ASX: RNU

ASX Release

29 February 2024

Electricity Infrastructure Upgrades Commissioned for Siviour Project

Renascor enters connection agreement with SA Power Networks to upgrade the existing electrical distribution network for proposed Siviour mine and processing plant

- Renascor has entered into a connection agreement with SA Power Networks to upgrade the electrical distribution network for the Siviour mine and processing plant, the upstream portion of Renascor's proposed Battery Anode Material (**BAM**) Project, a vertically integrated battery anode material manufacturing operation located wholly within South Australia.
- The connection agreement provides for the upgrade of SA Power Network's existing substation located approximately 25km from the proposed Siviour mine and processing plant, with the construction of a new 33kV voltage regulator and transformer, as well as upgrades to portions of the existing overhead powerline network.
- The agreement with SA Power Networks follows Renascor's previously announced procurement of the long-lead capital equipment necessary to undertake the upgrades to permit the connection between SA Power Network's existing electricity grid connection and Siviour (see Renascor ASX announcement dated 9 May 2023).
- SA Power Networks has indicated that it will commence physical works next quarter and expects to complete the upgrades in approximately twelve months.
- This early commencement of the upgrades to the electrical distribution network is part of Renascor's previously announced strategy to accelerate the upstream development and to minimise the construction period for the planned mining and processing operation[1].

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Renascor Resources Limited (ASX: RNU) (**Renascor**) is pleased to announce that it has entered into a connection agreement with SA Power Networks to upgrade the existing electrical distribution network for the Siviour mine and processing plant, the upstream portion of Renascor's proposed Battery Anode Material (**BAM**) Project, a vertically integrated battery anode material manufacturing operation located wholly within South Australia.

Commenting on the agreement with SA Power Networks, Managing Director David Christensen said:

> *"The growth of the lithium-ion battery and anode markets continues to put pressure on the graphite market to meet increasing demand, with the graphite demand trend supporting the need for large, low-cost graphite mines like Siviour.*
>
> *Our agreement with SA Power Networks to upgrade the existing electrical distribution network for Siviour permits us to move forward on a key critical path workstream for the project, as we seek to minimise the length of the construction phase for our planned Siviour mine to permit Renascor's new supply to enter the market in alignment with forecasted near-term shortages of graphite*."

Discussion

Renascor's planned graphite mine and processing 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[2], completed a DFS-level assessment in its August 2023 Battery Anode Material Study[3] and acquired the freehold land hosting both the Siviour Graphite Deposit and the wider mineral lease[4].

Renascor's current work programs include a focus on accelerating detailed design, procurement and infrastructure works to minimise the construction period for the planned mining and processing operation.

The connection agreement provides for the upgrade of SA Power Network's existing substation in Cleve, located approximately 25km from the proposed Siviour mine and processing plant, with the construction of a new 33kV voltage regulator and transformer. The Cleve substation has the capacity to supply the majority of Renascor's electricity requirements for its planned phase one production at Siviour, with supplementary power to be supplied from solar photovoltaic arrays and on-site diesel generation.

The connection agreement also provides for upgrades to portions of the existing overhead powerline network between the Cleve substation and Siviour to permit the transmission at 33kV voltage.

The connection agreement with SA Power Networks follows Renascor's previously announced procurement of the long-lead capital equipment for the electrical distribution network[5], with this equipment to be installed as part of the works undertaken with the connection agreement.

SA Power Networks has indicated that it will commence physical works next quarter and expects to complete the upgrades in approximately twelve months.

Next Steps

Renascor continues to accelerate the development of phase 1 of the planned Siviour graphite mine and concentrate operation to permit Renascor's new supply to enter the market in alignment with forecasted near-term shortages of graphite. Subsequently, Renascor plans to commence a downstream operation to produce Purified Spherical Graphite. This phased development plan is designed to align with graphite market demand and to reduce execution risk prior to investment in the downstream facility.

Current and upcoming work programs include:

- **Detailed engineering and design.** Renascor continues to advance more detailed engineering and design activities with a view to optimising and minimising the time-period for the planned construction phase. Key work programs include front-end engineering design for the mineral processing plant, with the design for phase one adjusted to account for recent optimisations to flow sheet parameters[6]. Additional on-going activities include advancing design work on the tailings storage facility, desalination plant and construction accommodation facility.
- **On-site activities.** Renascor recently completed the purchase of the freehold land hosting the Siviour Graphite Deposit and the wider mineral lease[7], permitting Renascor to undertake additional on-site preparatory works. Upcoming work programs include additional geotechnical assessments within the mineral lease to support construction of the mineral processing plant and tailings facility. Pending regulatory approval, further drilling is planned to support further mine pit extensions.
- **Offtake.** Renascor is currently in negotiations with lithium-ion battery supply chain participants, including its existing[8] and other potential offtake partners, regarding binding offtake terms and potential equity investments to help meet the BAM Project's capital requirements. In addition, in view of the increased production of coarser flake graphite from phase one of its planned production, Renascor is advancing discussions regarding potential offtake terms for coarser flake graphite.

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

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Disclaimers

Renascor confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Renascor confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that a number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

Appendix 1

About Renascor

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

- **the Siviour Graphite Deposit** - the world's second largest Proven Reserve of Graphite and the largest Graphite Reserve outside of Africa[9];
- **the Siviour Graphite Mine and Concentrator** - a conventional open-pit mine and crush, grind, float processing circuit delivering world-class operating costs in large part due to the favourable geology and geometry of Renascor's Siviour Graphite Deposit; and
- **a Battery Anode Material Production Facility** - where Graphite concentrate will be converted to PSG using an eco-friendly processing method before being exported to lithium-ion battery anode manufacturers.

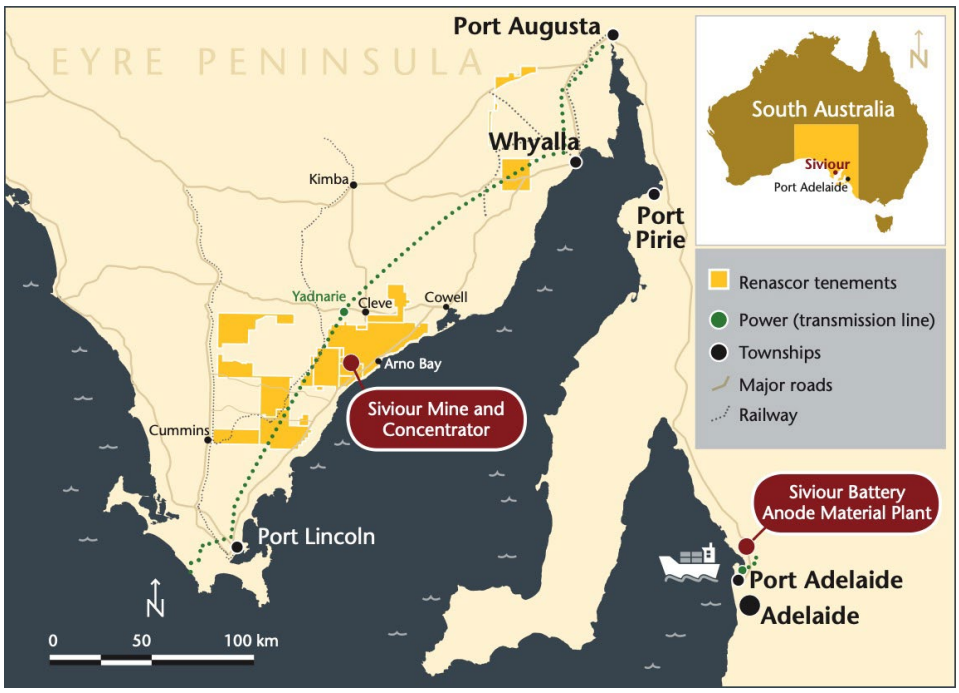

Figure 1. Siviour Battery Anode Material Project location.

The 100% Renascor owned Siviour Graphite deposit is unique in both its near-surface, flat-lying orientation and its scale as one of the world's largest graphite Reserves. The favourable geology and size of the deposit will allow Renascor to produce Graphite Concentrate at a low-cost over a 40-year mine life.

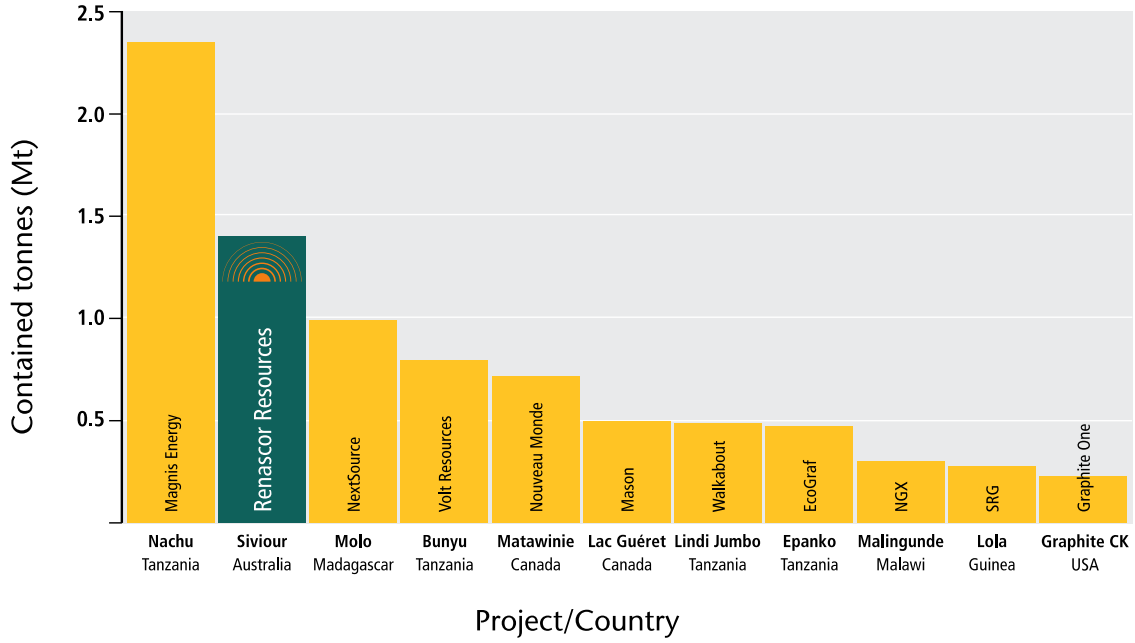

Figure 2. Globally Reported Proven Ore Reserve estimates (September 2023)[10]

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

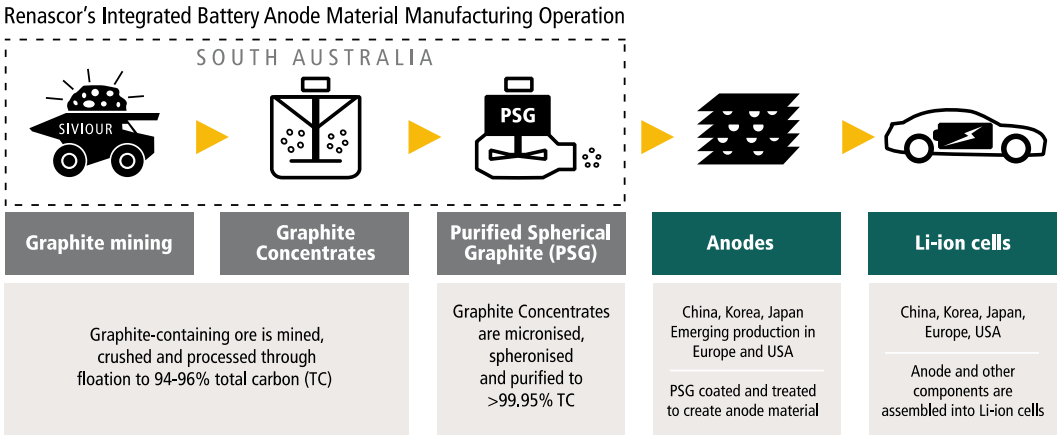

Figure 3. Renascor's vertically integrated Mine and Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain.

Appendix 2

Graphite Market Update

The graphite market is currently experiencing significant growth primarily due to an increase in the demand for graphite in lithium-ion battery anodes, with Benchmark Mineral Intelligence predicting an increase in battery-related demand of 300% by 2028 and with further accelerated demand through 2032. See Figure 1 below.

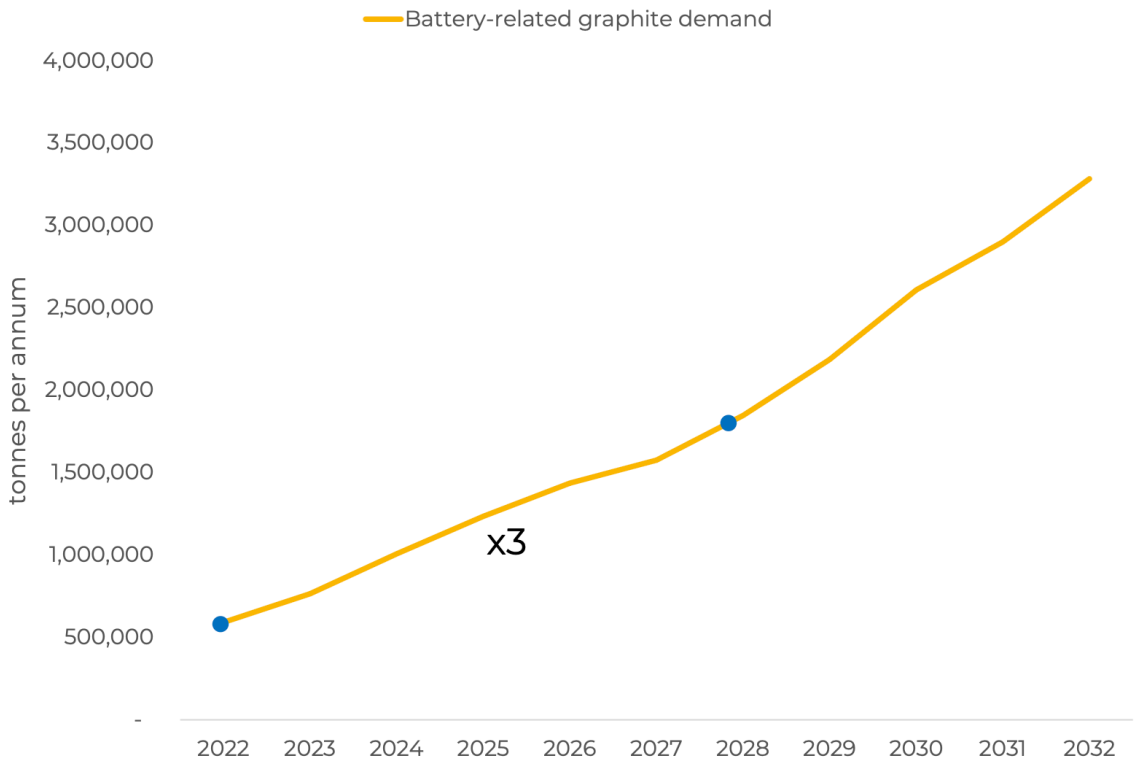

Figure 1. Battery-related graphite demand (Source: Benchmark Mineral Intelligence)

Without substantial new supply, the graphite market risks going into undersupply from as early as 2025. See Figure 2 below.

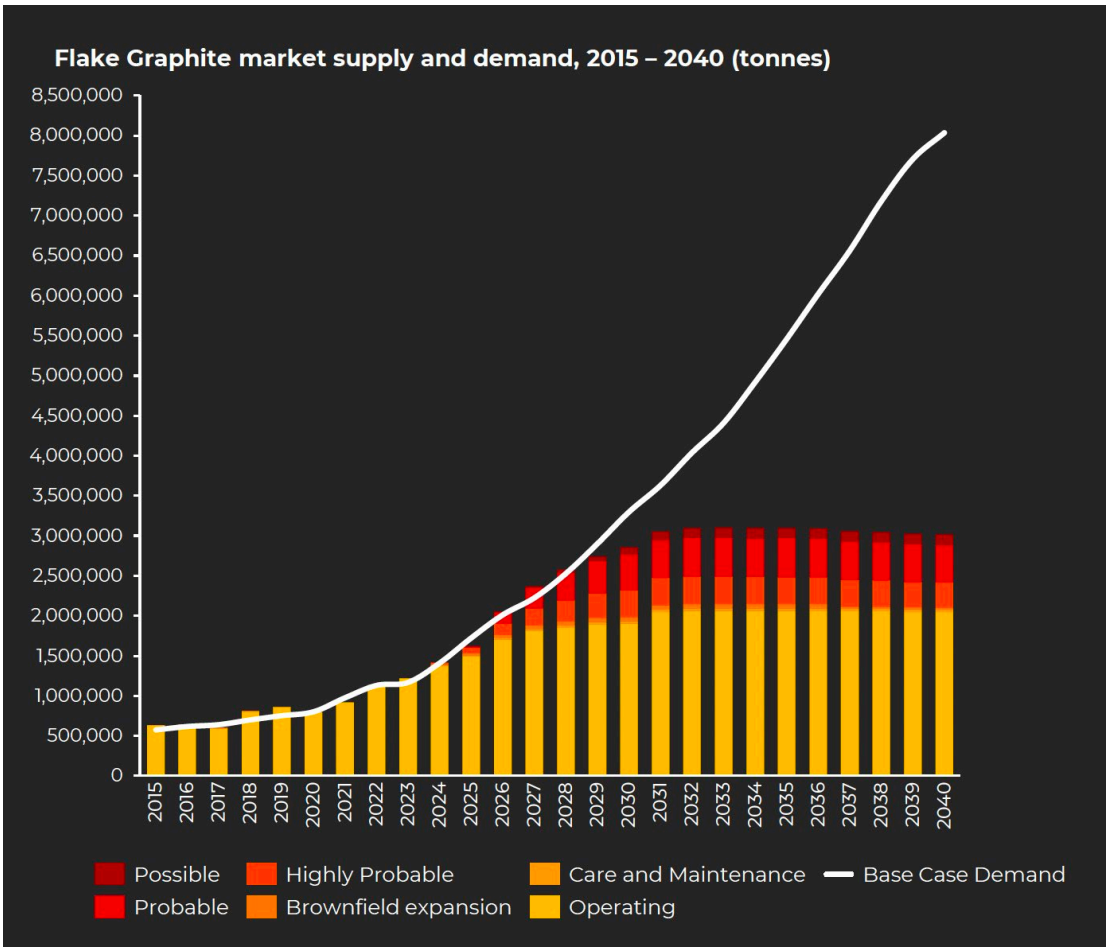

Figure 2. Flake graphite supply and demand forecast 2015 to 2040 (Source: Benchmark Mineral Intelligence)

Appendix 3

Peer Comparison Data

Project name	Code	Company	Country	Report name	Date	Link
Bunyu	VRC	Volt Resources Ltd	Tanzania	Pre-Feasibility Study Completed	15 December 2016	https://announcements.asx.com.au/asxpdf/20161215/pdf/43drlhpvdwbhxp.pdf
Epanko	EGR	Ecograf Ltd	Tanzania	Updated 60ktpa Bankable Feasibility Study	21 June 2017	https://announcements.asx.com.au/asxpdf/20170621/pdf/43k2d21wvk2sv1.pdf
Graphite Creek	GPH	Graphite One Inc	USA	Preliminary Feasibility Study Technical Report Graphite One Project	14 October 2022	https://www.graphiteoneinc.com/wp-content/uploads/2022/10/JDS-Graphite-One-NI-43-101-PFS-20221013-compressed.pdf
Lac Guéret	LLG	Mason Graphite Inc	Canada	Feasibility Study Update of the Lac Guéret Graphite Project	12 December 2018	https://masongraphite.com/wp-content/uploads/2021/06/a53b7c_22115be39ccf4d85b9579f359680997c.pdf
Lindi Jumbo	WKT	Walkabout Resources Ltd	Tanzania	Updated Ore Reserve delivers 17.9% graphite grade	28 February 2019	https://announcements.asx.com.au/asxpdf/20190228/pdf/44321stl8dlk5f.pdf
Lola	SRG	SRG Mining Inc.	Guinea	Lola Graphite Project NI 43-101 Technical Report – Updated Feasibility Study	12 April 2023	https://srgmining.com/wp-content/uploads/2023/04/J6626-SRG_Lola_UFS_Rev_0_Fin_2023-0407.pdf
Malingunde	NGX	NGX Ltd	Malawi	Replacement Prospectus	14 June 2023	https://announcements.asx.com.au/asxpdf/20230614/pdf/05gn89bfqrhwx8.pdf
Matawinie	NOU	Nouveau Monde Graphite	Canada	NI 43-101 Technical Feasibility Study Report for The Matawinie Mine and the Becancour Battery Material Plant Integrated Graphite Projects	10 August 2022	https://nmg.com/wp-content/uploads/2022/08/Feasibility-Study-NMGs-Integrated-Phase-2-Projects.pdf
Molo	NEXT	NextSource Materials Inc	Madagascar	Molo Phase 2 Preliminary Economic Assessment NI 43-101 Technical Report	27 April 2022	https://www.nextsourcematerials.com/wp-content/uploads/2023/01/2022_04_27_molo_phase_2_pea_technical_report_dated_april_27__2022__final.pdf
Nachu	MNS	Magnis Energy Technologies Ltd	Tanzania	Bankable Feasibility Study Update Confirms Strong Financial and Technical Viability for the Nachu Graphite Project	27 September 2022	https://announcements.asx.com.au/asxpdf/20220927/pdf/45fhzx2nsgrmjb.pdf
				Supplementary Information Regarding Nachu BFS Update Released 27.9.2022	30 September 2022	https://announcements.asx.com.au/asxpdf/20220930/pdf/45fqs3q6h3hpw4.pdf

[1] See Renascor ASX announcement dated 7 December 2022.
[2] See Renascor ASX announcement dated 28 November 2022.
[3] See Renascor ASX announcement dated 8 August 2023.
[4] See Renascor ASX announcements dated 28 November and 31 January 2024.
[5] See Renascor ASX announcement dated 9 May 2023.
[6] See Renascor ASX announcement dated 17 January 2024.
[7] See Renascor ASX announcements dated 28 November and 31 January 2024.
[8] Renascor has entered non-binding memoranda of understanding for the supply with companies active in the LIB anode sector, including with POSCO, a South Korean conglomerate and the largest anode manufacturer outside of China (see Renascor ASX announcement dated 25 August 2021), Mitsubishi Chemical, Japan's largest Chemical supplier and one of the world's largest anode manufacturers (see Renascor ASX announcement dated 19 July 2023), Japanese based global trading company Hanwa Co., Ltd (see Renascor ASX announcement dated 25 March 2021.), Jiangxi Zhengtuo New Energy Technology Co. Ltd., top ten anode producer globally (see Renascor ASX announcement dated 27 January 2021.)and Chinese anode company Minguang New Material (see Renascor ASX announcement dated 29 September 2020).
[9] Renascor ASX announcement 21 July 2020.
[10] Source: public company reports. Does not include graphite deposits that do not publicly report data on main stock exchanges in Australia, Canada, the United Kingdom and the United States. See Appendix 3 for further details on sourcing.