

Renascor Resources Limited

ABN 90135531341

Financial Report - 31 December 2021

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 (appointed 2 July 2021)
Registered office & principal place of business	36 North Terrace Kent Town SA 5069 Phone : + 61 8 8363 6989
Share register	Link Market Services Limited ANZ Building Level 15, 324 Queen Street Brisbane QLD 4000 Phone: + 61 2 8280 7454 Fax: + 61 2 9287 0303
Auditor	BDO Audit Pty Ltd
Stock exchange listing	Renascor Resources Limited shares are listed on the Australian Securities Exchange (ASX code: RNU)
Website	www.renascor.com.au
Business objectives	Renascor Resources is an Australian-based company focused on the development of economically viable mineral deposits. Renascor has an extensive tenement portfolio, holding interests in key mineral provinces of South Australia. Its projects include the Siviour graphite project near Arno Bay, South Australia. The principal activity of the Group during the financial year was mineral exploration, development and evaluation.
Corporate Governance Statement	The board of directors of the Company ("Board") is responsible for the corporate governance of the Company. The board guides and monitors the business affairs of the Company on behalf of its shareholders by whom they are elected and to whom they are accountable. The Company believes that good corporate governance enhances investor confidence and adds value to stakeholders. The Board continually monitors and reviews its policies, procedures and charters with a view to ensure its compliance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations, 4th Edition" to the extent considered appropriate for the size of the Company and its scale of its operations. The Company's Corporate Governance Statement is available on the Company's website. www.renascor.com.au/corporate-governance

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Renascor Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Review of operations

Corporate and financial

For the half-year ended 31 December 2021, the loss for the Group after providing for income tax amounted to \$853,315 (2020: \$400,598). This included an impairment write down of capitalised exploration and evaluation expenditure of \$198,898.

Operations

Renascor's activities during the period ended 31 December 2021 were primarily directed at developing the Siviour Graphite and Battery Anode Material Project (Siviour).

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

- Renascor entered into a non-binding Strategic Cooperation and Offtake Memorandum of Understanding ("MOU") with South Korean conglomerate POSCO.

The MOU provides for the purchase of 20,000 to 30,000tpa of Purified Spherical Graphite ("PSG") from Renascor's planned Battery Anode Material operation in South Australia and also provides for a potential equity investment by POSCO in Renascor.

POSCO, one of South Korea's largest conglomerates, is the largest anode manufacturer outside of China, with production capacity of 44,000tpa and a further 69,000tpa in construction.

- Renascor's Battery Anode Material Project was awarded Major Project Status by the Australian Government. The grant of Major Project Status by the Australian Government is a recognition of the strategic significance of the Siviour Project in contributing to Australia's *Critical Mineral Strategy 2019* and the *Resource Technology and Critical Mineral Processing National Manufacturing Priority Roadmap*.
- Renascor lodged the Program for Environment Protection and Rehabilitation (PEPR) for the proposed Siviour Graphite Mine, the upstream component of Renascor's Battery Anode Material Project. The PEPR seeks approval for a processing capacity of up to 1.65 million tonnes per annum, which would permit Renascor to produce up to 150,000 tonnes of Graphite Concentrates per year.
- Renascor successfully completed large scale pilot flotation trials at an independent graphite facility as part of advanced testing for the proposed Siviour Graphite Mine. Pilot trials adopting the flowsheet parameters used in recent locked-cycle tests achieved an overall average graphite purity of 95.7% Carbon ("TC") at 94.6% graphite recovery. This compares favourably to the results from the locked cycle tests, which achieved purities of 94.6% TC with graphite recovery of 94.5%.
- Commercial-scale testing of downstream milling equipment using Siviour Graphite Concentrates delivered spherical graphite yields in excess of 65% (versus the 50% yield adopted in Renascor's Battery Anode Material Study). These higher yields from the milling process offer the potential for Renascor to produce more Purified Spherical Graphite (PSG) and improve profit margins as a result of this increased proportion of PSG material being produced per unit of Graphite Concentrate feed.
- Locked cycle purification trials undertaken by leading German independent battery mineral consultancy group Dorfner ANZAPLAN validated Renascor's eco-friendly purification process and offered increased operational efficiencies for Renascor's planned PSG manufacturing facility.

The trials confirmed the ability to exceed lithium-ion battery anode purity specifications, with results of up to 99.99% Carbon (C) (versus anode industry standard of 99.95% C).

Renascor's purification process avoids the use of hydrofluoric acid (HF), which is generally used in Chinese PSG operations, and instead uses less environmentally harmful reagents to purify Renascor's Siviour natural flake graphite for use in lithium-ion battery anodes.

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 copper, gold, nickel, cobalt and other mineral assets.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

The Australian Government, through Export Finance Australia (EFA), conditionally approved an A\$185 million loan facility to support the development of the Siviour Graphite Project. This loan was approved under the Australian Government's \$2 billion Critical Minerals Facility, which was established in September 2021 to assist the development of Australian critical minerals projects and to secure the vital supplies of resources needed to drive the new energy economy and support the resources jobs of the future.

Renascor completed a bulk production campaign to produce large-scale samples of Siviour Purified Spherical Graphite (PSG) for customer qualification purposes for existing and potential offtake partners for Renascor's Siviour Graphite and Battery Anode Material Project in South Australia. The PSG production campaign included the production of Graphite Concentrates from a 63 tonne bulk scale production program and the subsequent production of PSG through mechanical shaping and milling, followed by purification using Renascor's eco-friendly, HF-free purification process.

On 28 February 2022, Renascor issued 1,471,754 fully paid ordinary shares to IHC Robbins Pty Ltd at a price of \$0.27178464 per share for services rendered. These shares are subject to a voluntary escrow period of 6 months from the date of issue.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors



David Christensen
Director

10 March 2022

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

As lead auditor for the review of Renascor Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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



Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 10 March 2022

Renascor Resources Limited
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For the half-year ended 31 December 2021



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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 half-year. The financial statements are presented in Australian dollars, which is Renascor Resources Limited's functional and presentation currency.

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2022.

Renascor Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue			
Other income	4	2,921	9,387
Total revenue		<u>2,921</u>	<u>9,387</u>
Expenses			
Administration and consulting		(273,349)	(208,458)
Depreciation and amortisation expense		(1,789)	(510)
Employee benefits expense	5	(217,596)	(151,270)
Office accommodation		(15,298)	(15,298)
Impairment of exploration expenditure	7	(198,898)	-
Legal fees		(2,622)	(6,720)
Other expenses	6	(146,684)	(27,729)
Total expenses		<u>(856,236)</u>	<u>(409,985)</u>
Loss before income tax expense		(853,315)	(400,598)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Renascor Resources Limited		(853,315)	(400,598)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Renascor Resources Limited		<u>(853,315)</u>	<u>(400,598)</u>
		Cents	Cents
Basic earnings per share		(0.05)	(0.03)
Diluted earnings per share		(0.05)	(0.03)

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

Renascor Resources Limited
Statement of financial position
As at 31 December 2021



		Consolidated	
	Note	31 Dec 2021	30 June 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		15,403,499	17,273,801
Other receivables		61,660	109,420
Prepayments		51,446	67,305
Total current assets		<u>15,516,605</u>	<u>17,450,526</u>
Non-current assets			
Receivables		45,000	45,000
Property, plant and equipment		9,923	9,559
Exploration and evaluation	7	1,441,733	1,659,037
Development asset	8	18,350,647	17,060,233
Total non-current assets		<u>19,847,303</u>	<u>18,773,829</u>
Total assets		<u>35,363,908</u>	<u>36,224,355</u>
Liabilities			
Current liabilities			
Trade and other payables		674,253	441,226
Provisions		147,515	601,324
Total current liabilities		<u>821,768</u>	<u>1,042,550</u>
Total liabilities		<u>821,768</u>	<u>1,042,550</u>
Net assets		<u>34,542,140</u>	<u>35,181,805</u>
Equity			
Issued capital	9	52,116,802	51,903,152
Reserves	10	247,340	247,340
Accumulated losses		(17,822,002)	(16,968,687)
Total equity		<u>34,542,140</u>	<u>35,181,805</u>

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

Renascor Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Contributed equity \$	Performance Rights Reserve \$	Business Combination Reserve \$	Share Option Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2020	34,114,480	139,934	(1,417,790)	-	(14,673,667)	18,162,957
Loss after income tax expense for the half-year	-	-	-	-	(400,598)	(400,598)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(400,598)	(400,598)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	3,217,683	-	-	-	-	3,217,683
Share-based payments (note 16)	70,358	8,823	-	139,340	-	218,521
Balance at 31 December 2020	<u>37,402,521</u>	<u>148,757</u>	<u>(1,417,790)</u>	<u>139,340</u>	<u>(15,074,265)</u>	<u>21,198,563</u>

Consolidated	Contributed equity \$	Performance Rights Reserve \$	Business Combination Reserve \$	Share Option Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2021	51,903,152	108,000	-	139,340	(16,968,687)	35,181,805
Loss after income tax expense for the half-year	-	-	-	-	(853,315)	(853,315)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(853,315)	(853,315)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 9)	198,290	-	-	-	-	198,290
Share-based payments (note 16)	15,360	-	-	-	-	15,360
Balance at 31 December 2021	<u>52,116,802</u>	<u>108,000</u>	<u>-</u>	<u>139,340</u>	<u>(17,822,002)</u>	<u>34,542,140</u>

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

Renascor Resources Limited
Statement of cash flows
For the half-year ended 31 December 2021



	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(681,975)	(487,960)
Receipts from Goods & Services Tax paid	45,114	53,809
Interest received	2,921	1,387
Research & Development tax concession	53,219	151,468
Other revenue	-	8,000
	<u>(580,721)</u>	<u>(273,296)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,153)	-
Payments for exploration and evaluation	(118,426)	(108,410)
Payments for development assets	(1,392,292)	(362,220)
	<u>(1,512,871)</u>	<u>(470,630)</u>
Cash flows from financing activities		
Proceeds from issue of shares	223,290	3,643,358
Share issue transaction costs	-	(195,948)
	<u>223,290</u>	<u>3,447,410</u>
Net cash from financing activities		
	<u>223,290</u>	<u>3,447,410</u>
Net increase/(decrease) in cash and cash equivalents	(1,870,302)	2,703,484
Cash and cash equivalents at the beginning of the financial half-year	17,273,801	1,855,784
	<u>15,403,499</u>	<u>4,559,268</u>
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Details of share based payment transactions are presented in note 16.

Note 3. Operating segments

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

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

Note 4. Other income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Interest income	2,921	1,387
Other Revenue	-	8,000
Other income	<u>2,921</u>	<u>9,387</u>

Note 5. Employee benefits expense

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Employee benefits expense	186,163	125,893
Employee share-based payment expense	-	8,823
Defined contribution superannuation expense	31,433	16,554
	<u>217,596</u>	<u>151,270</u>

Employee share-based payment expense comprises of Performance Rights granted to Mr David Christensen. Further information pertaining to the Performance Rights can be found in note 16 "Share Based Payments".

Not included in the totals above is the employee benefits expenditure that has been capitalised as part of Exploration and Evaluation assets (note 7) and Development assets (note 8). The total amount of employee benefits expenditure capitalised in the half year ended 31 December 2021 is \$259,921 (2020: \$111,207). The total amount remunerated to employees during the half year is \$477,517 (2020: \$262,477).

Note 6. Other expenses

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Business development & marketing	36,899	4,747
Investor and public relations	104,221	19,230
Travel	1,682	569
Other expenses	3,882	3,183
	<u>146,684</u>	<u>27,729</u>

Note 7. Non-current assets - Exploration and evaluation

	Consolidated	
	31 Dec 2021	30 June 2021
	\$	\$
Exploration and evaluation	<u>1,441,733</u>	<u>1,659,037</u>

Reconciliations

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

	Exploration and evaluation assets \$	Total \$
Consolidated		
Balance at 1 July 2021	1,659,037	1,659,037
Expenditure during the half-year	31,594	31,594
Receipts from farm-in arrangement	(50,000)	(50,000)
Amortisation expense	(198,898)	(198,898)
Balance at 31 December 2021	<u>1,441,733</u>	<u>1,441,733</u>

Note 8. Non-current assets - Development asset

	Consolidated	
	31 Dec 2021	30 June 2021
	\$	\$
Siviour Project - at cost	<u>18,350,647</u>	<u>17,060,233</u>

Reconciliations

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

	Siviour Project \$	Total \$
Consolidated		
Balance at 1 July 2021	17,060,233	17,060,233
Additions	1,290,414	1,290,414
Balance at 31 December 2021	<u>18,350,647</u>	<u>18,350,647</u>

Note 9. Equity - Issued capital

	Consolidated			
	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,889,303,499</u>	<u>1,878,711,652</u>	<u>52,116,802</u>	<u>51,903,152</u>

Note 9. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	1,878,711,652		51,903,152
Shares issued on the exercise of options	14 September 2021	2,132,000	\$0.02	42,640
Shares issued on the exercise of options	1 October 2021	5,677,432	\$0.02	113,549
Shares issued on the exercise of options	29 October 2021	2,105,076	\$0.02	42,101
Shares issued to director in lieu of part remuneration	24 December 2021	677,339	\$0.02	15,360
Balance	31 December 2021	<u>1,889,303,499</u>		<u>52,116,802</u>

Ordinary shares

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

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

Share buy-back

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

Note 10. Equity - Reserves

	Consolidated	
	31 Dec 2021	30 June 2021
	\$	\$
Options reserve	139,340	139,340
Performance rights reserve	108,000	108,000
	<u>247,340</u>	<u>247,340</u>

Options and performance rights reserves

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

Movements in reserves

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

Consolidated	Performance rights \$	Business combination \$	Options \$	Total \$
Balance at 1 July 2021	108,000	-	139,340	247,340
Balance at 31 December 2021	<u>108,000</u>	<u>-</u>	<u>139,340</u>	<u>247,340</u>

Note 11. Equity - Dividends

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

Note 12. Contingent liabilities

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

Note 13. Related party transactions

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

Transactions with key management personnel, other than remuneration, are shown below:

	Transactions in the period \$	Amounts owing at the end of the period \$
Exploration services, sampling services and sample storage	9,250	1,609
Exploration consultancy services	22,045	-
	<u>31,295</u>	<u>1,609</u>

There were no other related party transactions in the period.

Terms and conditions

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

Note 14. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2021 %	30 June 2021 %
Kulripa Uranium Pty Ltd	Australia	100.00%	100.00%
Astra Resources Pty Ltd	Australia	100.00%	100.00%
Sol Jar Property Pty Ltd	Australia	100.00%	100.00%
Eyre Peninsula Minerals Pty Ltd	Australia	100.00%	100.00%
Ausmin Development Pty Ltd	Australia	100.00%	100.00%

Note 15. Events after the reporting period

The Australian Government, through Export Finance Australia (EFA), conditionally approved an A\$185 million loan facility to support the development of the Siviour Graphite Project. This loan was approved under the Australian Government's \$2 billion Critical Minerals Facility, which was established in September 2021 to assist the development of Australian critical minerals projects and to secure the vital supplies of resources needed to drive the new energy economy and support the resources jobs of the future.

Renascor completed a bulk production campaign to produce large-scale samples of Siviour Purified Spherical Graphite (PSG) for customer qualification purposes for existing and potential offtake partners for Renascor's Siviour Graphite and Battery Anode Material Project in South Australia. The PSG production campaign included the production of Graphite Concentrates from a 63 tonne bulk scale production program and the subsequent production of PSG through mechanical shaping and milling, followed by purification using Renascor's eco-friendly, HF-free purification process.

On 28 February 2022, Renascor issued 1,471,754 fully paid ordinary shares to IHC Robbins Pty Ltd at a price of \$0.27178464 per share for services rendered. These shares are subject to a voluntary escrow period of 6 months from the date of issue.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 16. Share-based payments

Share based payments to directors and executives

As at 31 December 2021 there were no unissued NEDSP shares (2020: Nil).

On 24 December 2021, 677,339 shares (2020: 812,570) were issued by the Company to executive directors pursuant to the Shareholder approval that was received on 30 November 2021. The issue of shares pertained to the 10% of executive director fees totalling \$15,360 that were withheld during the period 1 October 2020 to 30 April 2021.

Performance rights granted to directors and senior management

31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Vested	Balance at the end of the half-year
22/11/2018	22/11/2022	\$0.00	6,000,000	-	-	6,000,000
			6,000,000	-	-	6,000,000

At the Extraordinary General Meeting held on 3 September 2018 Shareholders of the Company granted approval for the issue of performance rights to Mr David Christensen. Details of the performance rights are in the Notice of Extraordinary General Meeting dated 1 August 2018. However the vesting conditions are outlined below:

Tranche A Performance Rights. 6,000,000 Performance Rights vested in November 2019 upon the completion of a positive Definitive Feasibility Study (DFS) in respect of the production of graphite concentrates.

Tranche B Performance Rights. 6,000,000 Performance Rights will vest upon the commencement of construction of a commercial graphite concentrate production facility.

Tranche C Performance Rights. 6,000,000 Performance Rights vested in April 2021 upon (i) the share price of Renascor ordinary shares having achieved a closing price of in excess of \$0.055 for five consecutive days after the issue date of such Performance Rights, and (ii) the date that is two and one-half years after the issue date of such Performance Rights.

Note 16. Share-based payments (continued)

The Performance Rights are expensed over the expected vesting period. The total value of Performance Rights recognised in the current period is nil. (2020: \$8,823).

The performance rights were valued as outlined below:

	Total value at grant date \$	Expensed in the period \$
Tranche A	108,000	-
Tranche B	108,000	-
Tranche C	45,600	-
Total	261,600	

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

The probability that the Tranche C rights will vest (38%) was determined using the Monte Carlo simulation. This model takes into account the randomness of the share price movements and the volatility of the underlying share.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1 year (2020: 2 years).

Renascor Resources Limited
Directors' declaration
For the half-year ended 31 December 2021



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in blue ink, appearing to read "MDCUA", written over a horizontal line.

David Christensen
Director

10 March 2022

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Renascor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized blue ink signature of the BDO firm, appearing as 'BDO' in a cursive script.

BDO Audit Pty Ltd

A blue ink handwritten signature of Paul Gosnold.

Paul Gosnold
Director

Adelaide, 10 March 2022