as Joint Lead Managers, Bookrunners and Underwriters.

**Siviour**  
Battery Anode Material Project  
Powering Clean Energy



Renascor Resources Limited (ASX:RNU) ("**Renascor**" or the "**Company**"), is pleased to announce the launch of a fully underwritten institutional placement to raise approximately A\$70 million to progress the development of the BAM Project ("**Placement**"). The Placement will see the Company issue approximately 254.5 million new fully paid ordinary shares at an issue price of A\$0.275 per share ("**New Shares**").

The Placement marks another critical step in the development of Renascor's BAM Project, and follows the receipt of the key PEPR approval from the South Australian Department of Energy and Mining for the Siviour mine and concentrator.

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

*"Renascor's ambition is to become a reliable supplier of 100% Australian-made purified spherical graphite for lithium-ion battery anode makers worldwide.*

*The funds raised via this Placement, together with the recently received PEPR approval, bring us significantly closer to realising this objective, as we look to accelerate our development timeline by bringing forward the commencement of construction of the Siviour mine and concentrator.*

*We now look forward to completing our Optimised BAM Study and ultimately reaching a Final Investment Decision next year.*

*On behalf of Renascor board and management, I wish a warm welcome to our new shareholders and thank all our existing institutional and retail shareholders for their ongoing support."*

### Use of Proceeds and Rationale for the Raise

The Company is currently undertaking an optimised BAM study which is assessing the potential to increase production of PSG to meet growing demand from the lithium-ion battery sector.

Following receipt of the PEPR Approval in November 2022, Renascor sees an opportunity to accelerate the development of its BAM Project and become a secure producer of 100% Australian-made PSG for the lithium-ion battery sector. The proceeds of the Placement will be used to solidify our early mover advantage by bringing forward the commencement of construction and operation of the Siviour mine and concentrator. This approach:

- (a) accelerates project development and brings forward the timeline for Stage 2 expansion;
- (b) capitalises on increasingly favourable graphite market dynamics, with rising graphite prices and a potential near-term shortage of graphite concentrates due to supply chain and a lack of upstream mine developments; and
- (c) maximises the potential to realise near-term cash flow from product sales by bringing the graphite concentrate operations into production as soon as possible.

The Company has secured a conditional A\$185 million loan from the Australian Government under the A\$2 billion Critical Minerals Facility<sup>3</sup> and is in discussions regarding further funding from offtake partners, pre-payments, and other strategic capital providers. Together with the proceeds of the Placement, the Company expects these funds to support the ongoing development of the BAM Project including the potentially expanded PSG production capacity.

Further details will be provided on completion of the BAM study.



## Placement Details

The Company will issue approximately 254.5 million New Shares under the Placement at a fixed price of A\$0.275 per share, which represents a:

- 14.1% discount to the last closing price of A\$0.320 on 6 December 2022; and
- 14.2% discount to the 10 day VWAP.

The Placement will take place in a single tranche pursuant to the Company's available Placement capacity under ASX Listing Rule 7.1. New Shares will rank equally with the Company's existing fully paid ordinary shares on issue.

The Placement is being conducted today, Wednesday, 7 December 2022. Settlement of the Placement is expected to occur on Wednesday, 14 December 2022.

Barrenjoey Markets Pty Limited, Canaccord Genuity (Australia) Limited and Petra Capital Pty Ltd are acting as Joint Lead Managers, Bookrunners and Underwriters to the Placement. BurnVoor Corporate Finance acted as financial adviser to the Company.

## Indicative Timetable

Event	Date
Trading halt	Wednesday, 7 December 2022
Announcement of Placement	Wednesday, 7 December 2022
Trading halt lifted and announcement of completion of Placement	Thursday, 8 December 2022
Settlement of New Shares issued under Placement	Wednesday, 14 December 2022
Quotation of New Shares issued under Placement	Thursday, 15 December 2022

*This timetable is indicative only and the Company may, at its discretion, vary any of the above dates, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws.*

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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## Disclaimers

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 does not constitute an offer to sell, or a solicitation of an offer to buy any securities in any jurisdiction. The distribution of this announcement and the offer of securities is restricted in jurisdictions outside Australia. See Annexure B for further information on international offer restrictions. Any failure to comply with such restrictions could constitute a violation of applicable securities laws.

This ASX announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

To the maximum extent permitted by law, the Company, the Joint Lead Managers and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, consultants, contractors, agents and advisers (together, the "**Beneficiaries**") exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs incurred by an investor as a result of its participation in, or failure to participate in, the Placement or the information in this ASX announcement being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this ASX announcement to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this ASX announcement or that this ASX announcement contains all material information about the Company or which a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of securities in the Company, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

The Joint Lead Managers and their respective Beneficiaries:

- have not independently verified any of the information in this ASX announcement and take no responsibility for any part of this ASX announcement or the Placement;
- have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this ASX announcement;



- make no recommendations as to whether an investor or its related parties should participate in the Placement nor do they make any representations or warranties to any person concerning the Placement; and
- do not make or purport to make any statements in this ASX announcement and there is no statement in this ASX announcement which is based on any statement by any of them.

Each investor represents, warrants and agrees that it has not relied on any statements made by the Joint Lead Managers or their respective Beneficiaries in relation to the Placement and each investor further expressly disclaims that it is in a fiduciary relationship with any of them.

Each investor acknowledges and agrees that allocations are at the sole discretion of the Joint Lead Managers and/or the Company and determination of eligibility of investors for the purposes of the Placement is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of the Company and the Joint Lead Managers. Each investor further acknowledges and agrees that each of the Company and the Joint Lead Managers and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

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<sup>1</sup> The PEPR was lodged by Renascor's wholly-owned subsidiary Ausmin Development Pty Ltd, the registered holder of the Mineral Lease for Siviour. See Renascor ASX release dated 28 November 2022.

<sup>2</sup> See Renascor ASX release dated 2 February 2022.

<sup>3</sup> See Renascor ASX release dated 2 February 2022.





## Annexure A

### The World-Class Siviour Graphite Project

Renascor Resources Limited (**ASX: RNU**) ("**Renascor**") is a project developer and minerals explorer operating in the Clean Energy sector following the discovery of the world-class Siviour Graphite Deposit in South Australia.

Renascor presents an opportunity for Australia to leverage a Tier One graphite resource and plug-in to the global electric vehicle ("**EV**") revolution via downstream manufacturing of high-value Purified Spherical Graphite for use in EV batteries.

Renascor is developing a vertically integrated Battery Anode Material Manufacturing Operation ("**the Project**") in South Australia. The Project comprises:

- **the Siviour Graphite Deposit** - the world's second largest Proven Reserve of Graphite and the largest Graphite Reserve outside of Africa<sup>1</sup>;
- **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 Graphite concentrate will be processed to PSG using an eco-friendly processing method before being exported to lithium anode manufacturers.

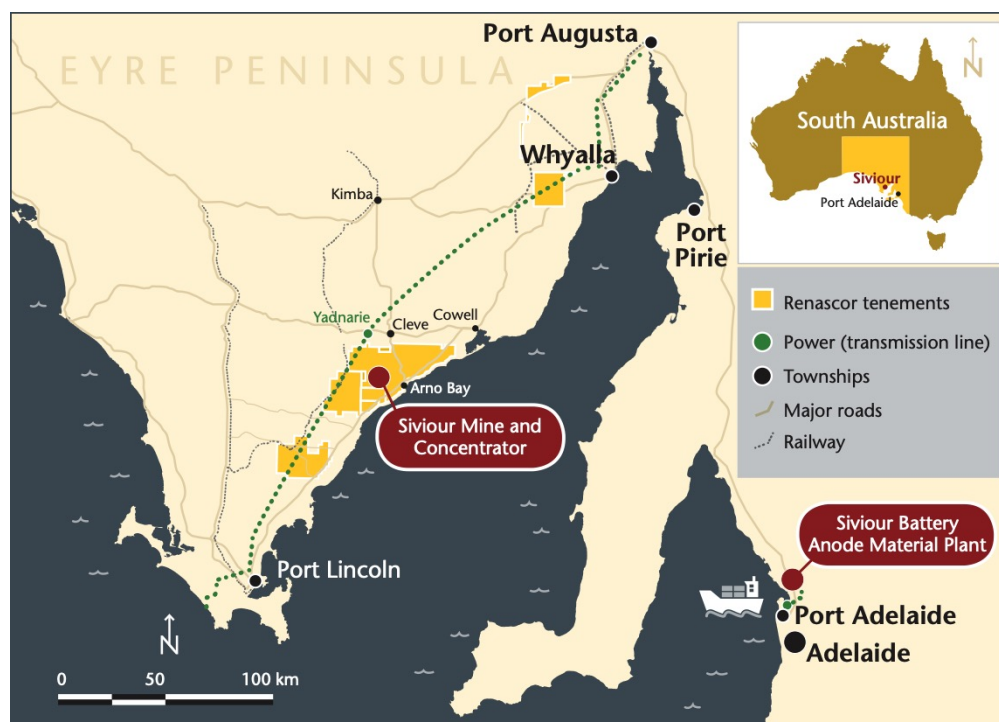
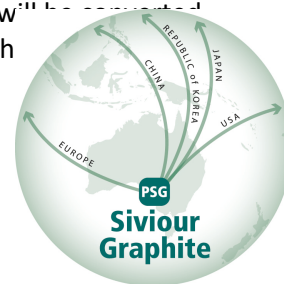
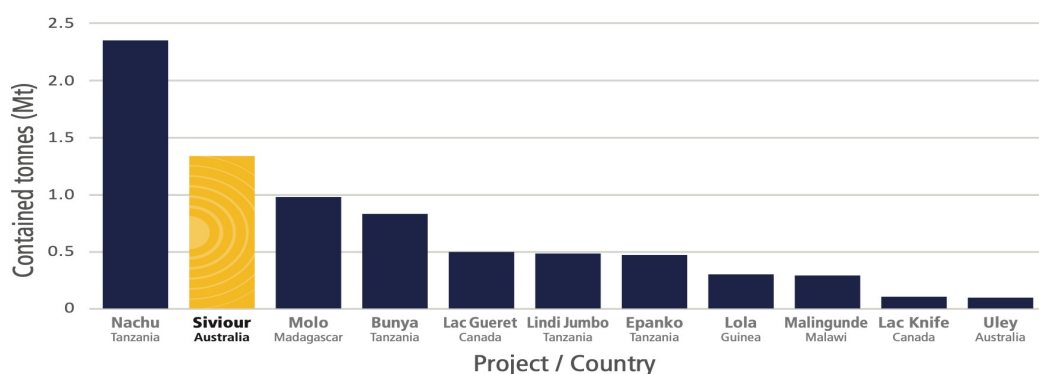


Figure 1: Project location.



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.

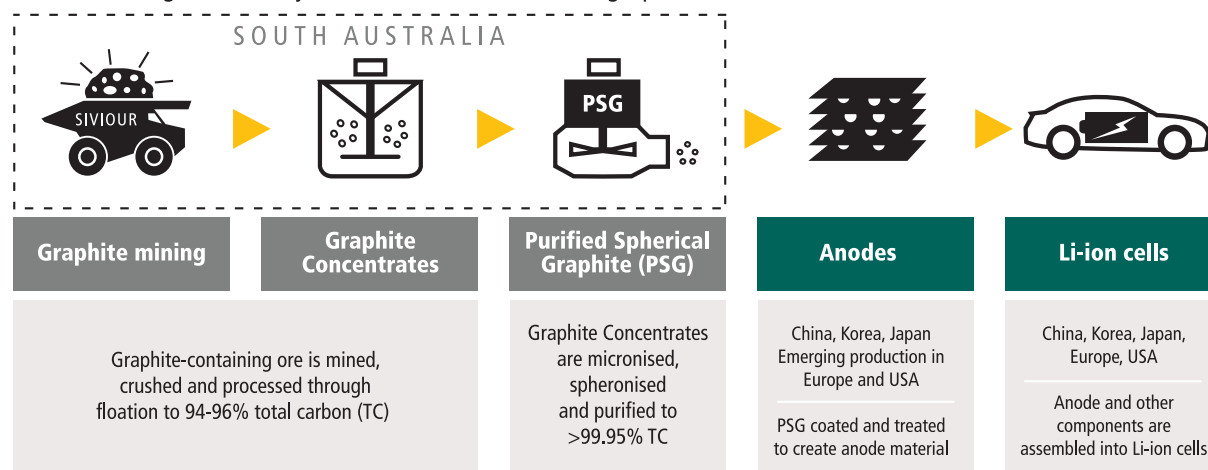
<sup>1</sup> Renascor ASX release 21 July 2022.



**Figure 2. Global graphite Proven Reserves**

Renascor intends to leverage this inherent advantage and develop a vertically integrated operation to manufacture high value PSG from a low-cost graphite concentrate feedstock and provide a secure cost-competitive supply of battery anode raw material into the rapidly growing lithium-ion battery market.

#### Renascor's Integrated Battery Anode Material Manufacturing Operation



**Figure 3: Renascor's vertically integrated Mine, Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain.**



## Annexure B

### International Offer Restrictions

This ASX announcement does not constitute an offer of in any jurisdiction in which it would be unlawful. In particular, this ASX announcement may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### ***Canada (British Columbia, Ontario and Quebec provinces)***

This announcement constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This announcement is not a prospectus, an advertisement or a public offering of securities in the Provinces. This announcement may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this announcement, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this announcement has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this announcement are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.





*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

### **European Union**

This announcement has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this announcement may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

### **Hong Kong**

WARNING: This announcement has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this announcement may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this announcement have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this announcement, you should obtain independent professional advice.

### **New Zealand**

This announcement has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;



- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Singapore**

This announcement and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this announcement and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This announcement has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this announcement immediately. You may not forward or circulate this announcement to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this announcement nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this announcement will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this announcement nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This announcement is personal to the recipient and not for general circulation in Switzerland.

**United Kingdom**

Neither this announcement nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this announcement or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This announcement is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation.



This announcement may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this announcement is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this announcement relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this announcement.

### **United States**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.



## Annexure C

### Summary of Underwriting Agreement

By a Placement Agreement entered into between the Company and Barrenjoey Markets Pty Limited, Canaccord Genuity (Australia) Limited and Petra Capital Pty Limited (each a **Joint Lead Manager**, and together, the **Joint Lead Managers**) dated 7 December 2022 (**Placement Agreement**), the Joint Lead Managers agree act on an exclusive basis as joint bookrunners, joint lead managers and joint underwriters to arrange, manage and underwrite in its respective proportion of one-third a placement of 254,545,455 new fully paid ordinary shares in the Company (**Placement Shares**) at the issue price of \$0.275 per share (**Issue Price**) to raise \$70,000,000.13 (**Placement**).

#### 1.1 Conditions Precedent

- (a) The obligations of the Joint Lead Managers under the Placement Agreement are conditional on the Company:
  - (i) applying for and being granted a trading halt on 7 December 2022;
  - (ii) announcing the placement on 7 December 2022; and
  - (iii) delivering to the Joint Lead Managers a completed management due diligence questionnaire on 6 December 2022.
- (b) The obligations of the Joint Lead Managers to underwrite the placement in their respective proportions are conditional on:
  - (i) the continue satisfaction of the conditions precedent referred to above;
  - (ii) the Company announcing the results of the placement on 8 December 2022;
  - (iii) the Company delivering to the Joint Lead Managers by 14 December 2022 an opinion from the Company's US counsel;
  - (iv) ASX not indicating that it will not grant permission for the official quotation of the Placement Shares on 14 December 2022; and
  - (v) the Company providing to the Joint Lead Managers a certain certificate on 14 December 2022.
- (c) If the conditions precedent referred to above are not satisfied by the Company or waived by the Joint Lead Managers by their respective deadlines (or any later date as agreed between the Joint Lead Managers and the Issuer in writing), then each Joint Lead Manager may immediately terminate the Placement Agreement so that it is relieved of all obligations under the Placement Agreement. Each remaining Joint Lead Manager may then elect to take over the obligations of any terminating Joint Lead Manager.

#### 1.2 Fees, Costs and Expenses

- (a) The Company has agreed to pay to the Joint Lead Managers:
  - (i) an underwriting fee of 3.6% of the aggregate number of Placement Shares (excluding Placement Shares to be issued to the Chairman's List investors) multiplied by the Issue Price, in their respective proportions;



- (ii) an underwriting fee of 0.6% of the aggregate number of Placement Shares to be issued to the Chairman's List investors multiplied by the Issue Price, in their respective proportions; and
  - (iii) a management fee of 0.9% of the aggregate number of Placement Shares (including Placement Shares to be issued to the Chairman's List investors) multiplied by the Issue Price, in their respective proportions.
- (b) Subject to the Joint Lead Managers obtaining the prior written approval of the Company for any individual out-of-pocket costs, expenses and disbursements exceeding \$5,000, the Company must also pay, or reimburse each Joint Lead Manager for, all out-of-pocket costs, expenses and disbursements incurred by that Joint Lead Manager in connection with the Placement. The total amount payable by the Company to the Joint Lead Managers for legal fees pursuant to this obligation is capped at \$40,000.

### 1.3 Termination

- (a) Each Joint Lead Manager may terminate its obligations under the Placement Agreement if any one or more of the following occurs:
- (i) **(market fall)** at the close of any Business Day during the period between the date of the Placement Agreement and the Settlement Date (inclusive), the S&P/ASX 200 Index or S&P/ASX 300 Index falls to a level that is 10% (or more) below the level of the index at market close on the Business Day prior to the date of the Placement Agreement;
  - (ii) **(commodity fall)** at the close of any Business Day during the period between the date of the Placement Agreement and the Settlement Date (inclusive), the "Flake Graphite -194 FOB China USD/mt" as quoted by Asian Metals ([www.asianmetal.com](http://www.asianmetal.com)) falls to a level that is 10% (or more) below its level at market close on the Business Day prior to the date of the Placement Agreement;
  - (iii) **(listing)** ASX does any of the following:
    - (A) announces that the Company will be removed from the official list of ASX or that any Shares will be delisted or permanently suspended from quotation by ASX for any reason;
    - (B) removes the Company from the official list of ASX; or
    - (C) suspends the trading of any Shares for any period of time,
 in each case excluding a trading halt arising from the Placement;
  - (iv) **(disclosure deficiency)** any Placement Document or Publication:
    - (A) includes content that is false or is misleading or deceptive or likely to mislead or deceive (including by omission); or
    - (B) omits any information that they are required to contain (having regard to section 708A of the *Corporations Act 2001* (Cth) and any other applicable requirements);
  - (v) **(forward-looking statements)**
    - (A) a forward-looking statement contained in any Placement Document or Publication is not based on (or ceases to be based on) reasonable grounds or a forward-looking statement



- contained in any Placement Document or Publication becomes incapable of being met;  
or
- (B) any statement of opinion, intention or belief in any Placement Document or Publication, is not truly and honestly held or there are no (or there ceases to be) reasonable grounds for making that statement or that statement is or becomes incapable of being met;
- (vi) **(new circumstance)** there occurs an adverse new circumstance in relation to the Company or any of its related bodies corporate that has arisen since the ASX Announcement and the Investor Presentation Materials were released on ASX on the Bookbuild Date that would have been required to be included in, or would otherwise have required an amendment to the disclosure contained in, the ASX Announcement or the Investor Presentation Materials if it had arisen before they were released to ASX;
- (vii) **(regulatory action)** ASIC:
- (A) makes an application or threatens to make an application for an order under Part 9.5 of the *Corporations Act 2001* (Cth) in relation to the Placement;
- (B) commences or conveys its intention to commence any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Placement; or
- (C) otherwise issues or threatens to issue proceedings in relation to the Placement or commences any formal inquiry or investigation into the Placement;
- (viii) **(Government Agency)** there is an application to a Governmental Agency for an injunction, order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a Governmental Agency commences any investigation or hearing or announces or notifies of its intention to do so, in each case in connection with the Placement (or any part of it) or any agreement entered into in respect of the Placement (or any part of it) which, in the Joint Lead Manager's opinion, has reasonable prospects of success;
- (ix) **(quotation)** ASX does not, or states that it will not, grant official quotation of all the Placement Shares on an unconditional basis (or on a conditional basis where the conditions are customary and acceptable to the Joint Lead Managers) by the Settlement Date;
- (x) **(issue of Shares)** the Company is unable or will be unable to issue the Placement Shares on the Allotment Date;
- (xi) **(capital structure)** the Company alters its capital structure (other than as contemplated in the Placement Agreement) or its constituent documents;
- (xii) **(prosecution)** any of the following occurs:
- (A) a director or officer of the Company or any member of the Group is charged with an indictable offence;
- (B) any Governmental Agency commences any public action against a director or officer of the Company or any member of the Group in that capacity or announces that it intends to take any action of that type; or
- (C) any director of the Company or any member of the Group is disqualified from managing a corporation under the *Corporations Act 2001* (Cth);





- (xiii) **(fraud)** the Company or any of its related bodies corporate or any of their respective directors or officers engage or have engaged in any fraudulent conduct or activity whether or not in connection with the Placement;
- (xiv) **(timetable)** any event specified in the Timetable which relates to the Placement is delayed by one or more Business Days without the prior written consent of the Joint Lead Managers;
- (xv) **(withdrawal)** the Company withdraws the Placement, or indicates that it does not intend to or is unable to proceed with the Placement;
- (xvi) **(Certificate)** any Certificate which is required to be provided by the Company under the Placement Agreement is not provided when required;
- (xvii) **(insolvency)** the Company or any of its related bodies corporate is or becomes Insolvent or there is an act or omission made which may result in the Company or any of its related bodies corporate becoming Insolvent;
- (xviii) **(change in senior management)** a change to the chief executive officer, chief financial officer or the board of directors of the Company is announced or occurs;
- (xix) **(material adverse change)** there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the financial position, performance, results, condition (financial or otherwise), assets, earnings, business, affairs, profits, liabilities, losses, results of operations or prospects of the Group when compared to the position disclosed in the Placement Documents released on the Bookbuild Date, other than as disclosed by the Company to ASX before the date of the Placement Agreement;
- (xx) **(facility or loan agreements)** the Company or any of its related bodies corporate breaches or defaults under any provision, undertaking, covenant or ratio of its facility or loan agreements or any related documentation to which that entity is a party, or an event of default or event which gives a lender or financier the right to accelerate or require repayment of a facility or loan agreement to which that entity is a party occurs, or if the Company's \$185,000,000 conditional facility with the Australian Government Critical Minerals Fund is withdrawn or the Company is notified or otherwise becomes aware that it will be withdrawn; or
- (xxi) **(illegal)** there is an event, occurrence or non-occurrence after the execution of the Placement Agreement which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Placement Agreement, or to market, promote or settle the offer of Placement Shares, or that causes the Joint Lead Managers to delay satisfying an obligation under the Placement Agreement, including:
- (A) any acts, statute, order, rule, regulation, directive or request of any Governmental Agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
  - (B) any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a Governmental Agency, or any other event similar to those mentioned in this paragraph 1.3(a)(xxi)(A).
- (b) A Joint Lead Manager may terminate its obligations under the Placement Agreement if any one or more of the following occurs and the Joint Lead Manager has reasonable grounds to believe that the event, matter or circumstance (A) has or is likely to have a material adverse effect on the financial position or prospects of the Group or the marketing, settlement, success or outcome of the Placement or the likely trading price of the Shares or willingness of



investors to subscribe for Placement Shares, or (B) leads or is likely to lead, to a contravention by the Joint Lead Manager or one of its Affiliates of (or the involvement of the Joint Lead Manager or one of its Affiliates in a contravention of) the Act or any other applicable law or leads, or is likely to lead, to a liability of the Joint Lead Manager or one of its Affiliates under the Act or any other applicable law:

- (i) **(breach)** the Company is in breach of any term or condition of the Placement Agreement or any representation or warranty by it is or becomes incorrect, untrue or misleading;
- (ii) **(Certificate)** a statement in any Certificate which is required to be provided by the Company under the Placement Agreement is misleading, untrue or incorrect;
- (iii) **(due diligence)** any information supplied by or on behalf of the Company to the Joint Lead Managers in relation to the Company, the Group, the Placement Documents, the Publications, the due diligence process or the Placement is or becomes false, misleading or deceptive, or is likely to mislead or deceive (including by omission);
- (iv) **(Material Contracts)** if any of the obligations of the relevant parties under any of the Material Contracts are not capable of being performed in accordance with their terms (in the opinion of the Joint Lead Manager) or if all or any part of any of those Material Contracts:
  - (A) is terminated, withdrawn, rescinded, avoided or repudiated;
  - (B) is breached;
  - (C) is altered, amended or varied;
  - (D) ceases to have effect, otherwise than in accordance with its terms; or
  - (E) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided, repudiated or of limited force and affect, or its performance is or becomes illegal, or those contracts are unable to, or are likely to be unable to, be performed;
- (v) **(proceedings)** a third party commences, or threatens to commence, or otherwise conveys its intention to commence, legal proceedings against:
  - (A) the Company or any of its related bodies corporate; or
  - (B) any director or officer of the Company or any of its related bodies corporate in that capacity;
- (vi) **(change in laws)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or regulation, or any new regulation is made under any law, or a Governmental Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be), other than any law, regulation or policy that has been publicly announced prior to the date of the Placement Agreement;
- (vii) **(breach of laws)** a contravention by the Company or any of its related bodies corporate of the *Corporations Act 2001* (Cth), its respective constitution, any of the ASX Listing Rules or any other applicable law or regulation (as amended or varied);
- (viii) **(disruption)** there is:
  - (A) a suspension or material limitation in trading in securities generally on ASX, the New



York Stock Exchange, the Hong Kong Stock Exchange or the London Stock Exchange for one day on which that exchange is open for trading (or a substantial part of one day on which that exchange is open for trading);

- (B) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, the People's Republic of China, Hong Kong, Singapore, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions that does not already exist or has not already been announced prior to the date of the Placement Agreement; or
  - (C) a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Hong Kong, Singapore, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (ix) **(hostilities)** hostilities not existing prior to the date of the Placement Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, Japan, South Korea, a member state of the European Union, the People's Republic of China, Hong Kong or Singapore, or Russia commences hostilities against any member state of the North Atlantic Treaty Organisation or Russia deploys chemical, nuclear or biological weapons in the conflict in Ukraine, or a state of emergency or national emergency is declared by any of those countries or a major escalation occurs in relation to a previously declared state of emergency or national emergency by any of those countries, or a significant terrorist act is perpetrated anywhere in the world; or
- (x) **(change of control)** a scheme of arrangement or reconstruction is announced by the Company, or another offer to securityholders is announced by another person and which is recommended by the Board of Directors of the Company, which, if implemented, would result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in the Company.
- (c) If one Joint Lead Manager terminates, one or more of the remaining Joint Lead Managers may elect to take up the rights and obligations of the terminating Joint Lead Manager under the Placement Agreement or to terminate the Placement Agreement by the earlier of the date that is two business days after the remaining Joint Lead Managers become aware of the termination by the terminating Joint Lead Manager and the settlement date. If the remaining Joint Lead Managers do not make an election within this period, they are deemed to have terminated their remaining obligations under the Placement Agreement.

#### 1.4 Other Provisions

The Placement Agreement also contains a number of indemnities, representations and warranties from the Company to the Joint Lead Managers that are considered standard for an agreement of that type.



## Annexure D

### Summary of Key Risks

This annexure discusses some of the key risks associated with an investment in shares in Renascor. There are a number of risk factors, specific to Renascor and of a general nature, which may affect the future operating and financial performance of Renascor, the industry in which it operates and the value of Renascor's shares.

Potential investors should consider whether the securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. Renascor has implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control.

While some common risk factors are set out below, it is not possible to produce an exhaustive list. The Renascor Directors recommend that potential investors consult their professional advisers before making any investment decisions.

The principal risks include, but are not limited to, the following:

#### **Risks specific to Renascor:**

##### **Production, cost and capital estimates**

The ability of Renascor to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets of Renascor, as any others, are subject to uncertainty and unexpected technical, geographical, metallurgical, meteorological, geological, third-party access, third party contractor, community, operational environment, funding for development, regulatory changes, or inclement weather issues, accidents or other unforeseen circumstances such as unplanned mechanical failure of plant or equipment or pandemics, such as COVID-19.

Financial projections prepared to date, including capital and operating cost estimates, are based on previous feasibility studies, which are currently being updated as part of the optimised BAM study. There can be no assurance that such previous projections will not be changed.

Capital and operating cost estimates may be affected by unexpected modifications to plant design, changes to estimates of non-fixed components, delays in commissioning and sourcing financing. Failure to achieve capital estimates, cost targets or material increases in costs could have an adverse impact on Renascor's future cash flows, profitability, results of operations and financial condition.

The development of estimates is managed by the Company using a budgeting process. Actual results are compared with budgets to identify drivers behind discrepancies which may result in updates to future estimates. Renascor has prepared a range of target cash costs for its proposed operations at the BAM Project. No assurance can be given by Renascor that such targets will be achieved.

Future waves of COVID-19, the outbreak of another pandemic, or the failure to respond to pandemics (such as COVID-19) or other operational incidents within Renascor may also result in increased production costs.

Unforeseen production cost increases could result in Renascor not realising its operational or development plans or such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Renascor's financial and operational performance.



**Development stage**

The BAM Project is at the development stage. The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage.

The business of mineral exploration, project development, project commissioning and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors and there can be no assurance that the BAM Project will be constructed or brought into commercial production.

As with all new mining projects, there is an inherent risk that construction at the BAM Project may not be completed on schedule, or that the construction cost may materially exceed budget, or that significant problems in the commissioning or metallurgical processes of the plant may arise.

Renascor may outsource substantial parts of the construction and commissioning of the BAM Project to third party contractors. Such contractors may not be available to perform services when required or may only be willing to do so on terms that are not acceptable to Renascor. Further, performance may be constrained or hampered by the contractor's capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental and land access compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, Renascor may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances may have a material adverse effect on development, construction, commissioning and operation of the BAM Project.

**Future capital requirements**

The future capital requirements of Renascor will depend on many factors. Renascor believes its available cash and the net proceeds of the Offer should be adequate to fund its immediate development plans, capital development initiatives, business development activities, exploration program and other objectives in the medium term.

Renascor may require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer price) or may involve restrictive covenants which limit Renascor's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. Renascor notes that it remains in discussion in respect of potential finance facilities for the BAM Project. As at the date of this presentation, no decision has been made in respect of proceeding with any form of debt financing and there is no guarantee that any such facility will be entered into.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Renascor or at all. If Renascor is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on Renascor's activities.

Renascor may undertake additional offerings of securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of Renascor's existing Shareholders will be diluted.



**Offtake agreements**

Renascor is party to non-binding offtake agreements as previously announced to ASX. There is no guarantee that such non-binding agreements will convert to binding agreement. As with all contracts, there is a risk that the offtake parties may not perform their respective obligations or may breach offtake agreements. In addition, there is a risk that an offtake party may become insolvent or may not be able to meet its future buying or equity subscription obligations under relevant offtake agreements.

**New projects and acquisitions**

Renascor will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements / permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on Renascor.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in Renascor reallocating funds from the BAM Project and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

**Underwriting risk**

Renascor has entered into a Placement Agreement with the Joint Lead Managers, a summary of which is contained in Annexure C of this announcement. The Joint Lead Managers may terminate the Placement Agreement in certain circumstances, which are specified in Annexure C.

The termination of the Placement Agreement would have an adverse impact on the amount of funds raised under the Placement and, if it were to occur, Renascor may need to take other steps to raise capital.

**Exploration and development risks**

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Company's properties or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of Renascor may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of Renascor.





The success of Renascor will also depend upon Renascor having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of Renascor and possible relinquishment of part or all of its projects.

### **Operating risk**

Mining operations generally involve a high degree of inherent risk and uncertainty. Such operations are subject to all the hazards and risks normally encountered in the exploration, development and production of graphite and other mineral products, including unusual and unexpected geologic formations, metallurgical recovery and other processing problems, industrial accidents, wall failure, seismic activity, rock bursts, cave-ins, flooding, fire, access restrictions, interruptions, inclement or hazardous weather conditions and other conditions involved in the drilling, blasting and removal or processing of material, any of which could result in damage to, or destruction of, mines and other processing facilities, damage to life or property, environmental damage and possible legal liability.

### **Graphite recovery**

Mineral recoveries are dependent upon the process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk including changes in mineralogy in the ore deposit or mechanical or process issues which can result in inconsistent minerals recovery, each of which could potentially affecting the economic viability of the BAM Project.

### **Commodity and currency price volatility**

Renascor's revenues will in time be exposed to fluctuations in the prices for the minerals it produces including the price of graphite. Volatility in pricing creates revenue uncertainty and requires careful management of business performance and cashflows. Lower prices can impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on Renascor's results of operations and financial condition.

The factors which affect the price for graphite and other minerals (many of which are outside the control of Renascor and its directors) include, among many other factors, manufacturing activities; the quantity of global supply in graphite as a result of the commissioning of new mines and the decommissioning of others; political developments in countries which produce and consume material quantities of graphite; the weather in these same countries; the price and availability of appropriate substitutes; advancements in technologies and the uses and potential uses of graphite, and the demand for the applications for which graphite may be used; the grade and quality of graphite produced; and sentiment or conditions in the countries and sectors in which Renascor and its business/commercial partners sell or intend to sell their products. Given the range of factors which contribute to the price of graphite, and the fact that pricing is subject to negotiation, it is particularly difficult for Renascor to predict with any certainty the prices at which Renascor will sell its product and accordingly, investors are cautioned not to place undue reliance on any price or demand forecasts provided by Renascor or by external analysts.

Movements in currency exchange rates may affect cash flows, profitability, costs and revenue. It is not possible to accurately predict future movements in exchange rates. As Renascor moves into production it will consider hedging strategies to mitigate this risk.



**Competition risk**

Renascor competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than Renascor and, as a result, may be in a better position to compete for future business opportunities. Many of Renascor's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that Renascor can compete effectively with these companies.

**Land access risk**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Renascor may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities.

**Third party risks**

Under state and Commonwealth legislation (as applicable), Renascor may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements.

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact Renascor's ability to carry out exploration or mining activities within the affected areas.

**Environmental risk**

The operations and proposed activities of Renascor are subject to Australian laws and regulations concerning the environment. The costs of complying with these laws and regulations may impact the development of economically viable projects. As with most exploration projects and mining operations, Renascor's activities are expected to have an impact on the environment, particularly if advanced exploration or field development or mining proceeds. It is Renascor's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent Renascor from being able to develop potentially economically viable mineral deposits.

Although Renascor believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject Renascor to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of Renascor.

Further, Renascor may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent Renascor from undertaking its desired activities. Renascor is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase Renascor's cost of doing business or affect its operations in any area.



There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Renascor to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Renascor's business, financial condition and results of operations.

#### **Tenure and access risk**

Renascor's rights in the tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties.

Any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, Renascor may lose its rights to exclusive use of, and access to any, or all, of the tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts. Additionally, Renascor may not be able to access the tenements due to natural disasters or adverse weather conditions, hostilities or failure to obtain the relevant approvals and consents.

### **KEY RISKS**

#### **General investment risks**

##### **Reliance on key personnel**

Renascor is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of Renascor.

It may be particularly difficult for Renascor to attract and retain suitably qualified and experienced people given the current high demand in the industry and relative size of Renascor, compared with other larger industry participants.

##### **Contract and counterparty risk**

The ability of Renascor to achieve its stated objectives will depend on the performance of contractual counterparties.

Renascor has entered into various agreements for the construction, development and operation of the BAM Project. Should any of the risks associated with entering into these agreements materialise, this could have a material adverse impact on Renascor's profitability and financial performance.

If Renascor's counterparties default on the performance of their respective obligations, for example if an offtake counterparty defaults on payment or a supplier defaults on delivery, it may be necessary to approach a court to seek enforcement or some other legal remedy, if no alternative settlement can be reached. Such legal action can be uncertain, lengthy and costly. There is a risk that Renascor may not be able to seek the legal redress that it could expect against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms.

In addition, the sale of graphite concentrate and purified spherical graphite by Renascor will be subject to commercial verification and qualification processes to ensure any produced product meets the specifications for supply required by customers under any offtake and supply agreements. The qualification process may require approval from multiple parties in the supply chain and not just those parties with whom Renascor has contractual arrangements. Failure to have Renascor's product



qualified, or any unanticipated delay in qualifying Renascor's product, may adversely impact Renascor's financial performance and position (including by resulting in Renascor generating less revenue or profit than anticipated and/or incurring higher costs than anticipated).

### **Economic risk**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on Renascor's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of Renascor. Such factors include supply and demand fluctuations for minerals, technological advances, forward-selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should Renascor achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of Renascor to commodity price and exchange rate risks.

### **Dividends**

Any future determination as to the payment of dividends by Renascor will be at the discretion of the Directors and will depend on the financial condition of Renascor, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the continued or future payment of dividends or franking credits attaching to dividends can be given by Renascor.

### **Share market conditions**

Share market conditions may affect the value of Renascor's quoted shares regardless of Renascor's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook, which may include considerations relating to the ongoing impacts of COVID-19;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither Renascor nor the Directors warrant the future performance of Renascor or any return on an investment in Renascor.

### **Force majeure**

Renascor's projects now or in the future may be adversely affected by risks outside the control of Renascor including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

### **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on Renascor's assets, operations and ultimately the financial performance of Renascor and its Shares. Such changes are likely to be beyond the control of Renascor and may affect industry profitability as well as Renascor's capacity to explore and mine.



Renascor is not aware of any reviews or changes that would affect the BAM Project. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Renascor's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by Renascor.

#### **Litigation risks**

Renascor is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, Renascor may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Renascor's operations, financial performance and financial position.

Renascor is currently not engaged in any litigation.

#### **Insurance risks**

Renascor insures its operations in accordance with industry practice. However, in certain circumstances, Renascor's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Renascor. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

#### **Accounting standards may change**

Accounting standards may change. This may affect the reported earnings of Renascor and its financial position from time to time. Renascor has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

#### **Tax law may change**

Changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation may affect the tax treatment of an investment in Renascor shares, including any returns on Renascor shares (for example, any franked dividends).

#### **Unforeseen expenditure risk**

Renascor may be subject to significant unforeseen expenses or actions, which may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that Renascor will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund Renascor's future objectives.

#### **Infectious diseases**

Coronavirus disease (COVID-19) continues to effect global economic markets.

Renascor's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact Renascor's operations and may interrupt Renascor carrying out its contractual obligations or cause disruptions to supply chains.

