

Renascor Resources' Siviour graphite project gets \$185m government boost

By CAMERON ENGLAND, BUSINESS EDITOR
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Renascor Resources' Siviour graphite mining and production project in South Australia is almost fully-funded with the federal government stumping up a \$185m loan as the nation strives to become self-sufficient in critical minerals.

The company's shares piled on 20 per cent to be trading at 29c following the announcement on Wednesday, pushing the company's value north of half a billion dollars.

This time last year Renascor stock was changing hands for 3c.

The government's recently-established \$2bn Critical Minerals Facility was set up to provide funding for projects feeding into the supply of minerals necessary for technologies such as smartphones, electric vehicles and battery storage more generally.

Renascor's Siviour project near Arno Bay on the Eyre Peninsula will mine graphite and process it at a separate facility into purified spherical graphite, which is currently only produced in China.

Renascor says it has the world's second largest proven reserve of graphite at Siviour, and managing director David Christensen said pending final designs and regulatory approvals, the company could make a final investment decision by the end of this year.

The project would involve a mine on the Eyre Peninsula, and a processing facility located at Port Augusta, Port Pirie or Port Adelaide.

The project has been costed at \$205m, meaning it is now almost fully funded.

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Mr Christensen said the costs would be refined through the final design process, and would likely increase slightly, but the company was definitely well-placed with regard to project funding.

“The Siviour graphite project represents an important opportunity for Australia, and South Australia in particular, to develop a world class, globally competitive downstream processing capability in a critical mineral that is fundamental to the development of the electric vehicle revolution,” he said.

“The support from the Australian Government and Export Finance Australia is a significant and tangible endorsement of this opportunity and Renascor’s ambition to become a world-leading supplier of purified spherical graphite.”

Mr Christensen said the company had a lot of options with regards to funding the shortfall between the government’s contribution and the full capital cost of the project, but the government’s contribution had “taken the pressure off”.

The company has buyers lining up for its product, with a recent presentation indicating it had non-binding commitments for 200 per cent of its current stage-one spherical graphite production capacity.

It has an agreement with major South Korean firm POSCO to buy potentially all of its stage one production, and there are also talks underway about the possibility of the company taking an equity stake in Renascor.

Mr Christensen said studies were being progressed on a stage two expansion also.

“Next year we’d like to be well into construction,” he said.

“Best case scenario we’re commissioning at the end of 2023 and getting up to full-scale production in 2024.”

Mr Christensen said the graphite sector had the potential to emulate the strength of the lithium market, which saw strong demand for the commodity and associated strength in the share price of producers.

Minister for Trade, Tourism and Investment Dan Tehan said the investment would help position Australia as a key supplier of critical minerals to the world.

“At a time of booming global demand for smartphones, electric vehicles and other technologies this commitment from the Australian Government positions Australia strongly into the future in the critical minerals sector,” he said.

The Siviour project is expected to produce 28,000 tonnes of purified spherical graphite per year, with the stage one ebitda forecast to come in at \$US4.4bn over the life of the mine.

The project is expected to employ about 200 people once operational, and on current ore reserves will run for 40 years.

Meanwhile shares in WA rare earth developer Hastings Technology Metals also jumped on Wednesday, after the federal government’s Northern Australia Infrastructure Facility ticked off on a \$140m loan to back the company’s Yangibana project in WA’s Gascoyne region.

Hastings said the NAIF funding, which is still subject to some pre-completion conditions, will be the cornerstone of the \$300m to \$400m in debt funding needed to bring the rare earths project to fruition.

The company has already begun early works at the mine, and executive Chairman Charles Lew said the company hoped to deliver its first shipments into the growing rare earth market by 2024.

Hastings shares closed up 7.7 per cent, or 2c, to 28c on Wednesday.

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Cameron England has been reporting on business for more than 18 years with a focus on corporate wrongdoing, the wine sector, oil and gas, mining and technology. He is a graduate of the Australian Institute of C... [Read more](#)



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