

## ASX Release

17 April 2024

### **A\$185M Loan Facility from the Australian Government approved to fund development of Siviour Graphite Concentrate Operation**

**Loan under the Australian Government's \$4 billion Critical Minerals Facility to fund the accelerated development of the upstream graphite mine and concentrator facility in South Australia**

#### **Highlights:**

- On 2 February 2022, the Australian Government, through Export Finance Australia (EFA), conditionally approved a A\$185 million loan facility (**Loan Facility**)<sup>1</sup> from the Australian Government's \$4 billion Critical Minerals Facility to support the development of Renascor's planned vertically integrated battery anode material manufacturing operation (the **BAM Project**).
- The BAM Project combines the Siviour Graphite Deposit in South Australia, the largest reported graphite Reserve outside of Africa<sup>2</sup>, and a state-of-the-art processing facility in South Australia to manufacture Purified Spherical Graphite through Renascor's eco-friendly purification process.
- On 8 August 2023, Renascor released the Siviour Battery Anode Material Study (**BAM Study**)<sup>3</sup> which provides for the accelerated start-up of the upstream portion the BAM Project to give Renascor an early-mover advantage by entering the market with reliable supply of Graphite Concentrates from Australia, an IRA-aligned jurisdiction.
- EFA has confirmed that the Loan Facility has been approved to be utilised to fast track the development and operation of the upstream Graphite Concentrate operation. In parallel, EFA has been progressing due diligence on the upstream Graphite Concentrate operation, with aspects of due diligence completed including technical, and no fatal flaws identified.
- With funding under the Loan Facility, Renascor aims to develop the Graphite Concentrate operation, and subsequently a downstream Purified Spherical Graphite facility, to become a globally significant and diversified source of refined graphite products for sale into the electric vehicle battery supply chain.
- In preparation for the design, procurement and construction of the Graphite Concentrate operation, Renascor is currently progressing advanced engineering designs for the mineral processing plant and non-process infrastructure and concurrently discussing potential binding offtake terms with existing non-binding offtake partners, as well as other battery-anode market participants.

Renascor Resources Limited (ASX: RNU) (**Renascor** or the **Company**) is pleased to announce that Export Finance Australia (**EFA**) has confirmed the previously announced and conditionally approved A\$185 million loan facility (**Loan Facility**) from the Australian Government's \$4 billion Critical Minerals Facility has been approved to be utilised to fast track the construction of the upstream portion the BAM Project (the **Siviour Graphite Concentrate operation**).

Commenting on the confirmation, Renascor's Managing Director David Christensen stated:

*"We are delighted to have received confirmation that the A\$185 million conditionally approved loan from the Critical Mineral Facility is approved to support our strategy of fast-tracking the construction of the upstream portion of the BAM Project.*

*Our phased development strategy provides us with an early-mover advantage by entering the market with reliable supply of natural graphite concentrates from Australia, an IRA-aligned jurisdiction. The strategy allows us to generate early cashflows, accelerate production of graphite concentrates, continue to build valuable offtake relationships with leading anode suppliers, operate and optimise the PSG Pilot Plant and PSG product qualification, and de-risk the subsequent development of the downstream PSG processing facility.*

*In the Siviour graphite deposit, Renascor is fortunate to be endowed with a large world class asset. The support from the Australian Government and EFA is testament to the gravity of the opportunity for Renascor, and Australia, to become a world-leading supplier of graphite into the Lithium-ion battery supply chain."*

### The Loan Facility

The Loan Facility is to be provided via the Australian Government's \$4 billion Critical Minerals Facility, administered by EFA. The provision of the Loan Facility follows in-principle finance support from EFA announced by Renascor on 3 March 2020<sup>4</sup> and Conditional Approval on 2 February 2022<sup>5</sup>.

The Loan Facility comprises a A\$150 million Term Facility and a A\$35 million Cost Overrun Facility to support any unforeseen increase in capital cost through construction.

Drawdown of the Loan Facility will be subject to a number of conditions which are customary for project financings of this nature, or otherwise required under the Critical Minerals Facility, including completion of all due diligence to the satisfaction of EFA. EFA has been progressing its due diligence on the upstream Graphite Concentrate operation, with aspects of due diligence completed including technical, and no fatal flaws identified.

Renascor and EFA will now proceed towards completion of due diligence and full form documentation, and satisfaction of all conditions precedents.

The Loan Facility was arranged by Renascor's financial advisers, BurnVoor Corporate Finance.

### About the Australian Government's Critical Minerals Facility

The Australian Government established the Critical Minerals Facility in September 2021. It operates as a facility for Australian critical minerals projects.

When announcing the Critical Minerals Facility, the Australian Government noted Australia was a leader in sustainable, ethical mining practices and the Facility would help secure the vital supplies of resources needed to drive the new energy economy and support the resources jobs of the future.



While initially funded to A\$2 billion, in October 2023 the Australian Government announced a further A\$2 billion in funding, taking the total amount available under the Critical Minerals Facility to A\$4 billion.

The Critical Minerals Facility is an important pillar of the Australian Government's overarching Critical Minerals Strategy. The Critical Minerals Facility is administered by EFA.

### About Export Finance Australia

EFA is Australia's export credit agency. EFA provides commercial finance for export trade and overseas infrastructure development. From small and medium sized enterprises to large corporates, foreign Governments and infrastructure projects, EFA helps Australian businesses take on the world. In doing so, EFA finance supports Australia's economic security and regional resilience. EFA administers the Australian Government's National Interest Account, which currently includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

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

### For further information, please contact:

#### Company Contact

David Christensen  
Managing Director  
+61 8 8363 6989  
[info@renascor.com.au](mailto:info@renascor.com.au)

#### Media Enquiries Contact

James Moses  
Mandate Corporate  
+61 (0) 420 991 574  
[james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

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## 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<sup>6</sup>;
- **the Siviour Graphite Mine and Concentrator** - a conventional open-pit mine and crush, grind, float processing circuit delivering world-class operating costs in large part due to the favourable geology and geometry of Renascor’s Siviour Graphite Deposit; and
- **a Battery Anode Material Production Facility** - where Graphite concentrate will be converted to PSG using an eco-friendly processing method before being exported to lithium-ion battery anode manufacturers.

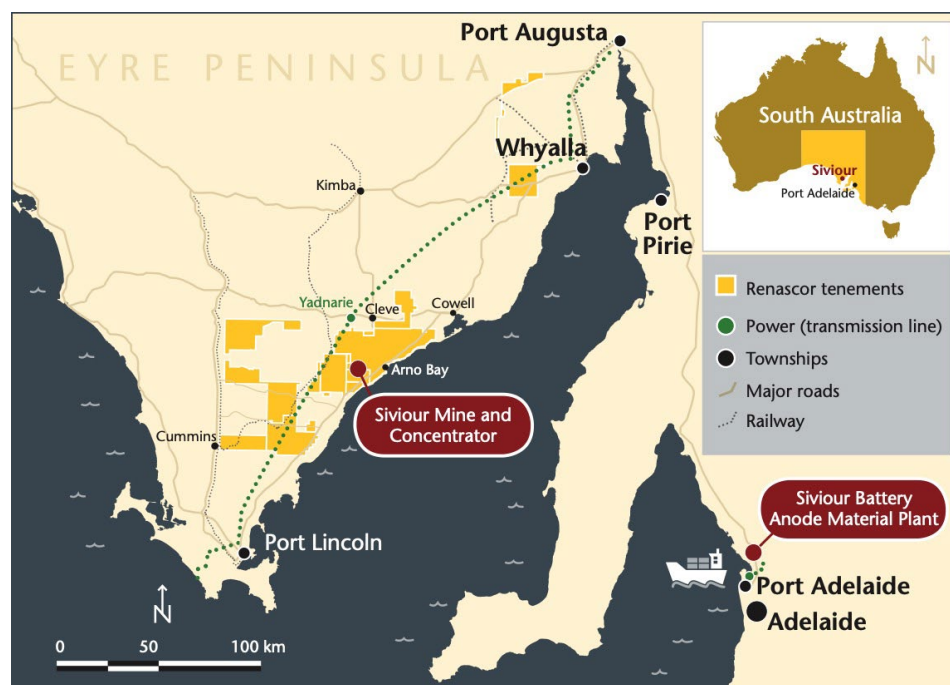


Figure 1. Siviour Battery Anode Material Project location.



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.



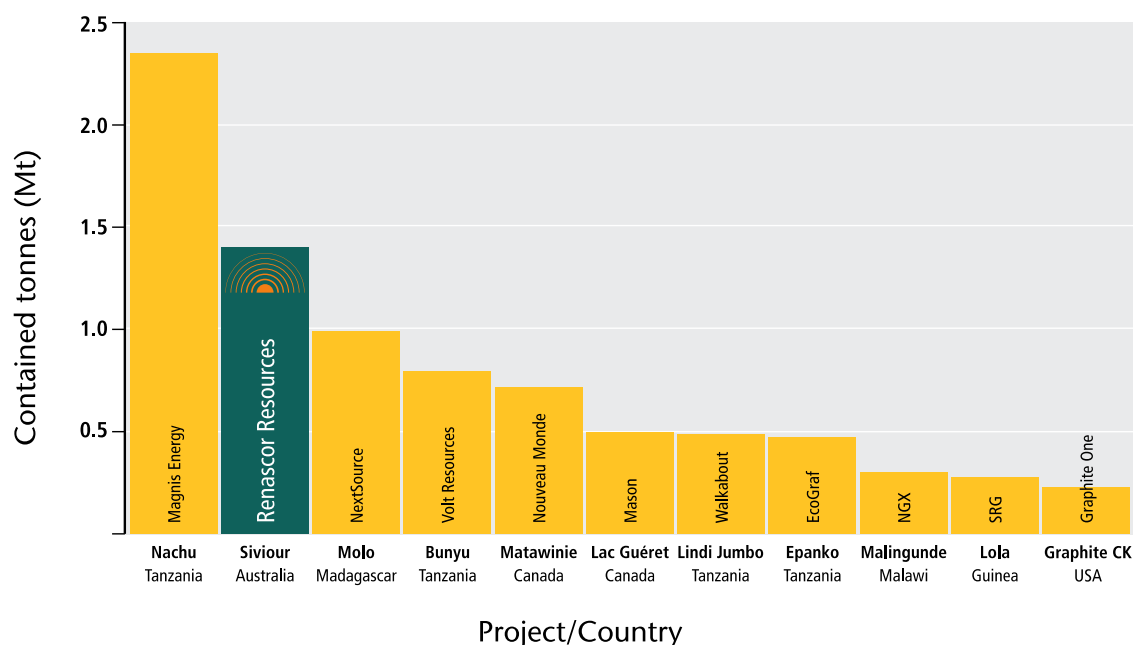


Figure 2. Globally Reported Proven Ore Reserve estimates (September 2023)<sup>7</sup>

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.

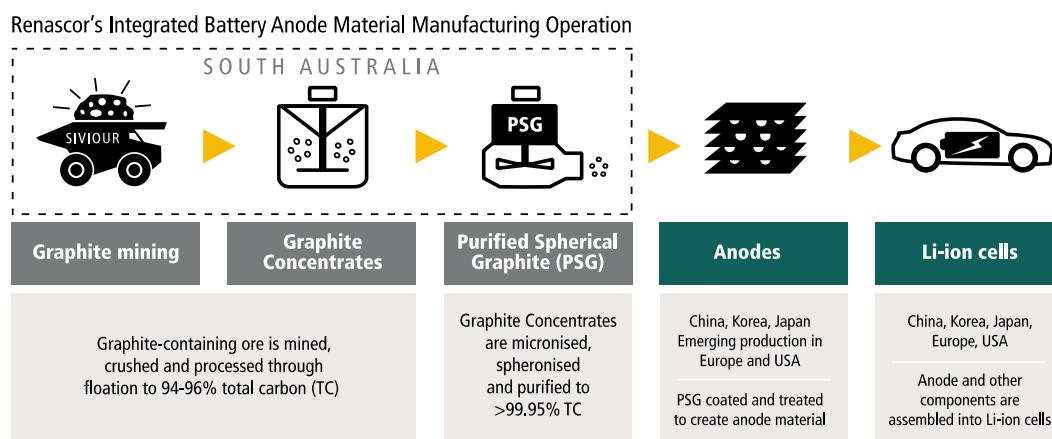


Figure 3. Renascor's vertically integrated Mine and Concentrator and Downstream PSG production facility within the Electric Vehicle supply chain.



## Appendix 2

### 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	<a href="https://announcements.asx.com.au/asxpdf/20161215/pdf/43drlhpvdwbhxp.pdf">https://announcements.asx.com.au/asxpdf/20161215/pdf/43drlhpvdwbhxp.pdf</a>
Epanko	EGR	Ecograp Ltd	Tanzania	Updated 60ktpa Bankable Feasibility Study	21 June 2017	<a href="https://announcements.asx.com.au/asxpdf/20170621/pdf/43k2d21wvk2sv1.pdf">https://announcements.asx.com.au/asxpdf/20170621/pdf/43k2d21wvk2sv1.pdf</a>
Graphite Creek	GPH	Graphite One Inc	USA	Preliminary Feasibility Study Technical Report Graphite One Project	14 October 2022	<a href="https://www.graphiteoneinc.com/wp-content/uploads/2022/10/JDS-Graphite-One-NI-43-101-PFS-20221013-compressed.pdf">https://www.graphiteoneinc.com/wp-content/uploads/2022/10/JDS-Graphite-One-NI-43-101-PFS-20221013-compressed.pdf</a>
Lac Guéret	LLG	Mason Graphite Inc	Canada	Feasibility Study Update of the Lac Guéret Graphite Project	12 December 2018	<a href="https://masongraphite.com/wp-content/uploads/2021/06/a53b7c_22115be39ccf4d85b9579f359680997c.pdf">https://masongraphite.com/wp-content/uploads/2021/06/a53b7c_22115be39ccf4d85b9579f359680997c.pdf</a>
Lindi Jumbo	WKT	Walkabout Resources Ltd	Tanzania	Updated Ore Reserve delivers 17.9% graphite grade	28 February 2019	<a href="https://announcements.asx.com.au/asxpdf/20190228/pdf/44321stl8dlk5f.pdf">https://announcements.asx.com.au/asxpdf/20190228/pdf/44321stl8dlk5f.pdf</a>
Lola	SRG	SRG Mining Inc.	Guinea	Lola Graphite Project NI 43-101 Technical Report – Updated Feasibility Study	12 April 2023	<a href="https://srgmining.com/wp-content/uploads/2023/04/J6626-SRG_Lola_UFS_Rev_0_Fin_2023-0407.pdf">https://srgmining.com/wp-content/uploads/2023/04/J6626-SRG_Lola_UFS_Rev_0_Fin_2023-0407.pdf</a>
Malingunde	NGX	NGX Ltd	Malawi	Replacement Prospectus	14 June 2023	<a href="https://announcements.asx.com.au/asxpdf/20230614/pdf/05qn89bqfgrhwx8.pdf">https://announcements.asx.com.au/asxpdf/20230614/pdf/05qn89bqfgrhwx8.pdf</a>
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	<a href="https://nmg.com/wp-content/uploads/2022/08/Feasibility-Study-NMGs-Integrated-Phase-2-Projects.pdf">https://nmg.com/wp-content/uploads/2022/08/Feasibility-Study-NMGs-Integrated-Phase-2-Projects.pdf</a>
Molo	NEXT	NextSource Materials Inc	Madagascar	Molo Phase 2 Preliminary Economic Assessment NI 43-101 Technical Report	27 April 2022	<a href="https://www.nextsourcematerials.com/wp-content/uploads/2023/01/2022_04_27_molo_phase_2_pea_technical_report_dated_april_27_2022_final.pdf">https://www.nextsourcematerials.com/wp-content/uploads/2023/01/2022_04_27_molo_phase_2_pea_technical_report_dated_april_27_2022_final.pdf</a>
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	<a href="https://announcements.asx.com.au/asxpdf/20220927/pdf/45fhzx2nsgrmjb.pdf">https://announcements.asx.com.au/asxpdf/20220927/pdf/45fhzx2nsgrmjb.pdf</a>
				Supplementary Information Regarding Nachu BFS Update Released 27.9.2022	30 September 2022	<a href="https://announcements.asx.com.au/asxpdf/20220930/pdf/45fqs3q6h3hpw4.pdf">https://announcements.asx.com.au/asxpdf/20220930/pdf/45fqs3q6h3hpw4.pdf</a>

<sup>1</sup> See Renascor ASX Announcement dated 2 February 2022.

<sup>2</sup> Renascor ASX announcement 21 July 2020

<sup>3</sup> See Renascor ASX announcement dated 8 August 2023.

<sup>4</sup> See Renascor ASX release dated 3 March 2020.

<sup>5</sup> See Renascor ASX announcement dated 2 February 2022.

<sup>6</sup> Renascor ASX release 21 July 2020.

<sup>7</sup> 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 2 for further details on sourcing.

