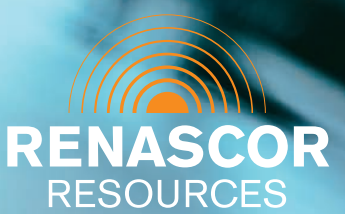
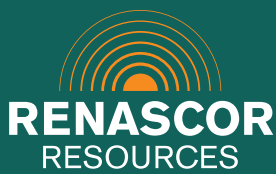


2023 Annual Report



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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 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:

Level 5, 149 Flinders Street
Adelaide SA 5000
Phone: + 61 8 8363 6989
Email: info@renascor.com.au
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 29 September 2023. The directors have the power to amend and reissue the financial statements.

Powering Clean Energy™

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Chairman's Letter

Dear Shareholder,

In the past year, we made material strides toward becoming a significant clean energy contributor by providing 100% Australian-made graphite from our flagship Siviour Battery Anode Material (BAM) Project in South Australia.

We achieved several breakthroughs that confirm that the Siviour Project is both development-ready and amongst the most competitive graphite developments globally, with leading ESG credentials underpinned by our commitment to maintaining high environmental standards in supplying ethically-sourced Purified Spherical Graphite (PSG) for the growing lithium-ion battery anode sector.

Key achievements have included:

- ▶ **Program for Environment Protection and Rehabilitation (PEPR) Approval for Siviour Mine**

We achieved a major milestone for the BAM Project with the approval from the South Australian Department of Energy and Mining of the PEPR for our proposed Siviour Mine and Concentrator. The approval of the PEPR, which is the second step in South Australia's two-stage assessment process, permits Renascor to move forward with the development of the upstream portion of our proposed vertically integrated BAM Project. The PEPR approval followed a process of extensive stakeholder engagement, independent expert audits and comprehensive studies and demonstrates Renascor's strong commitment to embedding leading ESG principles in our operations.

- ▶ **BAM Study**

We completed our optimised BAM Study that confirms Renascor's capability to become a low-cost, high-value supplier of graphite for the growing lithium-ion battery anode sector. The BAM Study represents the culmination of work completed over several years and demonstrates that, by integrating the world class Siviour Graphite Deposit with an in-country downstream manufacturing facility, Renascor has a clear path to creating a competitive advantage as a low-cost producer of PSG. Importantly, the BAM Study provides the key technical foundation for advancing the BAM Project toward a final investment decision.

- ▶ **Offtake**

During the year, we continued to make progress toward commercial offtake partnerships with leading lithium-ion battery anode companies, with the announcement of a non-binding strategic cooperation agreement with Japanese anode manufacturer, Mitsubishi Chemical. Our agreement with Mitsubishi Chemical, together with our agreements with South Korean conglomerate POSCO, Chinese anode companies, Minguang New Material and Zeto, and Japan-based global trading company, Hanwa Co Ltd., provide Renascor with a solid foundation for achieving binding offtake agreements for the BAM Project.

- ▶ **Growth of Siviour Reserve**

Following the completion of the BAM Study, we announced an expanded Ore Reserve estimate for Siviour, with a Proven Reserve of 16.8Mt at 8.2% TGC for 1.4Mt of contained graphite and a total Ore Reserve of 61.6Mt at 7.0% total graphite carbon (TGC) for 4.3Mt of contained graphite. The updated Reserve estimate supports a +40-year life of mine and confirms Siviour as the largest Reserve of graphite outside of Africa and the second largest Proven Reserve of graphite globally.



Conceptual illustration of the planned Siviour Mine and MPP plant in Arno Bay

The advances achieved during the year have occurred as the demand for graphite in both its mined and processed forms continues to increase as a result of the growth of the lithium-ion battery sector and the overall transition to electrical vehicles. As the graphite market continues this shift from an industrial to a predominately battery mineral, we expect to see some volatility as the graphite supply chain adapts, but with an overall positive trajectory for graphite processed and manufactured for lithium-ion batteries. With the strong progress achieved during the year in advancing the BAM Project, we believe Renascor is favourably positioned to benefit from increased demand for our graphite.

We also recognise the particular importance of our 100% Australian BAM Project as the market for graphite and other critical minerals transitions away from Chinese control over key portions of the supply chain. Policy initiatives such as the *Inflation Reduction Act* in the United States provide incentives that favour raw material supply chains from free trade partners like Australia, with proposed European legislation similarly favouring supply from secure jurisdictions such as Australia as alternatives to Chinese sources. The work Renascor completed in the recently completed year has further established Renascor as among the most viable alternative supply sources for graphite and provides Renascor with an important competitive advantage.

The strength of Renascor's position is thanks to the hard work, commitment and dedication of our growing and highly motivated team, led by Managing Director David Christensen.

I would like to thank everyone who has contributed to this pivotal year for the company – my fellow Directors, our senior management team, consultants and advisers and, most importantly, our shareholders.

The coming year looks set to be another transformational period for Renascor as we advance toward a final investment decision on our BAM Project and continue to build the underlying value of the company for all stakeholders.

Your sincerely,

Richard (Dick) Keevers,
Chairman

Project overview

Renascor is committed to powering the clean energy transition through the development, in Australia, of a vertically integrated graphite mine and manufacturing operation to produce sustainable and ethically-sourced battery anode material for the lithium-ion battery market.

Renascor's proposed BAM Project will combine:

- ▶ The Siviour Graphite Deposit in South Australia, the largest reported graphite Reserve outside of Africa and the second largest reported Proven Reserve globally, where Renascor intends to build a conventional mining and mineral processing (MPP) operation to produce Graphite Concentrates, and
- ▶ A state-of-the-art processing facility in South Australia to manufacture Purified Spherical Graphite (PSG) through Renascor's eco-friendly purification process.

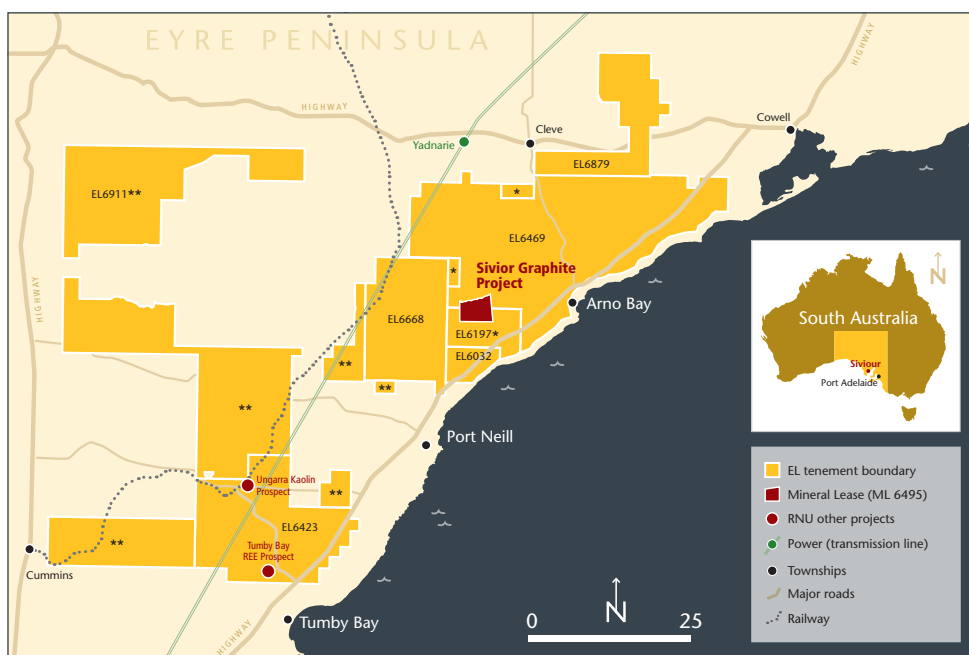
The planned Graphite Concentrate operation is in the advanced stages of development, with Renascor having obtained its primary mining approvals with the award of the Program for Environment Protection and Rehabilitation and completed a Definitive Feasibility Study (DFS) level assessment in its BAM Study in August 2023.

The BAM Study, which assesses the viability of integrating the Graphite Concentrate operation with a downstream operation to manufacture up to 100,000tpa of PSG, confirmed compelling economics, including a post-tax unleveraged NPV₁₀ of A\$1.5 billion and IRR of 26%.

Estimated capital expenditure for the initial Graphite Concentrate operation is A\$214.5 million, with the subsequent initial PSG expenditure estimated at A\$394.6 million.

The BAM Study estimates that Renascor can deliver a globally competitive gross operating cost for PSG of US\$1,782 per tonne over the first 10 years and US\$1,846 per tonne over LOM, including Graphite Concentrate operating cost of US\$405 per tonne over first 10 years and US\$472 per tonne over LOM.

Map showing the location of the Siviour Graphite Mineral Lease and surrounding tenement boundaries.





Siviour Ore Reserve estimate as at August 2023

Reserve category	Ore (Mt)	TGC (%)	Contained graphite (Mt)
Proven	16.8	8.2	1.4
Probable	45.0	6.6	3.0
Total	61.8	7.0	4.3

Columns may not total exactly due to rounding.

The Mineral Resource estimate for the Siviour Project was last updated in September 2023 and is summarised below:

Resource category	Ore (Mt)	TGC (%)	Contained graphite (Mt)
Measured	16.9	8.6	1.4
Indicated	56.2	6.7	3.8
Inferred	50.5	6.5	3.3
Total	123.6	6.9	8.5

Columns may not total exactly due to rounding.

Siviour Mineral Resource estimate as of September 2023 reported is at a cut-off grade of 2.3% TGC.

The Ore Reserve estimate for the Siviour deposit as announced in August 2023 of 61.8Mt @ 7.0% TGC confirms Siviour as the largest reported total Ore Reserve of graphite outside of Africa and the second largest reported Proven Reserve of graphite in the world, supporting the 40-year LOM of the BAM Project.

The Australian Government, through its Critical Minerals Facility, has conditionally approved a loan facility of A\$185 million for the development of the BAM Project. In addition, Renascor is progressing discussions with Export Finance Australia (EFA), the Clean Energy Finance Corporation (CEFC) and commercial lenders. Renascor has also commenced discussions with potential project partners, including potential offtakers, regarding equity investments to help further meet the BAM Project's capital requirements.

Renascor intends to commence operations with the production of Graphite Concentrates, before subsequently starting the downstream

PSG operation. This phased production strategy aligns with positive feedback Renascor has received from anode manufacturers seeking to diversify supply of graphite with secure supply from low-risk mining jurisdictions. Potential offtake partners include POSCO and Mitsubishi Chemical, each of which have entered into non-binding strategic cooperation and offtake agreements with Renascor.

Following completion of the BAM Study, Renascor's next immediate steps include securing binding offtake agreements, concluding lender due diligence and commencing early contractor involvement.

Sustainability

Renascor is planning to produce 100% Australian-made PSG for the manufacture of lithium-ion batteries used to power electric vehicles. This will be a small but significant contribution to global efforts to reduce carbon emissions and combat climate change.

PEPR approval

Renascor has undertaken extensive environmental assessments to ensure the BAM Project meets all compliance, permitting and approvals requirements. During the recently completed year, Renascor received approval from the South Australian Department of Energy and Mining (DEM) for the Program for PEPR for the proposed Siviour Mine and Concentrator.

Background

South Australian legislation consists of a two-part assessment and approval process for mining operations, first requiring the granting of a

Mineral Lease, and, secondly, the approval of a PEPR, before mining and processing operations may commence.

The South Australian Minister for Energy and Mining granted a Mineral Lease for the proposed Siviour Graphite Mine and Concentrator in April 2019. The grant of the Mineral Lease followed comprehensive environmental impact studies and stakeholder engagement commencing in 2016 and detailed the conditions that were to be addressed in the PEPR.

Renascor subsequently undertook further stakeholder engagement and comprehensive studies to incorporate designs and management plans to comply with conditions outlined in the Siviour Mineral Lease and submitted a proposed PEPR to DEM in September 2021. The PEPR preparation process was managed internally by Renascor and included input from external consultants, including independent expert audits to confirm that Renascor's proposed management and operational strategies are effective to comply with the Mineral Lease conditions.

Following the completion of its internal review in November 2022, DEM approved the PEPR for the proposed Siviour Graphite Mine and Concentrator. The conditions of the approved PEPR were in line with Renascor's expectations after a period of consultation with the DEM since submission of the PEPR in September 2021.

Under the terms of the PEPR, Renascor may process up to 1.65 million tonnes per annum, which would permit Renascor to produce up to 150,000 tonnes of Graphite Concentrate per year.





Environmental, Social and Governance (ESG)

Renascor is committed to contributing to global sustainability goals and strives to embed leading ESG principles in its operations.

ESG FY2023 Highlights

Environmental

- ▶ Approval of the PEPR for the Siviour Graphite Mine and Mineral Processing operation at Arno Bay.
- ▶ Site selection for the state-of-the-art PSG Facility in Bolivar, South Australia.
- ▶ Completed Climate Change Risk Assessments for the proposed mine and its associated infrastructure, the PSG Facility, and transport route.
- ▶ Commencement of a Life Cycle Analysis (LCA).

Social

- ▶ Ongoing consultation with the Traditional Owners of the lands on which we propose to operate.
- ▶ Development of Community Engagement Plans for the PSG facility, inclusive of public information sessions and community meetings.
- ▶ Continuing engagement with local councils and community on future employment opportunities and industry participation plans.

Governance

- ▶ Establishment of an ESG Committee.
- ▶ Development of a preliminary ESG Materiality Assessment and Matrix.
- ▶ Review of ESG performance against global standards and principles, including Equator Principles 4, International Finance Corporation Performance Standards and World Bank Environmental, Health, and Safety Guidelines.

Environmental, Social and Governance (ESG)



Environmental

Renascor is committed to compliance with Australian and local laws, regulations, permits, and licenses pertaining to the protection of the environment and aspires to go beyond regulatory requirements.

Key environmental achievements during the recently completed year include the approval of the PEPR for Siviour Graphite Mine and Mineral Processing operation at Arno Bay.

Renascor also secured a site for its proposed state-of-the-art PSG facility in Bolivar, South Australia with an option-to-lease agreement with South Australian Government-owned utility SA Water. The Bolivar site is located nearby to SA Water's Bolivar water treatment and industrial facilities, providing access to key infrastructure, including power and water, and is located along the transport corridor from the proposed Siviour mine to the shipping port of Port Adelaide.

Renascor understands that climate change is critically linked to the sustainability of its business and is committed to integrating appropriate climate change mitigation and adaptation practices and ensuring climate change impacts are integrated into risk management systems across all activities.

During the recently completed year, Renascor completed a Climate Change Risk Assessment (CCRA) for the BAM Project, including the proposed mine and associated infrastructure, the PSG facility and the proposed transport route. The CCRA assessed potential climate related risks or opportunities linked to operating Renascor's assets and aligned Renascor's practices with those defined by the Task Force on Climate-Related Financial Disclosures. The CCRA concluded that the cumulative effects of climate change do not pose a serious risk to the viability

of the BAM Project through its lifetime and that the majority of potential impacts are known and manageable. The results of the CCRA are an initial step in helping to inform Renascor as it develops more comprehensive sustainability goals.

Social

Renascor is committed to effective, ongoing and transparent consultation with stakeholders directly and indirectly impacted by the Project. As part of this undertaking, Renascor is committed to being a responsible and sustainable business by ensuring its operations have a positive impact on the communities and environments where it operates. Renascor acknowledges and respect the Traditional Custodians and Elders of the land on which it operates.

During the recently completed year, Renascor has continued to implement actions and activities from its Community Engagement Plan for the MPP, whilst also developing and implementing a similar plan for its PSG facility. Renascor has continued ongoing engagement with the communities of Arno Bay and the surrounding areas, where the MPP will be located, as well as the greater Bolivar area, where the PSG facility will be located.



Siviour mine site, Arno bay, Eyre Peninsula



Conceptual illustration of the planned Siviour BAM manufacturing facility at Bolivar, South Australia

Governance

Renascor has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations - 4th Edition" (ASX Recommendations). Renascor continually monitors and reviews its existing and required policies, charters, and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent appropriate for Renascor. A summary of the Renascor's ongoing corporate governance practices is set out annually in the Renascor's Corporate Governance Statement and can be found on the Renascor's website.

Renascor established an ESG Committee during the year to oversee the development of the ESG framework, determine objectives and targets, and assess ESG performance. Renascor also conducted a comprehensive review of its ESG performance against global standards and principles specific to the mining industry, including Equator Principles 4, International Finance Corporation Performance Standards, and World Bank Environmental, Health, and Safety Guidelines. This review demonstrated

compliance with these global standards, subject to ongoing expansion of its current policies and systems as Renascor transitions through development stages of the BAM Project. As part of its continuing development, Renascor is committed to the full implementation of an Environmental and Social Assessment and Management System meeting globally recognised standards.

Ore Reserves and Mineral Resources statement

Annual Review of Ore Reserves and Mineral Resources

In accordance with ASX Listing Rules Chapter 5, the Company has performed an annual review of all JORC-compliant Ore Reserves and Mineral Resources as at 30 June 2023.

Siviour Project

Tabel 1: Siviour Ore Reserve summary

Classification	30 June 2023			30 June 2022		
	Tonnes (Mt)	Grade (%TGC)	Graphite (Mt)	Tonnes (Mt)	Grade (%TGC)	Graphite (Mt)
Proven	15.8	8.4	1.3	15.8	8.4	1.3
Probable	35.8	6.9	2.5	35.8	6.9	2.5
Total	51.5	7.4	3.8	51.5	7.4	3.8

* Note that the Group's Ore Reserves were subsequently updated post year end to 61.8Mt at 7.0% TGC for 4.3Mt of contained graphite (refer ASX announcement "Updated Mineral Ore Reserve Estimate for Siviour" released 24 August 2023) following the release of the BAM study in August 2023.

Tabel 2: Siviour Mineral Resources summary

Classification	30 June 2023			30 June 2022		
	Tonnes (Mt)	Grade (%TGC)	Graphite (Mt)	Tonnes (Mt)	Grade (%TGC)	Graphite (Mt)
Measured	16.8	8.6	1.4	15.8	8.4	1.4
Indicated	46.0	7.1	3.3	39.5	7.2	2.8
Inferred	30.7	7.0	2.2	32.1	7.2	2.6
Total	93.5	7.3	6.9	87.4	7.5	6.6

* Cut-off grade of 2.3% TGC

** Note that the Group's Mineral Resources were subsequently updated post year end to 123.6Mt at 6.9% TGC for 8.5Mt of contained graphite (refer ASX announcement "Siviour Mineral Resource Increases by 25%" released 14 September 2023).



Corporate governance - Mineral Resource and Ore Reserve calculations

Mineral Resources and Ore Reserves are estimated by suitably qualified consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by suitably qualified Competent Persons from the Company.

All Ore Reserve estimates are prepared in conjunction with feasibility studies which consider all material factors.

The Mineral Resources and Ore Reserves Statements included in the Annual Report are reviewed by suitably qualified Competent Persons from the Company prior to its inclusion.

Cross referencing of the Mineral Resources announcements

For more details regarding the Group's Ore Reserves as at 30 June 2023 refer to the announcement "Siviour Now the Largest Reported Reserve of Graphite Outside of Africa" released on 21 July 2020.

For more details regarding the Group's Mineral Resources as at 30 June 2023 refer to the announcement 'Upgrade of Siviour Mineral Resource' released on 18 August 2022.

Competent persons statements

The information in this document that relates to exploration activities and exploration results is based on information compiled and reviewed by Mr G.W. McConachy who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McConachy is a director of the Company. Mr McConachy has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr McConachy consents

to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

The information in this report which relates to Mineral Resources is based upon information compiled by Mrs Christine Standing who is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. Mrs Standing is an employee of Snowden Optiro (Optiro Pty Ltd) and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs Standing consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears.

The information in this document that relates to Ore Reserves is based on information compiled and reviewed by Mr Ben Brown, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brown is an employee of Optima Consulting & Contracting Pty Ltd and a consultant to the Company. Mr Brown has sufficient experience relevant to the type of deposit under consideration to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr Brown consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

Tenement Schedule

Interests in Tenements at 30 June 2023

Project name	Tenement number	District	Interest owned %
Siviour Project	ML 6495	South Australia	100
Dutton Bay	EL 6032	South Australia	100
Malbrom	EL 6197	South Australia	100
Lipson Cove	EL 6423	South Australia	100
Verran	EL 6469	South Australia	100
Malbrom West	EL 6668	South Australia	100
Cleve	EL 6879	South Australia	100
Hincks	EL 6911	South Australia	100
Outalpa	EL 6450	South Australia	100
Cutana	EL 6451	South Australia	100
Old Wartaka	EL 6191	South Australia	100
Witchelina	EL 6403	South Australia	100
Flat Hill	EL 6549	South Australia	100
Malbooma Railway	EL 6585	South Australia	100
Carnding	EL 6687	South Australia	100
Iron Baron	EL 6698	South Australia	100

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Directors' report

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 year ended 30 June 2023.

Dividends

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

Review of operations

Company overview

Renascor Resources Limited (Renascor) is an ASX-listed, South Australian-based company focused on the development of economically viable deposits containing graphite, gold, copper and other minerals.

Siviour Graphite Project

Renascor's activities during the past financial year were primarily directed towards continuing to develop the Siviour Graphite Project (Siviour), summarised below.

On 6 July 2022, Renascor announced results from a drill program at Siviour designed to increase the confidence and scale of the Siviour Resource. The drill results confirmed several thick intersections of high-grade graphite within the eastern portion of the Inferred Resource zone at Siviour.

Renascor announced on 12 July 2022 that it had entered into an access and option agreement permitting it to explore in, and potentially purchase land over 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 Company announced on 18 August 2022 an upgrade to the Siviour Mineral Resource estimate, with a 17% increase in the Indicated Resource and a 14% increase in the Measured and Indicated Resource, with the upgraded Mineral Resource estimate permitting and improved pit design and mining schedule for Renascor's optimised BAM Study.

On 20 September 2022, the company announced that it had executed an option-to-lease for the site of its proposed state-of-the-art Battery Anode Material facility to produce PSG. The option agreement with South Australian Government-owned utility SA Water provides Renascor with initial lease options for 40 years over the site north of Adelaide in Bolivar, South Australia. The site is about 20km from South Australia's main shipping port at Port Adelaide and is close to SA Water's Bolivar water treatment and industrial facilities.

Renascor announced the receipt of key Program for PEPR approval on 28 November 2022 from DEM. The approval of the PEPR, which is the second step in South Australia's two-stage assessment process, permits Renascor to move forward with the development of the upstream portion of the proposed vertically integrated BAM Project. The PEPR approval followed a process of extensive stakeholder engagement, independent expert audits and comprehensive studies and demonstrates Renascor's strong commitment to embedding leading ESG principles in operations.

On 26 April 2023, Renascor provided an update regarding the BAM Study, confirming the completion of all engineering deliverables for the upstream Mine and Concentrator, with remaining works focusing on finalising technical documentation to support project financing, detailed design, and procurement. The Company confirmed that deliverables for the downstream PSG facility had been received based on an optimised purification process, with on-going works assessing key support infrastructure.

On 19 May 2023, Renascor announced that it had commenced the procurement of long-lead time items for its proposed Siviour Mine and Concentrator, the upstream portion of Renascor's planned vertically integrated the BAM Project. This initial procurement related to upgrades in electrical infrastructure to permit the proposed Siviour Mine and Concentrator to connect with SA Power Network's existing electricity grid connection.

Other projects

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

Corporate and financial

For the year ended 30 June 2023 the profit for the Group after providing for income tax amounted to \$424,716 (2022: loss of \$1,496,642).

To support the Group's exploration activities and development of the Siviour Graphite Project, the Company raised \$69,084,440 (after capital raising costs) via placements to institutional, professional and sophisticated investors as well as share options which were exercised during the year.

On 3 March 2023, Renascor was included in the S&P/ASX 300 Index for the first time, effective prior to the open of trading on March 20, 2023.

Significant changes in the state of affairs

Beyond capital raising activities, there were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 7 July 2023, Renascor announced drilling assay results confirming a major extension to the Siviour Graphite Deposit, demonstrating the continuity of widespread, high-grade graphite over an area extending over 3 kilometres immediately north of the Siviour Mineral Resource. The new drilling offers potential for a significant increase to the Siviour Mineral Resource and supports extensions to the current pit design for future expansions beyond the capacity being considered under the BAM study.

The Company announced on 19 July 2023 that it had entered into a non-binding Strategic Cooperation Memorandum of Understanding (MOU) with Japanese anode material

manufacturer Mitsubishi Chemical Corporation. The MOU provides for the potential purchase by Mitsubishi Chemical of Graphite Concentrates, PSG and other graphite products from the BAM Project. The MOU further provides a framework for Mitsubishi Chemical to work with Renascor to consider a commercial partnership with Renascor to help facilitate the development of the BAM Project.

The results of the optimised BAM Study were released on 8 August 2023. The results confirm Renascor's capability to become a low-cost, high-value supplier of graphite for the growing lithium-ion battery anode sector. The BAM Study represents the culmination of work completed over several years and demonstrates that, by integrating the world class Siviour Graphite Deposit with an in-country downstream manufacturing facility, Renascor has a clear path to creating a competitive advantage as a low-cost producer of PSG. Importantly, the BAM Study provides the key technical foundation for advancing the BAM Project toward a final investment decision.

On 10 August 2023, Renascor announced that it has entered into a licensing agreement with Dorfner ANZAPLAN to apply a hydrofluoric acid free purification process to produce battery grade PSG at Renascor's planned downstream manufacturing facility. The new purification process offers reduced operational risk by reducing the number of leaching stages and also enhances environmental efficiency by reducing water consumption.

Renascor released an updated Mineral Ore Reserve estimate on 24 August 2023. The expanded Ore Reserve estimate includes a 13% increase in total Reserves and an 8% increase in Proven Reserves, providing additional confidence in the size and quality of the Siviour deposit as a consistent source of high-quality graphite supporting a life of mine of 40 plus years.

On 14 September 2023 Renascor announced an increase to the Siviour Mineral Resource. The results from resource expansion drilling resulted in a 25% increase to the total (Measured, Indicated and Inferred) Mineral Resource estimate to 123.6Mt at 6.9% total graphitic carbon for 8.5Mt of contained graphite, with 61% classified as Measured or Indicated. The upgraded estimate is expected to provide support for further extensions and potential optimisation to the current pit design for future capacity expansions beyond those considered in the BAM Study.

No other matter or circumstance has arisen since 30 June 2023 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.

Likely developments and expected results of operations

The Company will continue activities in the exploration, evaluation, development and acquisition of viable projects with the objective of establishing a significant production business.

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.

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 are high-risk undertakings. 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, open pit 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; the use of graphite in lithium-ion batteries and the speed with which electric vehicles are adopted; 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.

Environmental regulation and performance

The directors have put in place strategies and procedures to ensure that the Group manages its compliance with environmental regulations. The directors are not aware of any breaches of any applicable environmental regulations.

Climate change

The Group recognises the growing interest of our stakeholders in relation to the potential risks and opportunities posed to our business, and the broader sector, in response to climate change and the anticipated global transition towards a lower carbon economy. The Group is committed to playing its part in both the Australian and global communities and strives to make a positive contribution to sustainable development and the promotion of clean energy.

Key climate-related risks and opportunities relevant to our business include:

- ▶ Communities and society expect a response from companies in relation to climate change, inaction could potentially lead to resistance or blockage of the project if there is a lack of strategy from the Group's transition to a lower carbon economy.
- ▶ Current and potential future investors are increasingly focused on ESG aspects of projects giving rise to possible financial and reputational risk.
- ▶ The Company believe this transition into a lower carbon economy gives rise to opportunities for projects like the Siviour Project to produce Battery Anode Material as it contributes to the move towards the use of clean energy.
- ▶ The physical impacts of climate change including changes to weather patterns have the potential to impact upon operations.

Information on Directors



David Christensen

Managing Director

Experience and expertise

David Christensen is an experienced mining executive, with successful experience managing exploration, mining and marketing operations. Prior to founding the Company, David served as Chief Executive Officer of Adelaide-based companies, Heathgate Resources Pty Ltd and Quasar Resource Pty Ltd. David's experience also includes serving as President of Nuclear Fuels Corporation, a trading and marketing company. David commenced his career as an attorney in California and London offices of international law firm Latham & Watkins, where he advised on corporate finance and mergers and acquisitions. David was educated at Cornell University (BA, Economics and Classical Civilizations), the University of California, Los Angeles (JD) and the Università di Bologna (Fulbright Fellow).

Other current directorships: None

Former directorships (last 3 years): None

Interests in shares: 31,304,546



Richard (Dick) Keevers

Non-Executive Chairman

Experience and expertise

Dick Keevers' experience includes advancing multiple producing mines from discovery phase through development, including the Telfer gold and copper mine, the Phosphate Hill phosphate mine and the Baal Gammon copper mine. Dick also was a substantial shareholder of and served as an executive director for Pembroke Josephson Wright Limited, an Australian share brokerage firm. Dick has served on boards of several ASX-listed resource and industrial companies, and he is currently a non-executive director of Santana Minerals Limited. Prior to joining the Renascor board, Dick served as chairman of unlisted Eyre Peninsula Minerals Proprietary Limited (EPM) when EPM discovered the Siviour graphite deposit.

Other current directorships:

Santana Minerals Limited

Former directorships (last 3 years): None

Interests in shares: 49,693,324

Directors' report



Stephen Bizzell

Non-Executive Director

Experience and expertise

Stephen Bizzell is Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners. He has over 25 years corporate finance and public company management experience in the resources sector in Australia and Canada. Stephen was previously an Executive Director of Arrow Energy from 1999 until its acquisition in 2010 by Royal Dutch Shell and PetroChina for \$3.5 billion. Stephen was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company. Stephen spent his early career in the corporate finance division of Ernst & Young and the tax division of Cooper & Lybrand and qualified as a Chartered Accountant. He is also a former director of Queensland Treasury Corporation.

Other current directorships:

Savannah Goldfields Limited, Armour Energy Limited, Strike Energy Limited, Maas Group Holdings Limited and Challenger Energy Group Plc.

Former directorships (last 3 years):

Stanmore Coal Limited (2009 to 2020)

Interests in shares: 49,122,383



Geoffrey McConachy

Non-Executive Director

Experience and expertise

Geoffrey McConachy is an accomplished geologist with over thirty years of Australian and international experience in the mining industry assessing a wide range of commodities. Prior to joining the Company, Geoffrey worked for Heathgate Resources Pty Ltd and Quasar Resources Pty Ltd, where his roles included Managing Director, Exploration. While at Heathgate and Quasar, Geoffrey led the exploration and development team in the discovery, definition and evaluation of four uranium deposits including the Four Mile deposit, for which he was co-honoured with the Prospector of the Year award from the Australian Association of Mining & Exploration Companies. His experience includes instrumental roles in the discovery of the Fosterville gold deposit in Victoria and the Potosi base metal deposit in New South Wales. Geoffrey is a fellow of the Australasian Institute of Mining and Metallurgy and a former Director of the Uranium Information Centre.

Other current directorships: None

Former directorships (last 3 years): None

Interests in shares: 10,381,385

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries



Jon Colquhoun

An experienced accountant with a broad financial and commercial background across a range of industries assisting with CFO, Non-Executive Director and company secretary roles for large private and listed companies. Jon is a Chartered Accountant and Partner of the Corporate Advisory division of HLB Mann Judd in Adelaide. Jon has extensive knowledge in corporate governance, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting background. Jon holds a Bachelor of Commerce from the University of Adelaide, is a Registered Company Auditor and a member of Chartered Accountants Australia and New Zealand.



Pierre van der Merwe

Pierre van der Merwe is an accountant of more than 30 years' experience with extensive knowledge in the provision of corporate secretarial and accounting services to ASX listed companies. He also has experience as CFO and was a Partner from 2004 to 2016 in HLB Mann Judd, an Australasian and International accountancy and business advisory group. During this time, he headed the Corporate Team in Adelaide which provides corporate secretarial and accounting services to a host of ASX listed companies in various industries, specialising in exploration and mining entities.

Pierre was company secretary of the following ASX listed companies, amongst others:

- ▶ Bondi Mining Ltd (ASX 'BOM') which changed its name to World Titanium Resources Ltd
- ▶ Papyrus Australia Ltd (ASX 'PPY')
- ▶ Terramin Australia Ltd (ASX 'TZN') during its transition from exploration to mining at its Strathalbyn site

Directors' report

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

Name	Full Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee		ESG Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Richard Keevers	7	7	2	2	2	2	1	1	1	1
David Christensen	7	7	2*	2	1*	2	1*	1	1	1
Geoffrey McConachy	7	7	2	2	2	2	1	1	1	1
Stephen Bizzell	7	7	2	2	2	2	1	1	1	1

Held: represents the number of meetings held during the time the director held office.

** Attendance at meeting by invitation*

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The following persons were key management personnel of Renascor Resources Limited for the full financial year unless otherwise indicated.

Name	Position	Terms as KPM
David Christensen	Managing Director	14 years 6 months
Richard (Dick) Keevers	Non-Executive Chairman	7 years 1 month
Stephen Bizzell	Non-Executive Director	13 years
Geoffrey McConachy	Non-Executive Director	13 years

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation with shareholders' interests.
- transparency

For the majority of the reporting period, the Board carried out the functions of the Nomination and Remuneration Committees and was responsible for determining and reviewing remuneration arrangements for its directors and executives. In May 2023, the Board established a Remuneration Committee and a Nomination Committee, to assist the Board in fulfilling its governance and oversight responsibilities in relation to Remuneration and Nomination practices and policies respectively. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate

and retain high performance and high-quality personnel.

The Company is undertaking a substantive review of the reward framework to ensure that remuneration arrangements enable the business to attract and retain the talent required to deliver our strategy and to ensure alignment between management reward, business performance and the delivery of value for shareholders over time.

The Board, on recommendation from the Remuneration Committee moving forward, is responsible for managing:

- non-executive director fees;
- executive remuneration (directors and other executives); and
- the over-arching executive remuneration framework and incentive plan policies.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

Relationship between remuneration and Group performance:

During the financial year, the Group has generated a profit through significant interest income offset by its principal activity in developing the Siviour Graphite Project and exploration for graphite, copper, gold and other minerals within South Australia. As the Group is still in the development, exploration and evaluation stage, the link between remuneration, Group performance and shareholder wealth is sometimes tenuous. Share prices are subject to the influence of metals prices, market sentiment towards the sector and the global economy and as such increases or decreases may occur quite independent of executive performance or remuneration.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed periodically by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive any performance-based pay.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on the 30th of November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$750,000.

Retirement allowances for non-executive directors

In line with guidance from the ASX Corporate Governance Council on non-executive director's remuneration, no retirement allowances are provided for non-executive directors. Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made as required and are deducted from the directors' overall fee entitlements.

Executive remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation with shareholders' interests;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth;
- focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed remuneration, short-term incentives and long-term incentives.

For the majority of the reporting period and prior to the establishment of the Remuneration Committee in May 2023, the Board carried out the functions of the Remuneration and Nominations Committees and was responsible for reviewing and negotiating compensation arrangements of senior executives. Following the establishment of the Remuneration Committee, the Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team and makes recommendations to the Board accordingly. On recommendation from the Committee, the Board manages remuneration and incentive policies and practices and remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

On recommendation from the Remuneration Committee, the Board ensures that executive reward satisfies key criteria for good reward governance practices and is made up of the following reward components:

- ▶ base pay and benefits, including superannuation, set relative to market conditions;
- ▶ short-term performance incentives through a cash bonus determined by the Board upon recommendation by the Remuneration Committee; and
- ▶ long-term incentives through the issue of share options and performance rights.

The combination of these comprises the executive's total remuneration.

Base pay and benefits

Base pay and benefits are structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits, at the executive's discretion and subject to board approval.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed periodically to ensure the executive's pay is competitive with the market.

There is no guaranteed base pay increase included in any of the executives' contracts.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of any cash bonus and incentive payments are at the discretion of the Remuneration Committee subject to approval by the Board. Refer to the "additional information" section below for details of the earnings and total shareholders return for the last five years.

The Remuneration Committee is of the opinion that the results can be attributed in part to the adoption of performance-based compensation

and are satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Change to Managing Director/CEO employment agreement from prior reporting period

During the reporting period, Mr Christensen's fixed base remuneration was increased from \$372,000 per annum, to \$464,226 per annum, exclusive of superannuation. Mr Christensen is also entitled to private health insurance as part of his total package.

Voting and comments made at the Company's 30 November 2022 Annual General Meeting ('AGM')

At the 30 November 2022 AGM, 95.76% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' report

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Superannuation \$	Long service leave \$	Performance rights \$	NEDSP & director's shares \$	
2023								
Non-Executive Directors:								
Stephen Bizzell	98,000	-	-	-	-	-	-	98,000
Richard Keevers	127,182	-	-	13,357	-	-	-	140,539
Geoffrey McConachy *	93,342	-	-	4,658	-	-	-	98,000
Executive Director:								
David Christensen **	466,378	174,085	49,500	28,570	37,668	399,669	-	1,155,870
	784,902	174,085	49,500	46,585	37,668	399,669	-	1,492,409

* From 1 January 2023 Mr McConachy's non-executive directors' fees have been remunerated through payroll rather than paid via invoice a director related entity.

** Short term benefits paid to Mr Christensen includes \$10,003 in annual leave entitlements paid during the year and accrued unpaid annual leave entitlements of \$33,963 during the year. In addition, there was also \$15,537 of private health care included within his remuneration package. Mr Christensen also accrued \$37,668 in unpaid long service leave entitlements during the year. Mr Christensen was granted 1,500,000 performance rights during the year. These instruments were fair valued using a Monte Carlo Pricing Model as at grant date and a portion of the cost has been recognised during the year proportionate to the vesting period applicable to each tranche to be issued.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Superannuation \$	Long service leave \$	Performance rights \$	NEDSP & director's shares \$	
2022								
Non-Executive Directors:								
Stephen Bizzell*	69,000	-	-	-	-	-	-	69,000
Richard Keevers**	92,672	-	-	9,267	-	-	-	101,939
Geoffrey McConachy*	69,000	-	-	-	-	-	-	69,000
Executive Director:								
David Christensen***	382,385	82,000	10,482	23,568	38,122	(108,000)	15,360	443,917
	613,057	82,000	10,482	32,835	38,122	(108,000)	15,360	683,856

* From 1 January 2022 the non-executive directors fees are \$98,000 per annum, including committee fees.

** From 1 January 2022 the Chair fees are \$140,000 per annum.

*** Short term benefits paid to Mr Christensen includes \$35,768 in annual leave entitlements paid during the year. Mr Christensen also accrued \$38,122 in unpaid long service leave entitlements during the year. A revaluation of Mr Christensen's performance rights was recognised during the year as the performance rights are not expected to vest. A credit of \$108,000 was recognised to employee share based payments.

Directors' report

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
Non-Executive Directors:						
Stephen Bizzell	100%	100%	-	-	-	-
Richard Keevers	100%	100%	-	-	-	-
Geoffrey McConachy	100%	100%	-	-	-	-
Executive Director:						
David Christensen * **	50%	83%	15%	17%	35%	-

* During the year ended 30 June 2023 shareholders granted approval for the issue of performance rights to Mr David Christensen. Further information pertaining to the Performance Rights can be found in note 29 "Share Based Payments" and in the Share based compensation section below. The total fair value of performance-related share based bonuses granted to executives during the year was \$1,342,893 (2022: \$ Nil).

** During the year ended 30 June 2023 the Board approved the payment of 75% of the maximum cash bonus to Mr David Christensen as recognition of his performance during the year. The total value of cash bonuses awarded to executives for the year was \$174,085 (2022: \$82,000).

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2023	2022	2023	2022
Executive Director:				
David Christensen	75%	100%	25%	-

Changes to the Executive Reward Framework for FY2024 reporting period

In light of the evolution of the business in recent years, the Board is undertaking a substantive review of the reward framework to ensure that remuneration arrangements enable the business to attract and retain the talent required to deliver the Company's strategy and to ensure alignment between management reward, business performance and the delivery of value for shareholders over time. This review is being undertaken by the Remuneration Committee in conjunction with an independent, external advisor and includes a substantial benchmarking review for both Executives and Non-Executives. Upon recommendation by the Committee, the Board expects to implement the revised reward framework in the FY2024 reporting period and provide further detail in the Company's 2024 Annual Report.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	David Christensen
Title	Managing Director
Term of agreement	Indefinite term, subject to six-month's notice or a termination payment of six months.
Details	Per annum rate of \$464,226 exclusive of superannuation. In addition, David is also entitled to private health insurance.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share based compensation

Issue of shares

There were no ordinary shares issued to directors and other key management personnel as part of compensation during 30 June 2023 (2022: Nil).

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023 (2022: Nil).

Performance rights

The terms and conditions of each tranche of performance rights granted over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Tranche	Performance Conditions	Grant date	Vesting date	Expiry date	Fair value per right at grant date	Number of performance rights to be issued **
1	Satisfactory completion of a Definitive Feasibility Study (DFS) in relation to the Siviour Project	30 Nov 22	3 years from Date of Issue *	5 years from Date of Issue	\$0.970	150,000
2	Successful completion of foundation binding off-take agreement(s) for at least 60% of planned phase one production of primary PSG	30 Nov 22	3 years from Date of Issue *	5 years from Date of Issue	\$0.946	375,000
3	Completion of Final Investment Decision (FID) in relation to the start-up of the first phase of the Siviour Project	30 Nov 22	3 years from Date of Issue *	5 years from Date of Issue	\$0.899	375,000
4	Completion of the construction and commissioning of all plant in relation to the start-up of the first phase of the Siviour Project	30 Nov 22	3 years from Date of Issue *	5 years from Date of Issue	\$0.850	450,000
5	First commercial shipment of product	30 Nov 22	3 years from Date of Issue *	5 years from Date of Issue	\$0.820	150,000

* Milestone Dates for all Tranches of performance rights issued in the current year is 3 years from Date of Issue, with the capacity to be extended to 4 years from Date of Issue at the discretion of the Board.

** As at the date of this report the performance rights have not yet been issued to Mr David Christensen. Each Performance Right proposed to be granted to Mr Christensen will be eligible to convert into ordinary shares in the Company (subject to giving notice of intention to exercise within the Exercise Period, and subject to the Cap), calculated in accordance with the below formula, upon vesting.

$$S = P / VWAP$$

Where:

'S' is the number of shares eligible to be issued on conversion of Performance Rights;

'P' is the number of Performance Rights in respect of a particular Tranche; and

'VWAP' is the volume weighted average price of Shares on ASX calculated for the quarter ended 30 September of the financial year in which the relevant Performance Condition is met.

It is intended that the total number of Vested Performance Rights in respect of which Mr Christensen may give notice of intention to exercise in any given financial year until the expiry of the Exercise Period (and which may therefore convert into Ordinary Shares) be capped at 250,000 per year (Cap), with any unutilised Cap from prior years able to be carried forward until the expiry of the Exercise Period (and which may therefore convert into Ordinary Shares) be capped at 250,000 per year (Cap), with any unutilised Cap from prior years able to be carried forward until the expiry of the Exercise Period, being 6 years from the Date of Issue.

Directors' report

No performance rights over ordinary shares vested to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

On 3 September 2022, 6,000,000 performance rights granted to Mr Christensen on 3 September 2018 lapsed as the vesting condition, being the commencement of construction of a commercial graphite concentrate production facility was not met. The fair value of these rights at grant date was assessed as \$108,000. No expense was recognised in the statement of profit or loss and other comprehensive income in relation to these instruments for the year ended 30 June 2023 as they had previously been assessed as improbable to vest and a credit was recognised in the year ended 30 June 2022.

Additional information

Refer to the sections below for details of the earnings and total shareholders return for the last five years:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Profit/(Loss) for the year attributable to owners (\$)	424,716	(1,496,642)	(877,230)	(1,072,575)	(1,321,558)
Increase/(decrease) in share price (%)	23%	121%	680%	(52%)	5%

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (cents)	18.5	15.0	6.8	1.0	2.1
Basic earnings per share (cents per share)	0.2	(0.1)	(0.1)	(0.1)	(0.1)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Performance rights vested & exercised	Additions	Other	Balance at the end of the year
<i>Ordinary shares</i>					
Stephen Bizzell	49,122,383	-	-	-	49,122,383
David Christensen *	31,054,546	-	250,000	-	31,304,546
Richard Keevers *	49,193,324	-	500,000	-	49,693,324
Geoffrey McConachy	10,381,385	-	-	-	10,381,385
	139,751,638	-	750,000	-	140,501,638

* Exercise of options during the period.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Acquired	Exercised	Lapsed	Balance at the end of the year
<i>Options over ordinary shares</i>					
David Christensen	250,000	-	(250,000)	-	-
Richard Keevers	500,000	-	(500,000)	-	-
	750,000	-	(750,000)	-	-

Directors' report

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested & exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
David Christensen	6,000,000	1,500,000	-	6,000,000	1,500,000
	6,000,000	1,500,000	-	6,000,000	1,500,000

* Performance rights granted during the current year were approved by shareholders at the 30 November 2022 AGM. As at 30 June 2023 the performance rights have not yet been issued. Details of the conditions attached to the performance rights is included above.

Other transactions with key management personnel and their related parties

Mr G W McConachy is director of Euro Exploration Services Pty Ltd (Euro). Euro has provided the Company with exploration services, geochemical sampling services as well as the provision of geological personnel services during the year. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred costs of \$292,332 (2022: \$153,019) from Euro. An amount of \$3,233 (2022: \$3,218) was owing to Euro at 30 June 2023.

Mr G W McConachy provided the company with exploration consulting services during the year. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred costs of \$68,756 (2022: \$83,637) from GW McConachy & Co Pty Ltd. An amount of \$9,900 (2022: \$8,400) was owing to GW McConachy & Co Pty Ltd at 30 June 2023.

Mr S Bizzell is a director of Bizzell Capital Partners Pty Ltd (BCP). BCP has provided corporate advisory services to the Company in relation to its capital raisings. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred corporate advisory fees from BCP of \$26,858 (2022: \$9,202). An amount of \$16,333 of director's fees was owing to BCP at 30 June 2023 (2022: \$3,667).

At 30 June 2023 a reimbursement to Mr Christensen of \$12,775 was outstanding (2022: \$6,928).

This concludes the remuneration report, which has been audited.

Shares under option

At the date of this report, there were no options to acquire ordinary shares in the Company were on issue.

Shares under performance rights

Unissued ordinary shares of Renascor Resources Limited subject to vesting and exercise of performance rights at the date of this report are as follows:

Grant date	Vesting date ¹	Expiry date	Exercise price	Number of rights	Vested and exercisable
30 November 2022	3 years from Date of Issue ²	5 years from Date of Issue	\$0.00	1,500,000	-
11 January 2023 ³	12 January 2024	12 January 2026	\$0.00	33,358	-
11 January 2023 ³	12 January 2025	12 January 2026	\$0.00	33,359	-
11 January 2023 ³	12 January 2026	12 January 2026	\$0.00	33,359	-
28 February 2023 ³	1 March 2024	1 March 2026	\$0.00	38,846	-
28 February 2023 ³	1 March 2025	1 March 2026	\$0.00	38,846	-
28 February 2023 ³	1 March 2026	1 March 2026	\$0.00	38,846	-
1 May 2023 ³	1 May 2024	1 May 2026	\$0.00	45,300	-
1 May 2023 ³	1 May 2025	1 May 2026	\$0.00	45,300	-
1 May 2023 ³	1 May 2026	1 May 2026	\$0.00	45,301	-

¹ Being the end of the vesting period attached to each tranche of performance rights on issue.

² At the Board's discretion this can be extended to 4 years from date of issue. As at the date of this report these instruments have not yet been issued.

³ These performance rights were granted during the year and issued on 10 July 2023.

As at the date of this report the 1,500,000 performance rights granted to directors and other key management personnel have not yet been issued.

The performance conditions attached to these performance rights have been disclosed above for the rights issues to directors and other key management personnel and in note 29 of the Financial Statements for other performance rights on issue.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any dividends or share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no ordinary shares of Renascor Resources Limited issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the

auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- ▶ all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- ▶ none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former Directors of BDO Audit Pty Ltd

There are no officers of the Company who are former Directors of BDO Audit Pty Ltd.

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.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



David Christensen
Director
29 September 2023

Auditor's independence declaration



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

As lead auditor of Renascor Resources Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 29 September 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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Financial report

Statement of profit or loss and other comprehensive income

	Note	Consolidated	
		2023 \$	2022 \$
Revenue			
Other income		255	-
Interest revenue	4	2,967,011	6,093
Total revenue		2,967,266	6,093
Expenses			
Administration and consulting		(872,505)	(575,552)
Depreciation and amortisation expense		(11,074)	(4,388)
Employee benefits expense	5	(1,292,480)	(454,948)
Office accommodation		(30,597)	(30,596)
Impairment of exploration expenditure		(23,531)	(198,898)
Legal fees		(4,434)	(12,115)
Other expenses	6	(307,929)	(226,238)
Total expenses		(2,542,550)	(1,502,735)
Profit/ (Loss) before income tax expense		424,716	(1,496,642)
Income tax expense	7	-	-
Profit/ (Loss) after income tax expense for the year		424,716	(1,496,642)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		424,716	(1,496,642)
		Cents	Cents
Basic earnings per share	28	0.2	(0.1)
Diluted earnings per share	28	0.2	(0.1)

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

Statement of financial position as at 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Assets			
Current assets			
Cash balance	8	89,270,091	74,035,061
Other receivables	9	2,091,236	441,106
Financial assets	8	40,000,000	-
Prepayments		128,710	19,891
Total current assets		131,490,037	74,496,058
Non-current assets			
Other receivables	9	45,000	45,000
Property, plant and equipment	10	38,395	11,738
Exploration and evaluation	11	1,496,007	1,458,671
Development asset	12	35,898,362	21,457,620
Total non-current assets		37,477,764	22,973,029
Total assets		168,967,801	97,469,087
Liabilities			
Current liabilities			
Trade and other payables	13	2,483,385	1,046,426
Provisions	14	273,934	144,653
Total current liabilities		2,757,319	1,191,079
Non-current liabilities			
Provisions	14	10,150	2,743
Total non-current liabilities		10,150	2,743
Total liabilities		2,767,469	1,193,822
Net assets		166,200,332	96,275,265
Equity			
Issued capital	15	183,825,034	114,601,254
Reserves	16	415,911	139,340
Accumulated losses		(18,040,613)	(18,465,329)
Total equity		166,200,332	96,275,265

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

Statement of changes in equity for the year ended 30 June 2023

	Contributed equity	Share-based payments reserve	Share option reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$	\$
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 year	-	-	-	(1,496,642)	(1,496,642)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,496,642)	(1,496,642)
Performance rights vested (note 29)	-	(108,000)	-	-	(108,000)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 15)	62,698,102	-	-	-	62,698,102
Balance at 30 June 2022	114,601,254	-	139,340	(18,465,329)	96,275,265
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2022	114,601,254	-	139,340	(18,465,329)	96,275,265
Loss after income tax expense for the year	-	-	-	424,716	424,716
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	424,716	424,716
Fair value of options exercised during the year	139,340	-	(139,340)	-	-
Performance rights granted (note 29)	-	415,911	-	-	415,911
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 15)	69,084,440	-	-	-	69,084,440
Balance at 30 June 2023	183,825,034	415,911	-	(18,040,613)	166,200,332

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows for the year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,617,216)	(1,394,221)
Receipts/(payments) of GST		331,532	414,090
Interest received		1,615,260	6,093
Net cash from/ (used in) operating activities	27	329,576	(974,038)
Cash flows from investing activities			
Receipts from farm-in		-	50,000
Proceeds from sale of property, plant and equipment		255	-
Payments for property, plant and equipment		(35,097)	(6,567)
Payments for exploration and evaluation		(49,523)	(48,532)
Payments for development assets		(14,093,418)	(4,542,348)
Net cash used in investing activities		(14,177,783)	(4,547,447)
Cash flows from financing activities			
Proceeds from issue of shares		70,000,000	65,913,368
Proceeds from exercise of options		2,608,972	-
Share issue transaction costs		(3,525,735)	(3,630,623)
Net cash from financing activities		69,083,237	62,282,745
Net increase in cash and cash equivalents		55,235,030	56,761,260
Cash and cash equivalents at the beginning of the financial year		74,035,061	17,273,801
Cash and cash equivalents at the end of the financial year	8	129,270,091	74,035,061

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

Notes to the financial statements 30 June 2023

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of the new and revised accounting standards

There are no new and revised accounting standards issued or issued but not yet effective which are expected to have a material impact on the financial statements.

Recently issued accounting standards to be applied in future accounting periods

There are no new significant accounting standards or amendments that have not been early adopted for the year ended 30 June 2023 but will be applicable to the Group in future reporting periods.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable financial assets and liabilities at fair value through profit or loss.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Renascor Resources Limited

('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Renascor Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

1. Significant accounting policies *continued*

Revenue recognition

The Group recognises revenue as follows:

Interest

Refer to note 4.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific

to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The Group has obligations to restore and rehabilitate certain areas where drilling has occurred on exploration tenements. These obligations are currently being met as the drilling is completed and as such no provision has been recognised.

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 referenced below) within the next financial year.

Share based payment transactions – note 29

Exploration and evaluation costs – note 11

Development assets – note 12

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 development of the Siviour Graphite Project and the exploration for graphite, copper, gold, uranium and other minerals in Australia. 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.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

4. Interest revenue

	Consolidated	
	2023 \$	2022 \$
Interest revenue	2,967,011	6,093
	2,967,011	6,093

Accounting policy for interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest on cash at bank and cash at call is recognised over time based on the maturity term of the deposit held at the applicable interest rate on the account.

5. Employee benefits expense

	Consolidated	
	2023 \$	2022 \$
Employee benefits expense	2,468,686	1,182,736
Employee share based payment expense	415,911	(108,000)
Defined contribution superannuation expense	155,607	71,296
Employee benefits expense capitalised	(1,747,724)	(691,084)
	1,292,480	454,948

Employee share based payment expense comprises of Performance Rights granted to Mr David Christensen and other employees during the year. Further information pertaining to the Performance Rights can be found in note 29 "Share Based Payments".

Included in the totals above is the employee benefits expenditure that has been capitalised as part of Development assets (note 12). The total amount of employee benefits expenditure capitalised in the year ended 30 June 2023 is \$1,747,724 (2022: \$691,084). The total amount remunerated to employees during the year is \$2,624,293 (2022: \$1,254,032).

6. Other expenses

	Consolidated	
	2023 \$	2022 \$
Business development and marketing	118,271	136,500
Investor and public relations	107,960	51,447
Travel	38,211	5,410
Other expenses	43,487	32,881
	307,929	226,238

7. Income tax expense

	Consolidated	
	2023 \$	2022 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	424,716	(1,496,642)
Tax at the statutory tax rate of 30% (2022: 25%)	127,415	(374,161)
<i>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Impairment of assets	4,500	49,725
Share based payments	415,911	99,998
Entertainment	2,520	-
	550,346	(224,438)
Current year temporary differences not recognised	(550,346)	224,438
Income tax expense	-	-

The Group has tax losses arising in Australia of \$36,144,334 (2022: \$31,291,084) that may be available and may be offset against future taxable profits. In addition, these tax losses can only be utilised in the future if the continuity of ownership test is passed, or if failing that, the same business test is passed.

The Group had nil franking credits in its franking account at 30 June 2023 (2022: Nil).

No deferred tax liability has been recognised for expenditure pertaining to exploration and evaluation and development assets. The amount of \$3,818,273 is fully offset by the company's deferred tax assets (2022: \$5,667,205).

7. Income tax expense *continued**Accounting policy for income tax*

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- ▶ When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- ▶ When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Renascor Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

R & D Tax Incentives

R&D tax incentives are considered more akin to government grants because they are not conditional upon earning taxable income and the Group accounts for any R&D Tax incentives received as government grants under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

8. Cash balances

	Consolidated	
	2023 \$	2022 \$
<i>Current assets</i>		
Cash on hand	350	100
Cash at bank	411,677	245,190
Cash at call	88,858,064	73,789,771
Total cash balances	89,270,091	74,035,061
<i>Reconciliation of cash and cash equivalents to the statement of cash flows</i>		
Cash balances	89,270,091	74,035,061
Financial assets (term deposits)	40,000,000	-
Cash and cash equivalents per statement of cash flows	129,270,091	74,035,061

Cash at call accounts are interest bearing attracting market interest rates.

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash with no significant costs associated with withdrawing funds prior to maturity and which are subject to an insignificant risk of changes in value. The carrying amount for cash and cash equivalents equals the fair value.

Accounting policy for financial assets

Term deposits with original maturities greater than 3 months are held at amortised cost, being the initial cash investment with the financial institution.

9. Other receivables

	Consolidated	
	2023 \$	2022 \$
<i>Current assets</i>		
GST refundable	98,974	324,577
Sundry receivables	1,358,783	18,348
Research and development tax concession	633,479	98,181
	2,091,236	441,106
<i>Non-current assets</i>		
Other receivables – Exploration bonds	45,000	45,000
	2,136,236	486,106

Environmental bonds receivable represents security for rehabilitation for exploration activities in the South Australia as per the Group's Exploration program for Environment Protection and Rehabilitation (E-PEPR) for various project areas pursuant to the *Mining Act 1971*. Of these funds, \$25,000 of the bonds are held by the South Australian Department for Energy and Mining, and \$20,000 is held as a term deposit by the Group as security for a bank guarantee with the South Australian Department for Energy and Mining.

Allowance for expected credit losses

The Group has recognised a loss of \$Nil (2022: \$Nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

10. Property, plant and equipment

	Consolidated	
	2023 \$	2022 \$
<i>Non-current assets</i>		
Computer equipment	43,470	34,298
Less: Accumulated depreciation	(10,477)	(25,299)
	32,993	8,999
Office equipment	6,013	7,764
Less: Accumulated depreciation	(611)	(5,025)
	5,402	2,739
	38,395	11,738

Reconciliations

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

Consolidated	Computer equipment \$	Office equipment \$	Total \$
Balance at 30 June 2021	5,580	3,979	9,559
Additions	6,567	-	6,567
Depreciation expense	(3,148)	(1,240)	(4,388)
Balance at 30 June 2022	8,999	2,739	11,738
Additions	32,161	5,570	37,731
Depreciation expense	(8,167)	(2,907)	(11,074)
Balance at 30 June 2023	32,993	5,402	38,395

All items disposed in the current period had been fully depreciated prior to disposal, with \$Nil written down value.

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of plant and equipment also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

10. Property, plant and equipment *continued*

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	1-3 years
Office equipment	3-10 years

The depreciation rates have not changed from the financial year ended 30 June 2022. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

11. Exploration and evaluation*Reconciliations*

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

Consolidated	Tenements \$	Total \$
Balance at 30 June 2021	1,659,037	1,659,037
Expenditure during the year	48,532	48,532
Receipts from farm-in	(50,000)	(50,000)
Impairment	(198,898)	(198,898)
Balance at 30 June 2022	1,458,671	1,458,671
Expenditure during the year	48,676	48,676
Receipts from farm-in	(6,840)	(6,840)
Impairment	(4,500)	(4,500)
Balance at 30 June 2023	1,496,007	1,496,007

During the reporting period expenditure relating to relinquished tenements was impaired totaling \$4,500 (2022: \$198,898). No other impairment indicators were identified in accordance with AASB 6 – *Exploration for and Evaluation of Mineral Resources*. A further \$19,031 (2022: \$Nil) of exploration related expenditure was expensed direct to profit and loss.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable Mineral Resources and Ore Reserves. Where a project or an area of interest has been relinquished, the expenditure incurred to date is impaired. Any subsequent costs incurred in relation to the area of interest are expensed directly to the Statement of Profit or Loss and Other Comprehensive Income.

11. Exploration and evaluation *continued*

Exploration and evaluation expenditure comprises of net direct costs and includes an appropriate portion of related salaries & wages expenditure associated with each area of interest for work performed. During the financial year the Group has not allocated any employee costs to the exploration expenditure for the year (2022: \$Nil).

Key judgement, estimates and assumptions – impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale or joint venture. Factors that could impact the future recoverability include the level of Ore Reserves and Mineral Resources, future technological changes, which could impact the cost of mining, future legislative changes, and changes to commodity prices and exchange rates. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the relevant reporting period in which this determination is made.

The determination of JORC Resources is itself an estimation process that involves varying degrees of uncertainty depending on how the Mineral Resources (i.e., measured, indicated, or inferred) and Ore Reserves (i.e. Proven or probable) are classified. The estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of Ore Reserves will be found. Any such estimates and assumptions may change as new information becomes available. The recoverable amount of capitalised expenditure relating to undeveloped mining projects can be particularly sensitive to variations in key estimates and assumptions. If variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment.

12. Development asset

	Consolidated	
	2023 \$	2022 \$
<i>Non-current assets</i>		
Sivour project - at cost	35,898,362	21,457,620

12. Development asset *continued**Reconciliations*

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

Consolidated	Sivour Project Mine Development \$	Total \$
Balance at 30 June 2021	17,060,233	17,060,233
Expenditure during the year	4,495,568	4,495,568
Research and Development Tax Incentive	(98,181)	(98,181)
Balance at 30 June 2022	21,457,620	21,457,620
Expenditure during the year	15,074,221	15,074,221
Research and Development Tax Incentive	(633,479)	(633,479)
Balance at 30 June 2023	35,898,362	35,898,362

Accounting policy for development assets

Expenditure is transferred from 'Exploration and evaluation assets' to 'Development asset' have been assessed to be commercially feasible and support future development of the property, the costs are transferred to 'development assets'.

An impairment assessment is undertaken on the date assets are transferred using the recoverable amount of the Cash Generating Units (CGU) that included the transferred development asset based on estimated present value of the future cash flows expected to be derived from the CGU (value in use). Impairment is recognised if the recoverable amount of the CGU is estimated to be lower than its carrying amount.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of development assets being amortised.

Development asset expenditure comprises of net direct costs and includes an appropriate portion of related salaries & wages expenditure associated with each area of interest. During the financial year the Group has allocated internal personnel costs of \$1,747,724 to the development asset for the year (2022: \$691,084).

Key judgement, estimates and assumptions – impairment of development asset

The development asset had been assessed for impairment. In determining the recoverable amount of the asset, estimates, were made to determine the present value of future cashflows. These estimates require significant management judgments and assumptions and are subject to risk and uncertainty that may be beyond the control of the Group. These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance.

12. Development asset *continued*

Some other factors considered in management's assessment as to whether there existed any indicators of impairment at the CGUs include:

- ▶ Operational and financial performance of the CGUs;
- ▶ Potential to extend mine life across all CGUs;
- ▶ The current and forecast graphite price environment; and
- ▶ Acquisitions complementing the existing CGUs of the Group.

In addition, the Group monitors impairment indicators by considering the impact of the above judgements and assumptions on the valuation of CGUs through periodic updates to its business valuation models.

Such assumptions are subject to variation as a result of changes in future economic and operational conditions. Consequently, the carrying value of the Group's CGUs may differ in future years if assumptions made do not eventuate and actual outcomes are less favourable than present assumptions.

The main estimates and assumptions used are those within the August-23 Siviour Battery Anode Material Study including the below:

- ▶ The Siviour integrated project has a 40-year LOM,
- ▶ Uses the Mineral Resource estimate reported on 18 August 2022 (total 93.5Mt @7.3% with 2.3% cut-off grade) and Ore Reserve estimate reported on 21 July 2020 (total 51.1Mt @7.4%), subsequently increased post year end,
- ▶ The study is a staged development with annual production capacity of 75ktpa during stage 1 for Graphite concentrate, doubled to 150ktpa upon completion of stage 2. Further downstream processing to occurred at the PSG plant, with annual production capacity of 50ktpa during stage 1 for PSG, doubled to 100ktpa upon completion of stage 2,
- ▶ Pricing for graphite concentrate, PSG and fines products are based on the latest internal forecasts taking into account expected demand and supply, benchmarked with external sources of information,
- ▶ Flat foreign exchange rate of 0.68 USD to 1 AUD over the LOM, and
- ▶ a discount rate 10% has been used for financial modelling.

Price risk

The Group is exposed to price risk from the commodity graphite. The demand for, and the price of, commodities are highly dependent on a variety of factors, including international supply and demand, the price and availability of substitutes, technological advances, actions taken by governments and global economic and political developments. Given the Group's main activities, which are focused on the development of the Siviour Graphite Project, a fall in the price of graphite may result in a reduction in the recoverable amount of the Siviour Project Development Asset and an impairment may need to be recognised.

Foreign exchange risk

The Group is exposed to foreign exchange (FX) risk as the commodity graphite is sold in foreign currency, generally US Dollars (USD), however operating and capital costs are largely in Australian dollars (AUD). A change in the USD:AUD exchange rate may result in a reduction in the recoverable amount of the Siviour Project Development Asset and an impairment may need to be recognised.

The Company has considered the above market conditions and changes to these estimates and is satisfied that there is no impairment to the carrying value of the development asset.

13. Trade and other payables

	Consolidated	
	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade and other payables	756,283	860,268
Sundry creditor and accrued expenses	1,727,102	186,158
	2,483,385	1,046,426

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

14. Provisions

	Consolidated	
	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	106,708	23,588
Long service leave	167,226	121,065
	273,934	144,653
<i>Non-current liabilities</i>		
Long service leave	10,150	2,743
	284,084	147,396

Movements in provisions

Movements in each class of provision during the current financial year, are set out below:

	Annual Leave \$	Long Service Leave \$	Total \$
Consolidated 2023			
Carrying amount at the start of the year	23,588	123,808	147,396
Additional provisions recognised	132,710	53,568	186,278
Payments	(49,590)	-	(49,590)
Carrying amount at the end of the year	106,708	177,376	284,084

14. Provisions *continued*

Accounting policy for provisions

These provisions represent a present obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation. The current portion of this liability includes all accrued annual leave and the unconditional entitlements to long service leave where employees have completed the required period of service, including pro-rata elements. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within twelve months. Notwithstanding the classification of annual leave as a long-term employee benefit, the related obligations are presented as current liabilities in the balance sheet as the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when actual settlement is expected to occur.

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for accumulating leave entitlements that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled within twelve months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

15. Issued Capital

2023	Shares	\$
(a) Issued and paid up capital		
Fully paid ordinary shares	2,539,407,498	183,825,034
(b) Movements in fully paid shares		
Opening Balance	2,154,413,438	114,601,254
Share placements	254,545,455	70,000,000
Exercise of options	130,448,605	2,748,312
Transaction costs arising on share issues, net of tax	-	(3,524,532)
Balance as at 30 June 2023	2,539,407,498	183,825,034
2022	Shares	\$
(a) Issued and paid up capital		
Fully paid ordinary shares	2,154,413,438	114,601,254
(b) Movements in fully paid shares		
Opening Balance	1,878,711,652	51,903,152
Share placements	241,209,268	65,126,502
Share purchase plan	564,837	152,505
Issue of shares as consideration for directors' fees	677,339	15,360
Issue of shares to consultant as payment for services	1,471,754	400,000
Exercise of options	31,778,588	635,567
Transaction costs arising on share issues, net of tax	-	(3,631,832)
Balance as at 30 June 2022	2,154,413,438	114,601,254

15. Issued Capital *continued*

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.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The Group is not currently subject to any financing arrangements covenants. When the group is subject to financing arrangements covenants, meeting them is the priority in all capital risk management decisions. There have been no events of default on financing arrangements during the financial year or in the past.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

16. Reserves

	Consolidated	
	2023 \$	2022 \$
Share option reserve	-	139,340
Share based payments reserve	415,911	-
	415,911	139,340

Share option reserve

The reserve is used to recognise the value of option instruments provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Share based payments reserve

The reserve is used to recognise the value of equity benefits, in the form of performance rights, 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 and previous financial year are set out below:

Reserves reconciliation		Options reserve \$	Share based payments \$	Total \$
Consolidated	Note			
Balance at 30 June 2021		139,340	108,000	247,340
Performance rights - revaluation *		-	(108,000)	(108,000)
Balance at 30 June 2022		139,340	-	139,340
Exercise of options **		(139,340)	-	(139,340)
Performance rights - granted	29	-	415,911	415,911
Performance rights - lapsed *		-	-	-
Balance at 30 June 2023		-	415,911	415,911

* The performance rights which expired and lapsed in September 2022 were not expected to vest, as such they were revalued to \$Nil in the year ended 30 June 2022.

** Options exercised for weighted average price of \$0.02 per share option. The 20,000,000 exercised options issued to consultants in December 2020 for services provided for assistance with the capital raise had a fair value of \$139,340. During the period there were also 130,448,605 share options exercised, including 750,000 to directors, for an exercise price of \$0.02 which were attached to the Ordinary shares issued as part of the December 2020 capital raise. These were not share based payments and have no attributable fair value within the reserve.

16. Reserves *continued*

Share based payments reserve reconciliation	Number of performance rights	Value**	Weighted average exercise price
Consolidated			
Balance at 30 June 2021	6,000,000	108,000	\$Nil
Lapsed *	-	(108,000)	\$Nil
Balance at 30 June 2022	6,000,000	-	\$Nil
Granted	1,852,515	415,911	\$Nil
Lapsed *	(6,000,000)	-	\$Nil
Balance at 30 June 2023	1,852,515	415,911	\$Nil

* The performance rights which expired and lapsed in September 2022 were not expected to vest, as such they were revalued to \$Nil in the year ended 30 June 2022.

** Refer to note 29 Share based payments for details on fair value attributable to performance rights.

17. Dividends

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

18. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The board is responsible for managing the Group's finance facilities. The Group does not currently undertake hedging of any kind and is not directly exposed to currency risk.

The Group holds the following financial instruments:

	Consolidated	
	2023 \$	2022 \$
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	89,270,091	74,035,061
Other receivables	2,136,236	486,106
Financial assets	40,000,000	-
Total financial assets	131,406,327	74,521,167
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	756,283	860,270
Sundry creditors & accrued expenses	1,727,102	186,158
Total financial liabilities at amortised cost	2,483,385	1,046,428

18. Financial instruments *continued***Market risk***Price risk*

The Group is not exposed to any significant price risk from its financial instruments.

Interest rate risk

As at 30 June 2023 and 30 June 2022, the Group had no borrowings.

At the reporting date, the Group is only exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.0% and -1.0% (2022: +0.5%/-0.5%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the average cash and cash equivalents held for each reporting period. All other variables are held constant.

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Consolidated - 2023						
Cash and cash equivalents	100	1,048,734	1,048,734	(100)	(1,048,734)	(1,048,734)
Consolidated - 2022						
Cash and cash equivalents	50	370,175	370,175	(50)	(370,175)	(370,175)

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The majority of cash and cash equivalents is held with a single financial institution.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not hold any collateral to mitigate this risk.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Consolidated	
	2023 \$	2022 \$
Cash and cash equivalents including all deposits		
Minimum rating of A	129,270,091	74,035,061

18. Financial instruments *continued*

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions. At the end of each reporting period the Group held cash and deposits at call of \$89,270,091 (2022: \$74,036,061) that are expected to readily generate cash inflows for managing liquidity risk. In addition, the Group held \$40,000,000 (2022: \$Nil) of term deposits at the bank with a term greater than 3 months but less than 12 months which could also be utilised to manage liquidity risk. The Group has sufficient funds to finance its current corporate, development and exploration activities and to allow for reasonable contingencies.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	756,283	-	-	-	756,283
Other payables	-	1,727,102	-	-	-	1,727,102
Total non-derivatives		2,483,385	-	-	-	2,483,385
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	860,270	-	-	-	860,270
Other payables	-	186,158	-	-	-	186,158
Total non-derivatives		1,046,428	-	-	-	1,046,428

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

19. Key management personnel disclosures*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2023 \$	2022 \$
Short-term employee benefits	1,008,487	705,539
Post-employment benefits	46,585	32,835
Long-term benefits	37,668	38,122
Performance rights	399,669	(108,000)
NEDSP & director's shares	-	15,360
	1,492,409	683,856

Details of the remuneration of each director of the Company and each of the other key management personnel of the Group, including their personally related entities, are set out in the remuneration report.

Other transactions with key management personnel

Mr G W McConachy is director of Euro Exploration Services Pty Ltd (Euro). Euro has provided the Company with exploration services, geochemical sampling services as well as the provision of geological personnel services during the year. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred costs of \$292,332 (2022: \$153,019) from Euro. An amount of \$3,233 (2022: \$3,218) was owing to Euro at 30 June 2023.

Mr G W McConachy provided the Company with exploration consulting services during the year. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred costs of \$68,756 (2022: \$83,637) from GW McConachy & Co Pty Ltd. An amount of \$9,900 (2022: \$8,400) was owing to GW McConachy & Co Pty Ltd at 30 June 2023.

Mr S Bizzell is a director of Bizzell Capital Partners Pty Ltd (BCP). BCP has provided corporate advisory services to the Company in relation to its capital raisings. The services provided are based on normal commercial terms and conditions. During the financial year the Company incurred corporate advisory fees from BCP of \$26,858 (2022: \$9,202). An amount of \$16,333 of director's fees was owing to BCP at 30 June 2023 (2022: \$3,667).

At 30 June 2023 a reimbursement to Mr Christensen of \$12,775 was outstanding (2022: \$6,928).

20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2023 \$	2022 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	45,200	36,500
<i>Other services</i>		
Amounts paid/payable to a related practice of the auditor for tax compliance for the entity or any entity in the Group	7,659	3,714
	52,859	40,214

21. Contingent liabilities

The Group has previously entered into Asset Sale Agreements with Hiltaba Gold Pty Ltd for EL5856 (previously EL4707). Under each 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.

22. Commitments

Exploration and mining lease commitments

In order to maintain current rights to tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to renegotiation when application for a mining lease is made and at other times. These amounts, which are not provided for in the financial report and are expected to be capitalised as incurred but not recognised as liabilities, are as follows:

	Consolidated	
	2023 \$	2022 \$
<i>Commitments in relation to exploration and mining leases held at the end of each reporting period but not recognised as liabilities, payable:</i>		
Within one year	1,090,972	1,130,868
One to five years	989,316	267,333
Greater than five years	24,247	-
	2,104,535	1,398,201

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements. The Company also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

Operating lease commitments

The office lease for 36 North Terrace, Kent Town expired on 30 November 2013. The company continued to occupy the office with rent payable monthly in advance on a month to month basis during the year. Subsequent to period end, Renascor have relocated its office premises and entered to a new lease arrangement for the new premises.

23. Related party transactions

Parent entity

Renascor Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year, aside from those set out in note 19.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date, aside from those set out in note 19.

Loans to/from related parties

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

24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023 \$	2022 \$
Profit/ (Loss) after income tax	424,716	(1,471,625)
Total comprehensive income	424,716	(1,471,625)

Statement of financial position

	Parent	
	2023 \$	2022 \$
Total current assets	131,489,937	74,495,958
Total assets	168,967,801	97,469,087
Total current liabilities	2,757,319	1,191,079
Total liabilities	2,767,469	1,193,822
<i>Equity</i>		
Issued capital	183,825,034	114,601,254
Options reserve	-	139,340
Performance rights reserve	415,911	-
Accumulated losses	(18,040,613)	(18,465,329)
Total equity	166,200,332	96,275,265

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023.

Contingent liabilities

The Group has previously entered into Asset Sale Agreements with Hiltaba Gold Pty Ltd for EL5856 (previously EL4707). Under each 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.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2023 %	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

26. Events after the reporting period

On 7 July 2023, Renascor announced drilling assay results confirming a major extension to the Siviour Graphite Deposit, demonstrating the continuity of widespread, high-grade graphite over an area extending over 3 kilometres immediately north of the Siviour Mineral Resource. The new drilling offers potential for a significant increase to the Siviour Mineral Resource and supports extensions to the current pit design for future expansions beyond the capacity being considered under the BAM study.

The Company announced on 19 July 2023 that it had entered into a non-binding Strategic Cooperation Memorandum of Understanding (MOU) with Japanese anode material manufacturer Mitsubishi Chemical Corporation. The MOU provides for the potential purchase by Mitsubishi Chemical of Graphite Concentrates, PSG and other graphite products from the BAM Project. The MOU further provides a framework for Mitsubishi Chemical to work with Renascor to consider a commercial partnership with Renascor to help facilitate the development of the BAM Project.

The results of the optimised BAM Study were released on 8 August 2023. The results confirm Renascor's capability to become a low-cost, high-value supplier of graphite for the growing lithium-ion battery anode sector. The BAM Study represents the culmination of work completed over several years and demonstrates that, by integrating the world class Siviour Graphite Deposit with an in-country downstream manufacturing facility, Renascor has a clear path to creating a competitive advantage as a low-cost producer of PSG. Importantly, the BAM Study provides the key technical foundation for advancing the BAM Project toward a final investment decision.

On 10 August 2023, Renascor announced that it has entered into a licensing agreement with Dorfner ANZAPLAN to apply a hydrofluoric acid free purification process to produce battery grade PSG at Renascor's planned downstream manufacturing facility. The new purification process offers reduced operational risk by reducing the number of leaching stages and also enhances environmental efficiency by reducing water consumption.

Renascor released an updated Mineral Ore Reserve estimate on 24 August 2023. The expanded Ore Reserve estimate includes a 13% increase in total Reserves and an 8% increase in Proven Reserves, providing additional confidence in the size and quality of the Siviour deposit as a consistent source of high-quality graphite supporting a life of mine of 40 plus years.

On 14 September 2023 Renascor announced an increase to the Siviour Mineral Resource. The results from resource expansion drilling resulted in a 25% increase to the total (Measured, Indicated and Inferred) Mineral Resource estimate to 123.6Mt at 6.9% total graphitic carbon for 8.5Mt of contained graphite, with 61% classified as Measured or Indicated. The upgraded estimate is expected to provide support for further extensions and potential optimisation to the current pit design for future capacity expansions beyond those considered in the BAM Study.

No other matter or circumstance has arisen since 30 June 2023 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.

27. Reconciliation of cashflows from operating activities

	Consolidated	
	2023 \$	2022 \$
Profit/(Loss) after income tax expense for the year	424,716	(1,496,642)
<i>Adjustments for:</i>		
Depreciation and amortisation	11,074	4,388
Impairment of tenements	4,500	198,898
Share based payments	415,911	-
Revaluation of performance rights	-	(108,000)
Cash flows from sale of property, plant & equipment	(255)	-
<i>Change in operating assets and liabilities:</i>		
Increase/(decrease) in provisions	387,718	46,070
Increase/(decrease) in trade and other payables	144,737	620,558
(Increase)/decrease in other receivables	(1,001,913)	(286,723)
(Increase)/decrease in other operating assets	(56,912)	47,413
Net cash received/ (used) in operating activities	329,576	(974,038)

28. Earnings per share

	Consolidated	
	2023 \$	2022 \$
Profit/(Loss) after income tax	424,716	(1,496,642)
	Cents	
	Cents	Cents
Basic earnings per share	0.2	(0.1)
Diluted earnings per share	0.2	(0.1)
	Number	
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,369,539,586	1,932,584,840
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,371,392,101	1,932,584,840

131,128,686 options and 6,000,000 performance rights on issue were considered anti-dilutive as the Group was loss making for the year ended 30 June 2022.

In the year ended 30 June 2023, the Group generated a profit and nil dilutive options and 1,852,515 dilutive performance rights were included for the weighted average number of ordinary shares for the diluted earnings per share calculation.

Accounting policy for earnings per share*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Renascor Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

29. Share based payments

Directors and executives share based payments

Commencing 1 May 2020 Mr Christensen received payment for 90% of his directors fees, with 10% of his fees withheld by the Company to be paid via the issue of share capital subject to shareholder approval. The shares relating to the remuneration for the period 1 October 2021 to 30 June 2022 were issued the year ended 30 June 2022 following shareholder approval at the 2021 AGM totalling \$15,360. No director's remuneration was paid via issuance of shares in the current year.

There are no options that have been granted to directors and employees as part of their remuneration (2022: Nil).

Share based payments to consultants

During the period the amount of the equity settled share based payment recognised in the current period in respect of shares issued to consultants was \$Nil (2022: \$400,000).

There were no options granted during the year as consideration for capital raising services provided (2022: \$Nil).

Performance rights granted to directors and employees

As at 30 June 2023 the Group maintained a Performance Share Plan for employee, director and consultant remuneration. There were 1,500,000 performance rights (2022: Nil) granted to directors and 352,515 performance rights (2022: Nil) granted to employees as remuneration during the year.

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. During the year the Group also granted some employees performance rights under the Performance Share Plan. Details of these performance rights are outlined on the following page:

29. Share based payments *continued*

2023 Performance Rights granted**	Grant date	Fair value per Right at grant date	Vesting criteria	Last vesting date	Expiry upon vesting
Directors					
150,000	30 Nov 22***	\$0.970	Satisfactory completion of a Definitive Feasibility Study (DFS) in relation to the Siviour Project	3 years from Date of Issue*	5 years from Date of Issue
375,000	30 Nov 22***	\$0.946	Successful completion of foundation binding off-take agreement(s) for at least 60% of planned phase one production of primary PSG	3 years from Date of Issue*	5 years from Date of Issue
375,000	30 Nov 22***	\$0.899	Completion of Final Investment Decision (FID) in relation to the start-up of the first phase of the Siviour Project	3 years from Date of Issue*	5 years from Date of Issue
450,000	30 Nov 22***	\$0.850	Completion of the construction and commissioning of all plant in relation to the start-up of the first phase of the Siviour Project	3 years from Date of Issue*	5 years from Date of Issue
150,000	30 Nov 22***	\$0.820	First commercial shipment of product	3 years from Date of Issue*	5 years from Date of Issue
Employees					
33,358	11 Jan 23****	\$0.266	1 years' service from grant date	12 Jan 24	12 Jan 26
33,359	11 Jan 23****	\$0.266	2 years' service from grant date	12 Jan 25	12 Jan 26
33,359	11 Jan 23****	\$0.266	3 years' service from grant date	12 Jan 26	12 Jan 26
38,846	28 Feb 23****	\$0.245	1 years' service from grant date	1 Mar 24	1 Mar 26
38,846	28 Feb 23****	\$0.245	2 years' service from grant date	1 Mar 25	1 Mar 26
38,846	28 Feb 23****	\$0.245	3 years' service from grant date	1 Mar 26	1 Mar 26
45,300	1 May 23****	\$0.212	1 years' service from grant date	1 May 24	1 May 26
45,300	1 May 23****	\$0.212	2 years' service from grant date	1 May 25	1 May 26
45,301	1 May 23****	\$0.212	3 years' service from grant date	1 May 26	1 May 26

29. Share based payments *continued*

- * Milestone Dates for all Tranches of performance rights issued in the current year is 3 years from Date of Issue, with the capacity to be extended to 4 years from Date of Issue at the discretion of the Board.
- ** Each Performance Right proposed to be granted to the Managing Director will be eligible to convert into ordinary shares in the Company (subject to giving notice of intention to exercise within the Exercise Period, and subject to the Cap), calculated in accordance with the below formula, upon vesting.
- $S = P / \text{VWAP}$ where:
- 'S' is the number of shares eligible to be issued on conversion of Performance Rights;
 - 'P' is the number of Performance Rights in respect of a particular Tranche; and
 - 'VWAP' is the volume weighted average price of Shares on ASX calculated for the quarter ended 30 September of the financial year in which the relevant Performance Condition is met.
- It is intended that the total number of Vested Performance Rights in respect of which Mr Christensen may give notice of intention to exercise in any given financial year until the expiry of the Exercise Period (and which may therefore convert into Ordinary Shares) be capped at 250,000 per year (Cap), with any unutilised Cap from prior years able to be carried forward until the expiry of the Exercise Period, being 6 years from the Date of Issue.
- Performance rights issued to employees are convertible 1:1 for ordinary shares subject the achievement of service condition.
- *** Performance rights granted to the Managing Director have not yet been issued.
- **** Performance rights granted to employees during the year were issued on 10 July 2023.

During the period, the remaining 6,000,000 performance rights on issue that were approved at the 3 September 2018 Extraordinary General Meeting for the Managing Director did not meet the non-market vesting criteria, being the commencement of construction of a commercial graphite concentrate production facility and as a result lapsed in September 2022. In the year ended 30 June 2022, it was assessed that it was improbable that this remaining tranche (Tranche B) of the performance rights would vest and credit of \$108,000 was recognised. No change was made to this re-assessment in 2023.

The table below outlines the summary of inputs used in the fair value calculation for the performance rights issued under the performance share plan:

Valuation inputs at grant date for performance rights	2023		2022
	Directors	Employees	Directors
Exercise price	Nil	Nil	Nil
Performance right life	1 - 6 years	1 - 3 years	5 years
Underlying share price at grant date	\$0.350	\$0.212 - \$0.266	\$0.018
Expected share price volatility (weighted average) *	N/A	N/A	N/A
Risk free interest rate **	3.1 - 3.4%	N/A	N/A
Fair value at grant date (weighted average)	\$0.895	\$0.238	\$0.018
Contractual life (weighted average)	6 years	2 years	5 years

- * Where applicable, the expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected performance right life.
- ** Where applicable, this is based on high quality government bonds sourced from the Reserve Bank of Australia which reflect the period commensurate with the performance right life.

29. Share based payments *continued*

Key judgement, estimate and assumptions - fair value of performance rights granted:

The assessed fair value at grant date of performance rights is allotted equally over the period from grant date to vesting date. The fair value of performance rights with vesting conditions were independently determined using a Monte Carlo pricing model. This takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option (if applicable including exercising restrictions), the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. For those performance rights issued where only a service condition exists the share price at grant date is the fair value at grant date.

Historical volatility of a group of comparable companies has been the basis of determining expected share price volatility, as it is assumed that this is indicative of future movements. No adjustment has been made to the life of the performance rights based on no past history regarding expected exercise or any variation of the expiry date. Accordingly, the expected life of the performance rights has been taken to the full period of time from grant date to expiry date, which may fail to eventuate in the future.

The valuation model input also assumes no dividend yield on the Performance Shares.

Accounting policy for share based payments

Share-based compensation benefits are provided to directors, employees and consultants through the form of share based compensation, whereby the identified parties render services in exchange for shares, options or performance rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of share options and performance rights is determined using an appropriate pricing model on grant date methodology depending on the nature of the option or performance rights terms as noted above.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to vest and become exercisable.

At each reporting date, the entity revises its estimates of the number of options and performance rights that are expected to vest and become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

29. Share based payments *continued*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options and performance rights is transferred to share capital.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Directors' declaration 30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



David Christensen
Director
29 September 2023



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENASCOR RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Renascor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Recoverability of development assets

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Refer to note 12 in the financial report. As at 30 June 2023, the Group has recognised a significant balance of development assets. The carrying value of the development asset is required to be assessed for impairment indicators on an annual basis. This requires significant judgement to be applied by management, and as a result was considered to a key matter to the audit.	Our procedures, amongst others, included: - Assessing the value-in-use calculation prepared by management including the appropriateness of significant judgements and data used; - Evaluating whether judgements made in selecting the method, significant assumptions and data for developing the discounted cash flow model gave rise to indicators of possible bias; - Evaluating the reasonableness of disclosures made in the financial report, including those regarding significant assumptions, considering the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 35 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Renascor Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

Adelaide, 29 September 2023

Shareholder information 30 June 2023

The shareholder information set out below was applicable as at 19 September 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Ordinary shares	Number of holders	Shares on issue	% of total shares on issue
1 to 1,000	195	38,776	0.92
1,001 to 5,000	4,446	14,890,339	20.92
5,001 to 10,000	3,556	28,652,272	16.73
10,001 to 100,000	9,856	374,996,369	46.38
100,001 and over	3,197	2,120,829,742	15.04
	21,250	2,539,407,498	100.00
Holding less than a marketable parcel	3,623	9,995,385	17.05

Equity security holders

Twenty largest quoted equity security holders:

Ordinary shares	Number held	% of total shares on issue
J P Morgan Nominees Australia Pty Limited	70,490,861	2.78
Renascor Pty Ltd *	47,000,000	1.85
Mr Richard Edward Keevers	44,282,842	1.74
Citicorp Nominees Pty Limited	40,703,962	1.60
HSBC Custody Nominees (Australia) Limited	39,148,873	1.54
BNP Paribas Nominees Pty Ltd Acf Clearstream	38,622,447	1.52
BNP Paribas Noms Pty Ltd	34,814,686	1.37
Sarwell Pty Ltd	31,350,000	1.23
BNP Paribas Nominees Pty Ltd	24,727,938	0.97
David Christensen	23,251,150	0.92
Washington H Soul Pattinson And Company Limited	18,253,592	0.72
Mr Adam Andrew Macdougall	17,875,000	0.70
Mr Kenneth Graham Miller	13,420,503	0.53
TSMB Pty Ltd	11,317,197	0.45
Mrs Tracey Ann Mezzino	10,750,000	0.42
Superhero Securities Limited	10,484,493	0.41
Rise Capital Pty Ltd	9,900,000	0.39
Mr Timothy John Nixon Binney & Mrs Dianne Pamela Binney	9,000,000	0.35
Brazil Farming Pty Ltd	9,000,000	0.35
Alacorp Investments Pty Ltd	8,350,000	0.33
	520,906,026	20.51

* Not associated with Renascor Resources Limited.

Unquoted equity securities

There are 352,515 Performance Rights Expiring at Various Dates and held by 3 Security holders.

Substantial holders

There are no substantial holders in the Company.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

Restricted Securities

No restricted securities were on issue at 19 September 2023.

There are no other classes of equity securities.

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Lined area for personal notes.

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

- ▶ Level 5, 149 Flinders Street
Adelaide, South Australia 5000
Phone : + 61 8 8363 6989
Website: www.renascor.com.au

Share register

- ▶ Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000
Phone: + 61 2 8280 7454
Fax: + 61 2 9287 0303

Auditor

- ▶ BDO Audit Pty Ltd

Business objectives

Renascor Resources is an Australian-based company focused on the development of economically viable minerals. Renascor has an extensive tenement portfolio, holding interests in the key mineral provinces of South Australia. Its projects include the Siviour graphite project near Arno Bay, South Australia. The principal activity of the Group during the financial year was the development of the Siviour Graphite Project, mineral exploration 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.

Stock exchange listing

Renascor Resources Limited shares are listed on the:

- ▶ Australian Securities Exchange ASX code: RNU
- ▶ Frankfurt Stock Exchange
(Börse Frankfurt) FSE code: RU8

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