ASX Release

February 15, 2021

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Critical minerals for a secure future

South Australian Government grants reduced royalty rate for the Siviour Project

Confirmation of "New Mine" status by the South Australian Government enables Renascor to lock in a reduced Royalty Rate for the Siviour Project

Renascor Resources Limited (ASX: RNU) (**Renascor**) is pleased to announce that it has received confirmation from the South Australian Government Treasury that the Siviour Graphite Project has been classified as a 'New Mine' for the purposes of State royalty calculations[1].

The successful attainment of New Mine status means that the Project will incur a reduced royalty rate of 2% of the net value of the minerals recovered from the Siviour Mine through 30 June 2026, representing a reduction from 3.5% over the initial years of production[2].

Renascor's 100% owned Siviour Project is on track to become Australia's first vertically integrated Purified Spherical Graphite production facility[3]. With the largest reported Graphite Ore Reserve outside of Africa[4], Renascor is well positioned to become a secure, low-cost supplier of materials critical to the production of electric vehicle batteries and off-grid power storage.

Renascor Managing Director David Christensen stated:

> *"Renascor is delighted to receive confirmation of Siviour's 'New Mine' status and the consequential reduction in the royalty rate applicable to the project. This outcome further underlines Siviour's strategy of being among the world's lowest cost producers of Purified Spherical Graphite.*
>
> *Renascor has enjoyed a strong level of support from the South Australian Government, which recognises the substantial value-add that the world-class, world-scale Siviour Purified Spherical Graphite production facility brings to South Australia. We would like to thank the South Australian Government for their ongoing support as we move quickly towards bringing the Siviour Project to realisation.*
>
> *We are confident that through our Siviour Project, South Australia can become a truly globally competitive hub for the manufacture of raw materials critical to green energy revolution."*

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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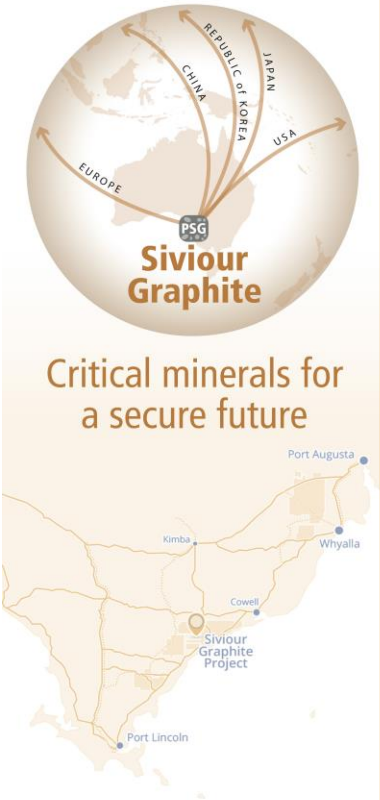

Background

Renascor plans to produce Purified Spherical Graphite (**PSG**) through a vertically integrated operation in South Australia that combines a mining operation at Renascor's 100%-owned Siviour Graphite Project with a downstream processing operation to produce PSG. See Figure 1 and Renascor ASX announcement dated 1 July 2020.

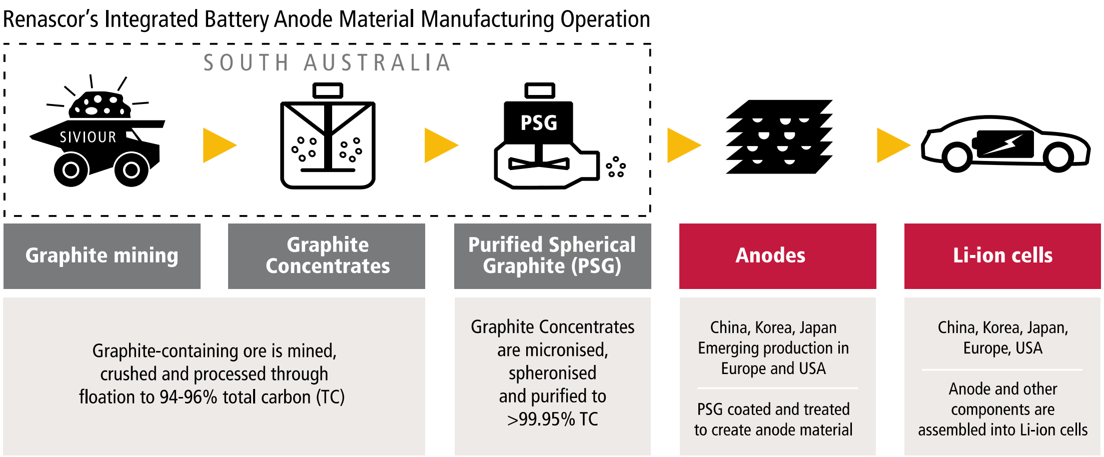

Figure 1. Graphite to anode supply chain, showing activities included in Renascor's proposed integrated Battery Anode Material manufacturing operation

Lithium-ion battery anode market

As a result of growth in the electric vehicle and lithium-ion battery markets, the demand for lithium-ion battery anodes is also experiencing significant expansion. This has resulted in increased demand for PSG by anode manufacturers, with annual growth rates of up to 29% predicted through to 2030, leading to an increase in the market from approximately 200,000 tonnes in 2019 to 2.4 million tonnes by 2029[5] (Figure 2).

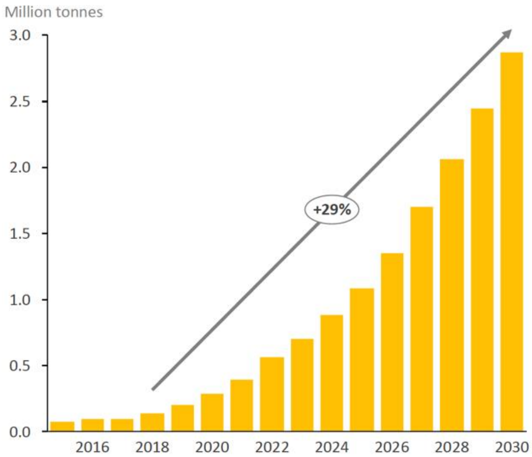

Figure 2. PSG demand forecast (Source: Benchmark Mineral Intelligence)

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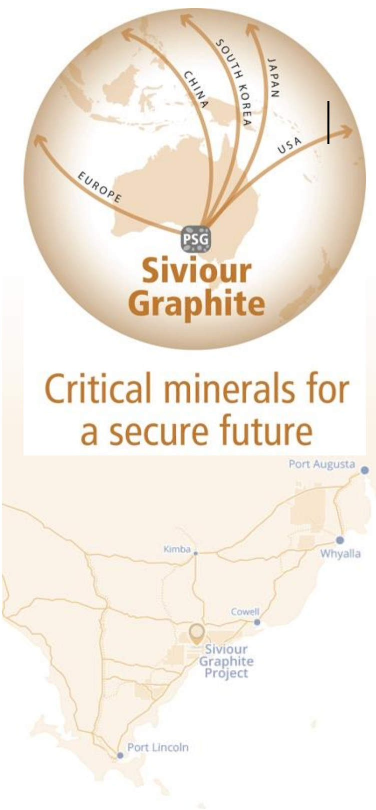

The production of lithium-ion battery anodes is largely concentrated in China, which accounts for approximately 85% (600,000tpa) of current lithium-ion battery anode capacity. The remaining 15% of lithium-ion battery anode capacity is centered in South Korea and Japan, with emerging anode production sources being developed in Europe and North America. China is also the highest growth market for lithium-ion battery anodes, with over 90% (560,000tpa) of new capacity currently under construction[6]. See Figure 3.

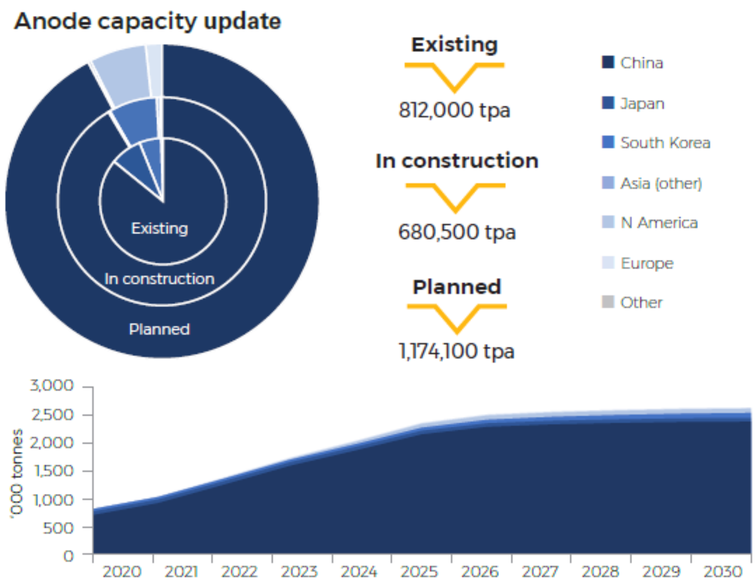

Figure 3. Global anode capacity (Source: Benchmark Mineral Intelligence, January 2021)

Bibliography

1. Renascor ASX announcement dated 1 July 2020, "Battery Anode Material Study"
2. Renascor ASX announcement dated 21 July 2020, " Siviour Now the Largest Report Reserve of Graphite Outside of Africa"

Disclaimer

[1] See South Australian Government Gazette of 14 January 2021.

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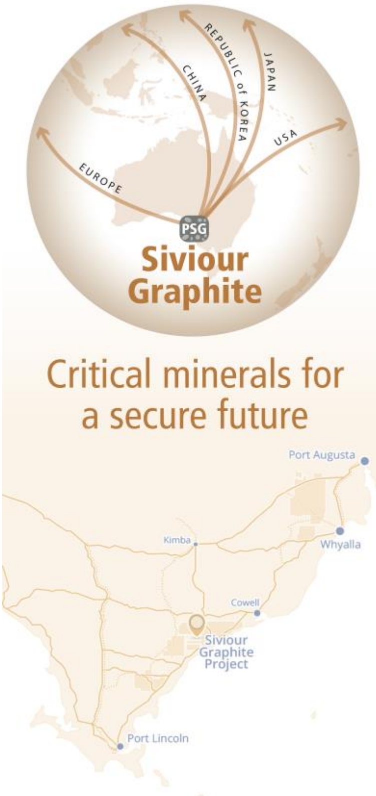

[2] In the 2018 South Australian State Budget, the reduced royalty for New Mines was discontinued from 1 July 2020. Notwithstanding this discontinuance, Siviour's classification as a 'New Mine' entitles Siviour to the reduced royalty rate through 30 June 2026. See https://energymining.sa.gov.au/minerals/mining/mineral_royalties.

[3] See Renascor ASX announcement dated 1 July 2020.

[4] See Renascor ASX announcement dated 21 July 2020.

[5] Source: Benchmark Mineral Intelligence (2019).

[6] Source: Benchmark Mineral Intelligence (2020).