Renascor Resources Limited

ABN 90135531341

Financial Report - 31 December 2022

Directors	Richard Keevers (Non-Executive Chairman) David Christensen (Managing Director) Geoffrey McConachy (Non-Executive Director) Stephen Bizzell (Non-Executive Director)
Company secretaries	Pierre van der Merwe Jon Colquhoun
Registered office & principal place of business	36 North Terrace Kent Town SA 5069 Phone : + 61 8 8363 6989
Share register	Link Market Services Limited ANZ Building Level 15, 324 Queen Street Brisbane QLD 4000 Phone: + 61 2 8280 7454 Fax: + 61 2 9287 0303
Auditor	BDO Audit Pty Ltd
Stock exchange listing	Renascor Resources Limited shares are listed on the Australian Securities Exchange (ASX code: RNU)
Website	www.renascor.com.au
Business objectives	Renascor Resources is an Australian-based company focused on the development of economically viable mineral deposits. Renascor has an extensive tenement portfolio, holding interests in key mineral provinces of South Australia. Its projects include the Siviour Graphite and Battery Anode Material Project in South Australia. The principal activity of the Group during the financial year was mineral exploration, development and evaluation.
Corporate Governance Statement	The board of directors of the Company ("Board") is responsible for the corporate governance of the Company. The board guides and monitors the business affairs of the Company on behalf of its shareholders by whom they are elected and to whom they are accountable. The Company believes that good corporate governance enhances investor confidence and adds value to stakeholders. The Board continually monitors and reviews its policies, procedures and charters with a view to ensure its compliance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations, 4th Edition" to the extent considered appropriate for the size of the Company and its scale of its operations. The Company's Corporate Governance Statement is available on the Company's website. www.renascor.com.au/corporate-governance

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Renascor Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Review of operations

Corporate and financial

For the half-year ended 31 December 2022, the loss for the Group after providing for income tax amounted to $396,991 (2021: $853,315). This included an impairment write down of capitalised exploration and evaluation expenditure of $4,500 (2021: $198,898).

During the period Renascor successfully completed a $70,000,000 institutional placement ("Placement") of 254,545,455 shares at an issue price of $0.275 per shares. Proceeds of the placement will be used to progress the development of the Siviour Graphite and Battery Anode Material Project (Siviour Project).

The company also received $2,608,972 from the exercise of 130,448,605 listed options. The listed options expired on 31 December 2022.

At 31 December 2022 the company had cash and cash equivalents of $136,788,570 (30 June 2022: $74,035,061).

Operations

Renascor's activities during the period ended 31 December 2022 were primarily directed at developing the Siviour Project.

Significant activities undertaken on the Siviour Project during the half-year included:

Renascor secured a site for its proposed state-of-the-art Battery Anode Material (BAM) manufacturing facility from South Australian Government-owned utility SA Water.
- The well located site, north of Adelaide in Bolivar, South Australia, is approximately 20km from South Australia's main shipping port at Port Adelaide.
- The site is 20 hectares, providing sufficient scale to permit both an increase to the originally planned stage 1 Purified Spherical Graphite (PSG) production capacity of 28,000tpa, as well as additional Stage 2 PSG production capacity.
- The agreement with SA Water provides for initial lease options of 40 years.

The JORC Mineral Resource estimate for Renascor's Siviour Graphite Deposit was updated by independent mining consultants Snowden Optiro.
- Measured & Indicated Resource Estimate of 62.8Mt at 7.5% TGC for 4.7Mt of contained graphite, a 17% increase in Indicated Resources and a 14% increase in Measured & Indicated Resources.
- The total (Measured, Indicated and Inferred) Siviour Mineral Resource Estimate now consists of 93.5Mt at 7.3% TGC for 6.9Mt of contained graphite (with 67% classified as Measured or Indicated).
- Siviour is currently the second largest reported Proven Graphite Reserve in the world and the largest Graphite Reserve outside Africa[i], supporting a 40-year mine life with production of Graphite Concentrates up to 150,000 tonne per annum.

Renascor entered into an access and option agreement that will permit it to explore in an area that includes the north-western extension of the Siviour Inferred Resource and other areas immediately along-strike of the existing Mineral Resource. The agreement includes provision enabling Renascor to potentially purchase the land.

Renascor received approval from the South Australian Department of Energy and Mining for the Program for Environment Protection and Rehabilitation (PEPR) for its proposed Siviour Mine and Concentrator in South Australia, the upstream component of the Siviour Project.
- The PEPR approval permits Renascor to process up to 1.65 million tonnes per annum, which would allow Renascor to produce up to 150,000 tonnes of Graphite Concentrates per year.
- Approval of the PEPR, which is the second step (following the previous grant of the Siviour Mineral Lease) in South Australia's two-stage assessment process, permits Renascor to commence the development of the upstream Graphite Mine and Concentrator portion of the Siviour Project.

Renascor completed a A$70m Placement to accelerate the expansion and development of the Siviour Project, including bringing forward the commencement of construction and operation of the upstream Graphite Mine and Concentrator.

Renascor is progressing work on an updated, optimised BAM study (**BAM Study**) that builds on previous feasibility studies for both the Siviour Mine and Concentrator and the downstream BAM facility to produce PSG. The optimised BAM Study, which is assessing an increase in Stage 1 PSG production capacity, as well as additional staged expansions of PSG operations, will reflect the accelerated commencement of construction and operation of the Siviour Mine and Concentrator.

Renascor continues to undertake resource expansion drilling in an area that includes the north-western extension of the Siviour Inferred Resource. The potential extension of the Siviour Mineral Resource in this area is expected to be used to support future capacity expansions beyond those considered in the optimised BAM Study.

In addition to its activities at the Siviour Project, Renascor has maintained a strong exploration portfolio, identifying and maintaining a strong pipeline of targets for development of copper, gold, nickel, cobalt and other mineral assets.

Risk Management
The material risks for Renascor include:

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 modifications to plant design, inflation, fluctuations in foreign exchange rates, 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 may require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market 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 these financial statements, 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.

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; inflation; 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.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year
No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

David Christensen
Director

14 March 2023

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DECLARATION OF INDEPENDENCE BY PAUL GOSNOLD TO THE DIRECTORS OF RENASCOR RESOURCES LIMITED

As lead auditor for the review of Renascor Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Renascor Resources Limited and the entities it controlled during the period.

Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 14 March 2023

General information

The financial statements cover Renascor Resources Limited as a Group consisting of Renascor Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Renascor Resources Limited's functional and presentation currency.

Renascor Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

36 North Terrace
Kent Town SA 5067
Phone: + 61 8 8363 6989
Website: www.renascor.com.au

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2023.

Renascor Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 $	31 Dec 2021 $
Revenue			
Other income	4	775,291	2,921
Total revenue		775,291	2,921
Expenses			
Administration and consulting		(457,799)	(273,349)
Depreciation and amortisation expense		(3,567)	(1,789)
Employee benefits expense	5	(391,385)	(217,596)
Exploration expenditure expensed		(18,010)	-
Impairment of exploration expenditure	8	(4,500)	(198,898)
Legal fees		(845)	(2,622)
Office accommodation		(21,610)	(15,298)
Other expenses	6	(274,566)	(146,684)
Total expenses		(1,172,282)	(856,236)
Loss before income tax expense		(396,991)	(853,315)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Renascor Resources Limited		(396,991)	(853,315)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Renascor Resources Limited		(396,991)	(853,315)
		Cents	**Cents**
Basic earnings per share		(0.02)	(0.05)
Diluted earnings per share		(0.02)	(0.05)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Renascor Resources Limited
Statement of financial position
As at 31 December 2022

	Note	Consolidated 31 Dec 2022 $	30 Jun 2022 $
Assets			
Current assets			
Cash and cash equivalents	7	136,788,570	74,035,061
Other receivables		838,442	441,106
Prepayments		7,766	19,891
Total current assets		137,634,778	74,496,058
Non-current assets			
Receivables		45,000	45,000
Property, plant and equipment		16,724	11,738
Exploration and evaluation	8	1,481,125	1,458,671
Development asset	9	27,424,169	21,457,620
Total non-current assets		28,967,018	22,973,029
Total assets		166,601,796	97,469,087
Liabilities			
Current liabilities			
Trade and other payables		1,313,707	1,046,426
Provisions		228,613	144,653
Total current liabilities		1,542,320	1,191,079
Non-current liabilities			
Provisions		7,367	2,743
Total non-current liabilities		7,367	2,743
Total liabilities		1,549,687	1,193,822
Net assets		165,052,109	96,275,265
Equity			
Issued capital	10	183,867,157	114,601,254
Reserves	11	47,272	139,340
Accumulated losses		(18,862,320)	(18,465,329)
Total equity		165,052,109	96,275,265

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Contributed equity $	Performance Rights Reserve $	Share Option Reserve $	Accumulated Losses $	Total equity $
Balance at 1 July 2021	51,903,152	108,000	139,340	(16,968,687)	35,181,805
Loss after income tax expense for the half-year	-	-	-	(853,315)	(853,315)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(853,315)	(853,315)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	198,290	-	-	-	198,290
Share-based payments (note 17)	15,360	-	-	-	15,360
Balance at 31 December 2021	52,116,802	108,000	139,340	(17,822,002)	34,542,140

Consolidated	Contributed equity $	Performance Rights Reserve $	Share Option Reserve $	Accumulated Losses $	Total equity $
Balance at 1 July 2022	114,601,254	-	139,340	(18,465,329)	96,275,265
Loss after income tax expense for the half-year	-	-	-	(396,991)	(396,991)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(396,991)	(396,991)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 10)	69,265,903	-	(139,340)	-	69,126,563
Share-based payments (note 17)	-	47,272	-	-	47,272
Balance at 31 December 2022	183,867,157	47,272	-	(18,862,320)	165,052,109

Renascor Resources Limited
Statement of cash flows
For the half-year ended 31 December 2022

	Consolidated	
	31 Dec 2022	**31 Dec 2021**
	$	**$**
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(721,958)	(681,975)
Receipts from Goods & Services Tax paid	50,555	45,114
Interest received	210,136	2,921
Research & Development tax concession	98,181	53,219
Net cash used in operating activities	(363,086)	(580,721)
Cash flows from investing activities		
Payments for property, plant and equipment	(8,553)	(2,153)
Payments for exploration and evaluation	(26,954)	(118,426)
Payments for development assets	(5,966,549)	(1,392,292)
Net cash used in investing activities	(6,002,056)	(1,512,871)
Cash flows from financing activities		
Proceeds from issue of shares	70,000,000	223,290
Proceeds from options exercised	2,322,380	-
Capital raising costs	(3,203,729)	-
Net cash from financing activities	69,118,651	223,290
Net increase/(decrease) in cash and cash equivalents	62,753,509	(1,870,302)
Cash and cash equivalents at the beginning of the financial half-year	74,035,061	17,273,801
Cash and cash equivalents at the end of the financial half-year	136,788,570	15,403,499

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below:

Cash and cash equivalents

The group has updated its cash and cash equivalents policy to the following wording:

Cash and cash equivalents includes cash on hand, deposits held with financial institutions, other highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

Excess cash held by the group is being managed by holding term deposits on a short term basis.

The carrying amount of cash and cash equivalents equals the fair value.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte Carlo model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Details of share based payment transactions are presented in note 17.

Note 3. Operating segments

The Group has identified its operating segments based on the internal reports that reviewed and used by the Managing Director (Chief Operating Decision Maker 'CODM') and the board of directors in assessing performance determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated level. The Group does not have any products or services it derives revenue from.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration for graphite, copper, gold, uranium and other minerals in Australia and the development of the Siviour Graphite Project. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Note 4. Other income

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Interest income	775,291	2,921

Note 5. Employee benefits expense

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Employee benefits expense	279,668	186,163
Employee share-based payment expense	47,272	-
Defined contribution superannuation expense	64,445	31,433
	391,385	217,596

Employee share-based payment expense comprises of Performance Rights granted to Mr David Christensen. Further information pertaining to the Performance Rights can be found in note 17 "Share Based Payments".

Not included in the totals above is the employee benefits expenditure that has been capitalised as part of Exploration and Evaluation assets (note 8) and Development assets (note 9). The total amount of employee benefits expenditure capitalised in the half year ended 31 December 2022 is $697,386 (2021: $259,921). The total amount remunerated to employees during the half year is $1,096,938 (2021: $477,517).

Note 6. Other expenses

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Business development & marketing	41,851	36,899
Investor and public relations	172,936	104,221
Travel	28,649	1,682
Other expenses	31,130	3,882
	274,566	146,684

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Cash on hand	100	100
Cash at bank	76,788,470	74,034,961
Term deposits	60,000,000	-
	136,788,570	74,035,061

Cash at bank accounts are interest bearing attracting normal market interest rates.

As funds are held with AA/AA1 to A/A1 credit rated financial institutions (as per S&P/Moody's ratings) there is minimal counterparty credit risk of funds held.

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held with financial institutions, other highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

Excess cash held by the group is being managed by holding term deposits on a short term basis.

The carrying amount of cash and cash equivalents equals the fair value.

Note 8. Non-current assets - Exploration and evaluation

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Exploration and evaluation	1,481,125	1,458,671

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration and evaluation assets $	Total $
Balance at 1 July 2022	1,458,671	1,458,671
Expenditure during the half-year	26,954	26,954
Impairment of assets	(4,500)	(4,500)
Balance at 31 December 2022	1,481,125	1,481,125

Note 9. Non-current assets - Development asset

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Siviour Project - at cost	27,424,169	21,457,620

Note 9. Non-current assets - Development asset (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Siviour Project $	Total $
Balance at 1 July 2022	21,457,620	21,457,620
Expenditure during the half-year	5,966,549	5,966,549
Balance at 31 December 2022	27,424,169	27,424,169

Note 10. Equity - Issued capital

	Consolidated			
	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 $	30 Jun 2022 $
Ordinary shares - fully paid	2,539,407,498	2,154,413,438	183,867,157	114,601,254

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	2,154,413,438		114,601,254
Exercise of options during the period 1 July 2022 to 31 December 2022	1 July 2022 to 31 December 2022	130,448,605	$0.02	2,608,972
Movement in share option reserve & capital raising costs due to option expiry		-	$0.00	(139,340)
Institutional placement	15 December 2022	254,545,455	$0.28	70,000,000
Capital raising costs on institutional placement		-	$0.00	(3,203,729)
Balance	31 December 2022	2,539,407,498		183,867,157

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 11. Equity - Reserves

	Consolidated	
	31 Dec 2022 $	30 Jun 2022 $
Options reserve	-	139,340
Performance rights reserve	47,272	-
	47,272	139,340

Note 11. Equity - Reserves (continued)

Options and performance rights reserves
The reserves are used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Performance rights $	Options $	Total $
Balance at 1 July 2022	-	139,340	139,340
Performance rights expensed over vesting period (note 17)	47,272	-	47,272
Options exercised	-	(139,340)	(139,340)
Balance at 31 December 2022	47,272	-	47,272

Note 12. Equity - Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent liabilities

The Group has previously entered into an Asset Sale Agreement with Hiltaba Gold Pty Ltd for EL6687 (Prev EL5856). Under the agreement, the company has granted a 1% royalty of the Net Smelter Return. The timing and amount of any financial effect relating to these agreements are dependent on the successful exploration and subsequent exploitation of the associated tenements.

Note 14. Related party transactions

Parent entity
Renascor Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 15.

Key management personnel
Key management personnel were remunerated on the same basis as in the latest annual report. This was a combination of cash fees and share based payments.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2022 $	**31 Dec 2021 $**
Payment for goods and services:		
Payment for services from key management personnel	58,231	24,200
Payment for services from other related party	121,545	10,175
Payment for other expenses:		
Other expenses paid to key management personnel	144,112	27,521

Note 14. Related party transactions (continued)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 2022 $	30 Jun 2022 $
Current payables:		
Trade payables to key management personnel	40,160	3,667
Trade payables to other related party	23,829	1,609

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 Dec 2022 %**	**30 Jun 2022 %**
Kulripa Uranium Pty Ltd	Australia	100.00%	100.00%
Astra Resources Pty Ltd	Australia	100.00%	100.00%
Sol Jar Property Pty Ltd	Australia	100.00%	100.00%
Eyre Peninsula Minerals Pty Ltd	Australia	100.00%	100.00%
Ausmin Development Pty Ltd	Australia	100.00%	100.00%

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 17. Share-based payments

Performance rights granted to directors and senior management

Set out below are summaries of performance rights granted to directors and senior management:

At the Annual General Meeting held on 30 November 2022 Shareholders of the Company granted approval for the issue of performance rights to Mr David Christensen. Details of the performance rights are in the Notice of Annual General Meeting dated 28 October 2022. However the vesting conditions are outlined below:

Tranche	Performance Condition	Expiry Date
Tranche 1	**Tranche 1 Milestone** means the satisfactory completion of a Definitive Feasibility Study (DFS) in relation to the Siviour Project	5 Years from Date of Issue
Tranche 2	**Tranche 2 Milestone** means the successful completion of foundation binding off-take agreement(s) for at least 60% of planned phase one production of primary PSG	5 Years from Date of Issue
Tranche 3	**Tranche 3 Milestone** means the completion of Final Investment Decision (FID) in relation to the start-up of the first phase of the Siviour Project	5 Years from Date of Issue
Tranche 4	**Tranche 4 Milestone** means completion of the construction and commissioning of all plant in relation to the start-up of the first phase of the Siviour Project	5 Years from Date of Issue
Tranche 5	**Tranche 5 Milestone** means the first commercial shipment of product	5 Years from Date of Issue

Note 17. Share-based payments (continued)

The Performance Rights are expensed over the expected vesting period. The total value of Performance Rights recognised in the current period is $47,272 (2021: $nil).

The performance rights were valued as outlined below:

Tranche	Total value at grant date $	Expensed in the period $
Tranche 1	145,469	12,355
Tranche 2	354,808	18,091
Tranche 3	336,994	8,591
Tranche 4	382,659	6,496
Tranche 5	122,963	1,739
	1,342,893	47,272

The tranches were valued using the Monte Carlo simulation model that takes into account the term of the Performance Rights, the vesting and performance criteria (if applicable), the non-tradable nature of the rights (if applicable), the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, the probability that the Performance Rights will issue and the risk free interest rate for the term of the Performance Right.

Renascor Resources Limited
Directors' declaration
For the half-year ended 31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Christensen
Director

14 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF RENASCOR RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Renascor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO

BDO Audit Pty Ltd

Paul Gosnold

Paul Gosnold
Director

Adelaide, 14 March 2023