

Notice of Annual General Meeting and Explanatory Memorandum

Renascor Resources Limited ACN 135 531 341

Date of Meeting: Friday 25 November 2016

Time of Meeting: 2.00pm (Adelaide time)

Place of Meeting: The Belair Room
BDO
Level 7, BDO Centre
420 King William Street
Adelaide, South Australia 5000

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Shareholders of Renascor Resources Limited ACN 135 531 341 (**Company**) will be held at the Belair Room, BDO, Level 7 BDO Centre, 420 King William St., Adelaide, South Australia 5000, on Friday 25 November 2016 at 2.00pm (Adelaide time).

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes the business to be considered at this Meeting.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Explanatory Memorandum.

Ordinary business

Financial Report

To receive and consider the Company's financial statements for the financial year ended 30 June 2016 together with the Directors' Report and the Auditors' Report.

1. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an **Ordinary Resolution**:

"That the Remuneration Report for the year ended 30 June 2016 (as set out on pages 30 to 38 of the Directors' Report) be adopted."

The Company's Annual Report 2016, which contains the Remuneration Report, is available on the Company's website at www.renascor.com.au. The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) both the following apply:
 - (i) the person does so as a proxy appointed by writing that specified how the proxy is to vote on Resolution 1; and
 - (ii) the vote is not cast on behalf of one of the people described in paragraphs (a) or (b) above.
- (b) all of the following apply:
 - (i) the person is the Chair of the Meeting; and
 - (ii) the Chair does so as a proxy appointed by means of the proxy form circulated with the Notice of Meeting that does not specify how the proxy is to vote on Resolution 1: and
 - (iii) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above; and
 - (iv) the proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

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2. Resolution 2: Election of Richard Keevers as a Director

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution** of the Company:

“That Richard Keevers, having been appointed a director of the Company on 22 July 2016, who retires in accordance with Rule 36.2 of the Company’s Constitution and being eligible and offered himself for election, be elected as a director of the Company.”

3. Resolution 3: Re-election of Geoffrey McConachy as a Director

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution** of the Company:

“That Geoffrey McConachy, who retires in accordance with Rule 38.1 of the Company’s Constitution and being eligible and having offered himself for re-election, be re-elected as a director of the Company.”

Special business

4. Resolution 4: Approval to complete EPM Acquisition

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That, subject to the passing of Resolutions 5 and 6, for the purposes of ASX Listing Rule 10.1 and for all other purposes, Shareholders approve the Company to complete the EPM Acquisition on the terms and conditions set out in the Explanatory Memorandum”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) a party to the transaction; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Independent Expert Report: Shareholders should carefully consider the Independent Expert’s Report prepared for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders. The Independent Expert has determined that the EPM Acquisition is fair and reasonable.

5. Resolution 5: Approval for issue of Consideration Securities for EPM Acquisition to Unrelated Vendors

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That, subject to the passing of Resolutions 4 and 6, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 20,096,493 Shares and 7,165,601 Options exercisable at \$0.05 per Option and expiring three years from the date of grant, to the Unrelated Vendors (or their nominee(s)) in part consideration for the EPM Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

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Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) persons who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if Resolution 5 is passed; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

6. Resolution 6: Approval for issue of Consideration Securities for EPM Acquisition to Related Party Vendors

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That, subject to the passing of Resolutions 4 and 5, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 21,972,191 Shares and 7,834,399 Options exercisable at \$0.05 per Option and expiring three years from the date of grant, to the Related Party Vendors (or their nominee(s)) as part consideration for the EPM Acquisition on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) persons who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if Resolution 6 is passed; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

7. Resolution 7: Ratification of prior issue of Shares under Placement

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior allotment and issue of 10,733,333 Shares to sophisticated and professional investor clients of Bizzell Capital Partners Pty Ltd on the terms described in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) persons who participated in the issue; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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8. Resolution 8: Approval for Bizzell Capital Partners Pty Ltd to participate in Placement

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of up to 2,600,000 Shares to Bizzell Capital Partners Pty Ltd (or its nominees) on the terms described in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) Bizzell Capital Partners Pty Ltd or its nominee; and
- (b) any associate of Bizzell Capital Partners Pty Ltd or its nominee.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

9. Resolution 9: Approval of issue of Shares to Mr Stephen Bizzell under the Non-Executive Directors' Share Plan

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of Shares to Mr Stephen Bizzell (or his nominee) in lieu of 50% of his fees in accordance with the rules of the Non-Executive Directors' Share Plan and on the terms described in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) Directors (or their nominees), except one who is ineligible to participate in the Non-Executive Directors' Share Plan; and
- (b) any associate of such Directors (or their nominees).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

10. Resolution 10: Approval of issue of Shares to Mr Andrew Martin under the Non-Executive Directors' Share Plan

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of Shares to Mr Andrew Martin (or his nominee) in lieu of 50% of his fees in accordance with the rules of the Non-Executive Share Plan and on the terms described in the Explanatory Memorandum.”

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Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) Directors (or their nominees), except one who is ineligible to participate in the Non-Executive Directors' Share Plan; and
- (b) any associate of such Directors (or their nominees).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

11. Resolution 11: Approval of issue of Shares to Mr Chris Anderson under the Non-Executive Directors' Share Plan

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of Shares to Mr Chris Anderson (or his nominee) in lieu of 50% of his fees in accordance with the rules of the Non-Executive Directors' Share Plan and on the terms described in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) Directors (or their nominees), except one who is ineligible to participate in the Non-Executive Directors' Share Plan; and
- (b) any associate of such Directors (or their nominees).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

12. Resolution 12: Approval of issue of Shares to Mr Richard Keevers under the Non-Executive Directors' Share Plan

To consider and, if thought fit to pass the following resolution, with or without modification as an **Ordinary Resolution** of the Company:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the allotment and issue of Shares to Mr Richard Keevers (or his nominee) in lieu of 50% of his fees in accordance with the rules of the Non-Executive Directors' Share Plan and on the terms described in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- (a) Directors (or their nominees), except one who is ineligible to participate in the Non-Executive Directors' Share Plan; and
- (b) any associate of such Directors (or their nominees).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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13. Resolution 13: Approval to issue an additional 10% of the issued capital of the Company over a 12 Month Period pursuant to ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a **Special Resolution** of the Company:

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum (**Placement Securities**).”*

Voting Exclusion: The Company will disregard any votes cast on this Special Resolution by a person and any associates of that person who:

- (a) may participate in the issue of the Equity Securities; or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if Resolution 13 is passed; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note:

At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

General business

To consider any other business that may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board



Angelo Gaudio
Company Secretary 25 October 2016.

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders to explain the business to be conducted at the Annual General Meeting of the Company to be held at BDO, Level 7 BDO Centre, 420 King William St, Adelaide, South Australia 5000, in the Belair Room on Friday 25 November 2016 commencing at 2.00pm (Adelaide time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms not defined in this Explanatory Memorandum are defined in Section 16.

2. Presentation of the Company's Financial Report

As required by section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the Auditor which are incorporated in the Company's Annual Report for the financial year ended 30 June 2016 will be laid before the Meeting.

The Company's Annual Report for 2016 is available on the Company's website at www.renascor.com.au.

The reports will be placed before the Shareholders for review and discussion and the Company's auditor will be present to answer questions. No voting is required for this item.

3. Resolution 1 – Remuneration Report

In accordance with section 250R of the Corporations Act, the Remuneration Report for the Company and its subsidiaries will be submitted to the AGM for Shareholder approval. The Remuneration Report is set out on pages 30 to 38 of the Directors' Report section of the Annual Report.

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

The Remuneration Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

The Company will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

Explanatory Memorandum

4. Resolution 2 – Election of Richard Keevers as a Director

Richard Keevers retires in accordance with Rule 36.2 of the Company's Constitution and, being eligible, offers himself for election as a non-executive director.

Mr Keevers was appointed on 22 July 2016.

Mr. Keevers has over 40 years of experience in the resource sector, having previously held senior executive positions with Broken Hill South Limited and Newmont Mining Limited. Mr Keevers' experience includes advancing multiple producing mines from discovery phase through development, including the Telfer gold and copper mine, the Phosphate Hill phosphate mine and the Baal Gammon copper mine. Mr Keevers also was a substantial shareholder of and served as an executive director for Pembroke Josephson Wright Limited, an Australian share brokerage firm. Mr Keevers has served on boards of several ASX-listed resource companies, and he is currently a non-executive director of Santana Minerals Limited. Mr Keevers also serves as chairman of unlisted Eyre Peninsula Minerals Pty Ltd.

Richard is a graduate of the University of New England, NSW (BSc, Geology), and is a fellow of Australasian Institute of Mining and Metallurgy.

Recommendation

The Directors (with Mr Keevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 – Re- election of Geoffrey McConachy as a Director

Geoffrey McConachy retires in accordance with Rule 38.1 of the Company's Constitution and, being eligible, offers himself for re-election as a non-executive director.

Mr McConachy was re-elected as a non-executive director on 29 November 2013.

Geoffrey McConachy is an accomplished geologist with over thirty years of Australian and international experience in the mining industry assessing uranium and a wide range of other commodities. Prior to joining the Company, Geoffrey worked for Heathgate Resources Pty Ltd and Quasar Resource Pty Ltd, where his roles included Managing Director, Exploration. While at Quasar, Geoffrey led the exploration and development team in the discovery, definition and evaluation of four uranium deposits including the Four Mile deposit, for which he was co honoured with the Prospector of the Year award from the Australian Association of Mining & Exploration Companies. His experience includes instrumental roles in the discovery of the Fosterville gold deposit in Victoria and the Potosi base metal deposit in New South Wales. Geoffrey was educated at the University of New England (BSc, Geology and Geography) (Hons). He is a fellow of the Australasian Institute of Mining and Metallurgy and a former Director of the Uranium Information Centre.

Mr McConachy is a member of the Audit and Risk Management Committee.

Recommendation

The Directors (with Mr McConachy abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 4: Approval to complete EPM Acquisition

Background

On 3 December 2015, the Company entered into a binding agreement with Eyre Peninsula Minerals Pty Ltd (**EPM**) and EPM's shareholders (**EPM Agreement**) that granted the Company an option to acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in the Company (**EPM Acquisition**). EPM, in turn, has an option to acquire Ausmin Development Pty Ltd, an unlisted company that holds the underlying rights to the Arno graphite project.

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Pursuant to the EPM Agreement, the Company committed to completing \$400,000 in exploration expenditure by 21 June 2016 in exchange for shares representing 20% of the issued shares of EPM. The EPM Agreement granted the Company two additional options pursuant to which the Company could increase its ownership in EPM to 100%. On 21 June 2016, the Company completed its initial earn-in commitment of \$400,000 in exploration expenditure acquiring 20% of EPM and also exercised its first option to acquire an additional 29% of the issued shares of EPM in exchange for the issue of 38,666,667 Shares in the Company on 11 July 2016, thereby taking the Company's holding in EPM to 49%.

A second option granted the Company the right to acquire the remaining 51% of the issued shares of EPM (to take the Company's total interest to 100%) by issuing (i) Shares in the Company to the value of \$2,040,000 as determined by the 20-day volume-weighted average price of the Company's Shares at the time of exercise, and (ii) 15,000,000 Options exercisable at \$0.05 per option and expiring three years from the date of grant (**Consideration Securities**). This second option was exercisable at any time prior to 21 December 2016 and is the subject of this Resolution 4.

On 29 August 2016, the Company notified EPM of its intent to exercise this second option, subject to Shareholder approval being sought in Resolution 5.

Mr Richard Keevers, a director of the Company, is the holder of shares in EPM in his own right and separately as a joint holder with his wife, Roslyn Keevers.

Listing Rule 10.1

Listing Rule 10.1 provides that an entity must ensure that it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a related party of the entity, a substantial holder or one of its associates, without the prior approval of holders of the entity's shareholders.

For the purposes of Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX under the Listing Rules.

The equity interests of the Company as defined by the Listing Rules and set out in the latest accounts given to the ASX under the Listing Rules for the financial year ended 30 June 2016 is \$4,869,468. 5% of this amount is \$243,473.

As the value of the consideration being issued by the Company to each of the Unrelated Vendors and the Related Party Vendors is more than 5% of the equity interests of the Company as set out in the latest accounts given to the ASX under the Listing Rules, the EPM Acquisition will result in the acquisition of a substantial asset from each of these vendors.

A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Mr Keevers is a related party of the Company because he is a non-executive director of the Company, having been appointed to that role on 22 July 2016. Mrs Keevers is a related party of the Company because she is a spouse of a director of the Company.

As a result of the above, the completion of the EPM Acquisition will result in the acquisition of a substantial asset from a related party and the Company is therefore required to seek Shareholder approval under Listing Rule 10.1.

Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert. The Independent Expert's Report set out in Annexure B sets out a detailed independent examination of the EPM Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve the EPM Acquisition.

The Independent Expert's Report enclosed with this Notice of Meeting has concluded that the EPM Acquisition is fair and reasonable. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

Explanatory Memorandum

7. Resolution 5: Approval for issue of Consideration Securities for EPM Acquisition to Unrelated Vendors

Background

As outlined in item 6, the Company provided notice to EPM of its intent to exercise its option to acquire the remaining 51% of EPM and is now required to issue 20,096,493 Shares and 7,165,601 Options exercisable at \$0.05 per Option and expiring three years from the date of grant, to the Unrelated Vendors (or their nominee(s)) in part consideration for the EPM Acquisition (**Unrelated Vendor Securities**).

Resolution 5 seeks shareholder approval for the issue of the Unrelated Vendor Securities to the Unrelated Vendors.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of its issued share capital at the commencement of that 12 month period. Equity Securities issued with shareholder approval under Listing Rules 7.1 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

In accordance with Listing Rule 7.1, shareholder approval is sought to issue the Unrelated Vendor Securities to the Unrelated Vendors (or their nominee(s)). The effect of Resolution 5 will be to allow the Company to issue the Unrelated Vendor Securities during the 3 month period after the General Meeting, without using the Company's 15% annual placement capacity, pursuant to Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the Company provides the following information:

a) Number of Unrelated Vendor Securities to be issued

- The maximum number of Shares to be issued is 20,096,493 Shares which are expected to be issued within 3 months after the date of the AGM.
- The maximum number of Options to be granted is 7,165,601 Options exercisable at \$0.05 and expiring 3 years following the date of grant. The Options are expected to be granted within 3 months after the date of the AGM.

b) Issue price

- The Shares will have a deemed issue price \$0.04849 per share determined by the 20-day volume-weighted average price of the Company's shares at the time of exercise to acquire the remaining 51% of the issued shares of EPM.
- The Options have an exercise price of \$0.05 per Option.

c) Terms of issue

- The Shares will be fully paid ordinary shares and rank equally with other Shares on issue.
- The Options are to be issued on the terms and conditions set out in Annexure A.

d) Recipients of Unrelated Vendor Securities to be issued

The Unrelated Vendor Securities will be issued to the Unrelated Vendors, each of which are not related parties of the Company, in the following proportions:

Unrelated Vendor	Shares	Options
Douglas Ian Young	8,574,507	3,057,324
Paul Anthony Crawford & Robyn Lynelle Crawford <Kuratyn Super Fund A/C>	2,143,627	764,331
Tungali Road Pty Ltd	535,907	191,083
John Gordon Park & Shirley Patricia Park <Park Superannuation Fund A/C>	803,852	286,621
Eastern Porphyry Pty Ltd	803,852	286,621
Gregory Michael Josephson & Mary	1,339,775	477,710

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Margaret Josephson <Josephson Super Fund A/C>		
Hancroft Pty Ltd	535,907	191,083
Lambertus de Graaf & Rosalyn de Graaf <Ross Mining No. 1 Super A/C>	2,679,533	955,414
Scintilla Strategic Investments Limited	2,679,533	955,414

e) Use of funds

No funds will be raised by the issue of the Unrelated Vendor Securities as they will be issued as part consideration for the EPM Acquisition.

Recommendation

The Directors (with Mr Keevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

8. Resolution 6: Approval for issue of Consideration Securities for EPM Acquisition to Related Party Vendors

Background

As outlined in item 6, the Company provided notice to EPM of its intent to exercise its option to acquire the remaining 51% of EPM and is now required to issue 21,972,191 Shares and 7,834,399 Options exercisable at \$0.05 per Option and expiring three years from the date of grant, to Mr Richard Keevers (or his nominee) and Mr Keevers and Roslyn Keevers as joint holders (or their nominees), in part consideration for the EPM Acquisition (**Related Party Securities**).

Resolution 6 seeks shareholder approval for the issue of the Related Party Securities to the Related Party Vendors.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the issue of the Related Party Securities is the issue of securities to a related party of the Company, shareholder approval is required unless an exception applies. It is the view of the ASX that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the securities to the Related Party Vendors as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the securities to the Related Party Vendors will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

In the current circumstances, the issue of the Related Party Securities to the Related Party Vendors would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of the Related Party Securities to the Related Party Vendors will constitute the provision of a financial benefit to a related party of the Company.

Explanatory Memorandum

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as part of an arm's length transaction.

The Directors (other than Mr Keevers) consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Securities to the Related Party Vendors because the EPM Agreement under which it was agreed the securities would be issued to the Related Party Vendors was negotiated on an arm's length basis.

Additional Information

For the purposes of Listing Rule 10.13, the Company advises as follows:

a) Number of Related Party Securities to be issued

- The maximum number of Shares to be issued is 21,972,191 Shares which are expected to be issued within 1 month after the date of the AGM.
- The maximum number of Options to be granted is 7,834,399 Options exercisable at \$0.05 and expiring 3 years following the date of grant. The Options are expected to be granted within 1 month after the date of the AGM.

b) Issue price

- The Shares will have a deemed issue price of \$0.04849 per Share determined by the 20-day volume-weighted average price of the Company's shares at the time of exercise to acquire the remaining 51% of the issued shares of EPM.
- The Options have an exercise price of \$0.05 per Option.

c) Terms of issue

- The Shares will be fully paid ordinary shares and rank equally with other Shares on issue.
- The Options are to be issued on the terms and conditions set out in Annexure A.

d) Recipient of Related Party Securities to be issued

The Related Party Securities will be issued to the following Related Party Vendors (or their nominees):

Related Party Vendors	Shares	Options
Richard Keevers	20,364,471	7,261,151
Richard Keevers and Roslyn Keevers as trustees for the Keevers Superannuation Fund	1,607,720	573,248

e) Use of funds

No funds will be raised by the issue of the Related Party Securities as they will be issued as part consideration for the EPM Acquisition.

f) Voting exclusion statement

A voting exclusion statement is set out in Resolution 6 in the Notice of Meeting.

Directors' Recommendation

Mr Richard Keevers has a material personal interest in the resolution and does not make any recommendations. The Directors (with Mr Keevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

9. Resolution 7: Ratification of prior issue of Shares under Placement

As announced on 5 September 2016, the Company engaged Bizzell Capital Partners Pty Ltd (BCP), an entity associated with Mr Stephen Bizzell (the Chairman), to act as lead manager of its proposed capital raising and underwriter of its recently expired suite of listed options which were exercisable on or before 30 September 2016 at \$0.03 which raised a total of approximately \$1.93 million.

Explanatory Memorandum

Additionally, BCP was granted the right (but not the obligation) to place up to 20,000,000 Shares at an issue price equal to the higher of:

- a) \$0.03 per Share; or
- b) the price equal to 77.5% of the volume weighted average price calculated over the 15 trading days immediately before the Placement is announced to the market,

to raise up to approximately \$600,000 (**Placement**).

BCP exercised the right to conduct the Placement on 14 October 2016.

A first tranche of 10,733,333 Shares under the Placement was issued to sophisticated and professional investor clients of BCP (who are not related parties of the Company) within 5 Business Days of the right being exercised (**Sophisticated and Professional Tranche**). As 77.5% of the volume weighted average price calculated over the 15 trading days immediately before the Placement was announced to the market on 14 October 2016 equated to \$0.026, the issue price for the Shares issued under the Sophisticated and Professional Tranche was \$0.03.

Pursuant to the Underwriting Agreement, BCP has or is entitled to receive a fee of 5% of the value of all Shares issued pursuant to the Placement.

BCP intends to participate in the remainder of the Placement, being up to 2,600,000 Shares, subject to the receipt of shareholder approval pursuant to Resolution 8.

The funds raised under the Placement will be used to accelerate the development of the Siviour Graphite Deposit and for working capital.

Listing Rule 7.4

Listing Rule 7.1 prohibits a company, except in certain cases and subject to Listing Rules 7.1A and 7.4, from issuing new Equity Securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Listing Rule 7.1A prohibits a company, except in certain cases and subject to Listing Rules 7.1 and 7.4, from issuing new Equity Securities equivalent in number to more than an additional 10% of its capital in any 12 month period without the prior approval of its shareholders. Equity Securities issued with shareholder approval under Listing Rules 7.1, 7.1A or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the additional 10% limit under Listing Rule 7.1A.

Listing Rule 7.4 provides that an issue of Equity Securities made without prior approval under Listing Rule 7.1 and Listing Rule 7.1A can be treated as having been made with that approval if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1 and or Listing Rule 7.1A.

If Resolution 7 is approved it will have the effect of refreshing the Company's ability, to the extent of the Sophisticated and Professional Tranche, to issue new Equity Securities equivalent in number up to 15% of its capital in any 12 month period without the prior approval of its Shareholders pursuant to Listing Rule 7.1 and will also have the effect of refreshing the Company's ability, to the extent of the Sophisticated and Professional Tranche, to issue new Equity Securities equivalent in number up to an additional 10% of its capital in any 12 month period without the prior approval of its Shareholders pursuant to Listing Rule 7.1A and without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 7 is not passed, the Sophisticated and Professional Tranche will be counted towards the 15% limit pursuant to Listing Rule 7.1 and the additional 10% limit pursuant to Listing Rule 7.1A for a period of 12 months from the date of issue.

For the purposes of Listing Rule 7.5, the Company provides the following information:

- a) **Number of Shares issued**
10,733,333 Shares were issued.
- b) **The Issue price**
The Shares were issued at an issue price of \$0.03.

Explanatory Memorandum

c) Terms of issue

The Shares were fully paid ordinary shares and rank equally with other Shares on issue.

d) Recipients of Shares issued

The Shares were issued to sophisticated and professional investor clients of BCP, none of which were related parties of the Company.

e) Use of funds

The funds will be used to accelerate the development of the Siviour Graphite Deposit and for working capital.

f) Voting exclusion statement

A voting exclusion statement is set out in Resolution 7 in the Notice of Meeting.

Recommendation

The Directors recommend that you vote in favour of this Ordinary Resolution.

10. Resolution 8: Approval for Bizzell Capital Partners Pty Ltd to participate in Placement

As outlined in item 9, BCP exercised the right to conduct the Placement on 14 October 2016 and seeks to participate in the Placement by subscribing for up to 2,600,000 Shares, subject to the receipt of shareholder approval pursuant to this Resolution 8 (**Related Party Tranche**).

As at the date of this Notice of Meeting, Stephen Bizzell and his associates together hold 4.18% of the issued Share capital in the Company. Following the issue of the 2,600,000 Shares to BCP under the Related Party Tranche, Stephen Bizzell and his associates' relevant interest would increase to 4.75% of the Company's then issued capital.

The Shares issued to BCP under the Related Party Tranche will be on the same terms as those offered to the sophisticated and professional investor clients of BCP pursuant to Resolution 7.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

BCP is a related party of the Company as it is an entity controlled by Mr Stephen Bizzell, the Chairman of the Company.

As the issue of Shares to BCP under the Related Party Tranche will amount to an issue of securities to a related party of the Company, shareholder approval is required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

In the current circumstances, the issue of the Shares to BCP under the Related Party Tranche would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of Shares to BCP under the Related Party Tranche will constitute the provision of a financial benefit to a related party of the Company.

Explanatory Memorandum

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as part of an arm's length transaction.

The Directors (other than Mr Bizzell) consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to BCP under the Related Party Tranche because the participation of BCP will be an arm's length transaction as it will be offered Shares on the same terms as those offered to the sophisticated and professional investor clients of BCP who are not related parties of the Company.

Additional Information

For the purposes of Listing Rule 10.13, the Company advises as follows:

a) Number of Shares to be issued

The maximum number of Shares to be issued is 2,600,000 Shares which are expected to be issued within 1 month after the date of the AGM.

b) Issue price

The issue price per Share will be \$0.03.

c) Terms of issue

The Shares will be fully paid ordinary shares and rank equally with other Shares on issue.

d) Recipient of Shares to be issued

The Shares will be issued to Bizzell Capital Partners Pty Ltd (or its nominees).

e) Use of funds

The funds will be used to accelerate the development of the Siviour Graphite Deposit and working capital.

f) Voting exclusion statement

A voting exclusion statement is set out in Resolution 8 in the Notice of Meeting.

Directors' Recommendation

Mr Stephen Bizzell has a material personal interest in the resolution and does not make any recommendations. The Directors (with Mr Bizzell abstaining) recommend that you vote in favour of this Ordinary Resolution.

11. Resolution 9: Approval of issue of Shares to Mr Stephen Bizzell under NEDSP

Shareholder approval was obtained at the AGM held on 27 November 2014 to potential future issues of securities to Non-Executive Directors of the Company, under the terms of a Non-Executive Directors' Share Plan (**NEDSP**) as an exception to Listing Rule 7.1.

Shareholder approval is now sought for the proposed maximum issue of 892,857 Shares to Mr Stephen Bizzell (or his nominee) in lieu of 50% of his remuneration for the period 1 October 2016 to 30 September 2017. Approval for the issue of the NEDSP Shares is sought in accordance with Listing Rule 10.14 by virtue of the fact that Mr Bizzell is a Director of the Company.

Listing Rules

Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee share plan such as the NEDSP without shareholder approval.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

Explanatory Memorandum

In the current circumstances, the issue of the NEDSP Shares to Mr Bizzell (or his nominee) would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of the NEDSP Shares to Mr Bizzell will constitute the provision of a financial benefit to a related party of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of NEDSP Shares, the subject of Resolution 9, is reasonable remuneration:

- (a) for a company of the size and nature of the Company; and
- (b) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and for those and other reasons, as such, falls within the exception set out in section 211 of the Corporations Act.

Additional Information

Details of Mr Bizzell's remuneration (inclusive of superannuation) per annum plus outstanding sacrificed remuneration owed for the previous year (total cost to the Company) is set out in the following table:

Non-executive Director	Remuneration per annum (inclusive of superannuation)	50% of Remuneration per annum	Outstanding Sacrificed Remuneration owed from previous Year	Total Remuneration Sacrificed for NEDSP Shares
Stephen Bizzell	\$60,000.00	\$30,000.00	\$0,00	\$30,000

Under the NEDSP, Mr Bizzell will be provided with the number of NEDSP Shares equal to the amount of fees in the relevant financial year plus the balance of remuneration sacrificed during the previous year divided by, in the case of shares being issued by the Company, the volume weighted average price for sales on ASX for the thirty trading days immediately before the issue of the NEDSP Shares (**30 Day VWAP**). It is not possible to predict the maximum number of NEDSP Shares that may be issued during the 12 month period ending 30 September 2017 to which approved NEDSP relates, however, approval is sought at this AGM for the issue of a maximum of 892,857 Shares (**Maximum Shares**) to Mr Bizzell for directors fees sacrificed for the period 1 October 2016 to 30 September 2017. The number for the Maximum Shares has been calculated assuming a 30 Day VWAP of 3.360 cents which was the 30 Day VWAP calculated as at 20 October 2016, and assuming that 50% of Mr Bizzell's total remuneration for the 12 month period ending 30 September 2017 is paid by issue of NEDSP Shares (outlined in the Remuneration Table above).

For the purposes of Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Shares will be offered to Mr Bizzell (or his nominee);
- (b) on the basis of Mr Bizzell's remuneration noted in the table above and assuming that he continues to sacrifice 50% of his fees at a 30 Day VWAP of 3.360 cents, the maximum number of NEDSP Shares that may be issued to Mr Bizzell is 892,857 Shares, which has been calculated as specified above;
- (c) the Company has issued 2,127,478 Shares to Mr Bizzell under the NEDSP for remuneration sacrificed for the period from 1 October 2014 to 31 March 2016;

Explanatory Memorandum

- (d) Mr Bizzell is one of four non-executive directors who are the only persons referred to in Listing Rule 10.14 currently entitled to participate in the NEDSP. NEDSP Shares will only be issued to the Mr Bizzell, Mr Martin, Mr Anderson and Mr Keevers (**Participating Directors**) under any approval obtained and will not be issued to any additional person not named in this Notice of Meeting without obtaining further shareholder approval to any such issue under Listing Rule 10.14;
- (e) a voting exclusion statement is set out under Resolution 9 in the Notice of Meeting;
- (f) details of any shares issued under the NEDSP will be published in the Annual Report in respect of the period in which NEDSP Shares are issued;
- (g) there are no loans in relation to the NEDSP Shares;
- (h) the NEDSP Shares are intended to be issued to Mr Bizzell together with the remaining Participating Directors for the period from 1 October 2016 to 30 September 2017 for up to 12 months, the intention being that NEDSP Shares would be issued to the Mr Bizzell and the Participating Directors in arrears at the end of each six months but in any event by no later than twelve (12) months from the date of the Meeting;
- (i) the NEDSP Shares will be issued on the same terms and rank pari passu with all other Shares on issue in the Company; and
- (j) no funds are being raised by the issue of the NEDSP Shares and the Company has not previously obtained approval under Listing Rule 10.14 for the issue of Shares under the NEDSP for the period from 1 October 2016 to 30 September 2017.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 6.

Directors' Recommendation

Mr Stephen Bizzell, Mr Andrew Martin, Mr Chris Anderson and Mr Richard Keevers each have a material personal interest in the resolution and do not make any recommendations. The Directors (with Mr Bizzell, Mr Martin, Mr Anderson and Mr Keevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

12. Resolution 10: Approval of issue of Shares to Mr Andrew Martin under NEDSP

Shareholder approval was obtained at the AGM held on 27 November 2014 to potential future issues of securities to Non-Executive Directors of the Company, under the NEDSP as an exception to Listing Rule 7.1.

Shareholder approval is now sought for the proposed maximum issue of 595,238 Shares to Mr Andrew Martin (or his nominee) in lieu of 50% of his remuneration for the period 1 October 2016 to 30 September 2017. Approval for the issue of the NEDSP Shares is sought in accordance with Listing Rule 10.14 by virtue of the fact that Mr Martin is a Director of the Company.

Listing Rules

Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee share plan such as the NEDSP without shareholder approval.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

In the current circumstances, the issue of the NEDSP Shares to Mr Martin (or his nominee) would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of the NEDSP Shares to Mr Martin will constitute the provision of a financial benefit to a related party of the Company.

Explanatory Memorandum

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of NEDSP Shares, the subject of Resolution 10, is reasonable remuneration:

- (c) for a company of the size and nature of the Company; and
- (d) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and for those and other reasons, as such, falls within the exception set out in section 211 of the Corporations Act.

Additional Information

Details of Mr Martin's remuneration (inclusive of superannuation) per annum plus outstanding sacrificed remuneration owed from the previous year (total cost to the Company) is set out in the following table:

Non-executive Director	Remuneration per annum (inclusive of superannuation)	50% of Remuneration per annum	Outstanding Sacrificed Remuneration owed from previous Year	Total Remuneration Sacrificed for NEDSP Shares
Andrew Martin	\$40,000.00	\$20,000.00	\$0,0	\$20,000

Under the NEDSP, Mr Martin will be provided with the number of NEDSP Shares equal to the amount of fees in the relevant financial year plus the balance of remuneration sacrificed during the previous year divided by, in the case of shares being issued by the Company, the volume weighted average price for sales on ASX for the thirty trading days immediately before the issue of the NEDSP Shares (**30 Day VWAP**). It is not possible to predict the maximum number of NEDSP Shares that may be issued during the 12 month period ending 30 September 2017 to which approved NEDSP relates, however, approval is sought at this AGM for the issue of a maximum of 595,238 Shares (**Maximum Shares**) to Mr Martin for directors fees sacrificed for the period 1 October 2016 to 30 September 2017 plus the balance of remuneration sacrificed during the previous year. The number for the Maximum Shares has been calculated assuming a 30 Day VWAP of 3.360 cents which was the 30 Day VWAP calculated as at 20 October 2016, and assuming that 50% of Mr Martin's total remuneration for the 12 month period ending 30 September 2017 plus the balance owing of amount deducted during the 12 month period ended 30 September 2016 is paid by issue of NEDSP Shares (outlined in the Remuneration Table above).

For the purposes of Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Shares will be offered to Mr Martin (or his nominee);
- (b) on the basis of Mr Martin's remuneration noted in the table above and assuming that he continues to sacrifice 50% of his fees at a 30 Day VWAP of 3.360 cents, the maximum number of NEDSP Shares that may be issued to Mr Martin is 595,238 Shares, which has been calculated as specified above;
- (c) the Company has issued 1,418,321 Shares to Mr Martin under the NEDSP for remuneration sacrificed for the period from 1 October 2014 to 31 March 2016;
- (d) Mr Martin is one of four non-executive directors who are the only persons referred to in Listing Rule 10.14 currently entitled to participate in the NEDSP. NEDSP Shares will only be issued to Mr Martin and the other Participating Directors under any approval obtained and will not be issued to any additional person not named in this Notice of Meeting without obtaining further shareholder approval to any such issue under Listing Rule 10.14;
- (e) a voting exclusion statement is set out under Resolution 10 in the Notice of Meeting;

Explanatory Memorandum

- (f) details of any shares issued under the NEDSP will be published in the Annual Report in respect of the period in which NEDSP Shares are issued;
- (g) there are no loans in relation to the NEDSP Shares;
- (h) the NEDSP Shares are intended to be issued to Mr Martin together with the remaining Participating Directors for the period from 1 October 2016 to 30 September 2017 for up to 12 months, the intention being that NEDSP Shares would be issued to the Mr Martin and the Participating Directors in arrears at the end of each six months but in any event by no later than twelve (12) months from the date of the Meeting;
- (i) the NEDSP Shares will be issued on the same terms and rank *pari passu* with all other Shares on issue in the Company; and
- (j) no funds are being raised by the issue of the NEDSP Shares and the Company has not previously obtained approval under Listing Rule 10.14 for the issue of Shares under the NEDSP for the period from 1 October 2016 to 30 September 2017.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 10.

Directors' Recommendation

Mr Andrew Martin, Mr Stephen Bizzell, Mr Chris Anderson and Mr Richard Keeevers each have a material personal interest in the resolution and do not make any recommendations. The Directors (with Mr Bizzell, Mr Martin, Mr Anderson and Mr Keeevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

13. Resolution 11 – Approval of issue of Shares to Mr Chris Anderson under NEDSP

Shareholder approval was obtained at the AGM held on 27 November 2014 to potential future issues of securities to Non-Executive Directors of the Company, under the NEDSP as an exception to Listing Rule 7.1.

Shareholder approval is now sought for the proposed maximum issue of 491,071 Shares to Mr Chris Anderson (or his nominee) in lieu of 50% of his remuneration for the period 1 October 2016 to 30 September 2017 plus outstanding sacrificed remuneration owed for the previous year. Approval for the issue of the NEDSP Shares is sought in accordance with Listing Rule 10.14 by virtue of the fact that Mr Anderson is a Director of the Company.

Listing Rules

Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee share plan such as the NEDSP without shareholder approval.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

In the current circumstances, the issue of the NEDSP Shares to Mr Anderson (or his nominee) would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of the NEDSP Shares to Mr Anderson will constitute the provision of a financial benefit to a related party of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

Explanatory Memorandum

The Company considers the proposed issue of NEDSP Shares, the subject of Resolution 11, is reasonable remuneration:

- (a) for a company of the size and nature of the Company; and
- (b) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and for those and other reasons, as such, falls within the exception set out in section 211 of the Corporations Act.

Additional Information

Details of Mr Anderson's remuneration (inclusive of superannuation) per annum plus outstanding sacrificed remuneration owed for the previous year (total cost to the Company) is set out in the following table:

Non-executive Director	Remuneration per annum (inclusive of superannuation)	50% of Remuneration per annum	Outstanding Sacrificed Remuneration owed from previous Year	Total Remuneration Sacrificed for NEDSP Shares
Chris Anderson	\$33,000.00	\$16,500.00	\$0,00	\$16,500

Under the NEDSP, Mr Anderson will be provided with the number of NEDSP Shares equal to the amount of fees in the relevant financial year plus the balance of remuneration sacrificed during the previous year divided by, in the case of shares being issued by the Company, the volume weighted average price for sales on ASX for the thirty trading days immediately before the issue of the NEDSP Shares (**30 Day VWAP**). It is not possible to predict the maximum number of NEDSP Shares that may be issued during the 12 month period ending 30 September 2017 to which approved NEDSP relates, however, approval is sought at this AGM for the issue of a maximum of 491,071 Shares (**Maximum Shares**) to Mr Anderson for directors fees sacrificed for the period 1 October 2016 to 30 September 2017 plus the balance of remuneration sacrificed during the previous year. The number for the Maximum Shares has been calculated assuming a 30 Day VWAP of 3.360 cents which was the 30 Day VWAP calculated as at 20 October 2016, and assuming that 50% of Mr Anderson's total remuneration for the 12 month period ending 30 September 2017 plus the balance owing of amount deducted during the 12 month period ended 30 September 2016 is paid by issue of NEDSP Shares (outlined in the Remuneration Table above).

For the purposes of Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Shares will be offered to Mr Anderson (or his nominee);
- (b) on the basis of Mr Anderson's remuneration noted in the table above and assuming that he continues to sacrifice 50% of his fees at a 30 Day VWAP of 3.360 cents, the maximum number of NEDSP Shares that may be issued to Mr Anderson is 491,071 Shares, which has been calculated as specified above;
- (c) the Company has issued 1,170,113 Shares to Mr Anderson under the NEDSP for remuneration sacrificed for the period from 1 October 2014 to 31 March 2016;
- (d) Mr Anderson is one of four non-executive directors who are the only persons referred to in Listing Rule 10.14 currently entitled to participate in the NEDSP. NEDSP Shares will only be issued to Mr Anderson and other Participating Directors under any approval obtained and will not be issued to any additional person not named in this Notice of Meeting without obtaining further shareholder approval to any such issue under Listing Rule 10.14;
- (e) a voting exclusion statement is set out under Resolution 11 in the Notice of Meeting;
- (f) details of any shares issued under the NEDSP will be published in the Annual Report in respect of the period in which NEDSP Shares are issued;
- (g) there are no loans in relation to the NEDSP Shares;

Explanatory Memorandum

- (h) the NEDSP Shares are intended to be issued to Mr Anderson together with the remaining Participating Directors for the period from 1 October 2016 to 30 September 2017 for up to 12 months, the intention being that NEDSP Shares would be issued to Mr Anderson and the Participating Directors in arrears at the end of each six months but in any event by no later than twelve (12) months from the date of the Meeting;
- (i) the NEDSP Shares will be issued on the same terms and rank *pari passu* with all other Shares on issue in the Company; and
- (j) no funds are being raised by the issue of the NEDSP Shares and the Company has not previously obtained approval under Listing Rule 10.14 for the issue of Shares under the NEDSP for the period from 1 October 2016 to 30 September 2017.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 11.

Directors' Recommendation

Mr Chris Anderson, Mr Stephen Bizzell, Mr Andrew Martin and Mr Richard Keevers each have a material personal interest in the resolution and do not make any recommendations. The Directors (Mr Anderson, Mr Bizzell, Mr Martin and Mr Keevers abstaining) recommend that you vote in favour of this Ordinary Resolution.

14. Resolution 12 – Approval of issue of Shares to Mr Richard Keevers under NEDSP

Shareholder approval was obtained at the AGM held on 27 November 2014 to potential future issues of securities to Non-Executive Directors of the Company, under the NEDSP as an exception to Listing Rule 7.1.

Shareholder approval is now sought for the proposed maximum issue of 595,238 Shares to Mr Richard Keevers (or his nominee) in lieu of 50% of his remuneration for the period 1 October 2016 to 30 September 2017. Approval for the issue of the NEDSP Shares is sought in accordance with Listing Rule 10.14 by virtue of the fact that Mr Keevers is a Director of the Company.

Listing Rules

Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee share plan such as the NEDSP without shareholder approval.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to that section applies or shareholders have in a general meeting approved the giving of a financial benefit to the related party.

In the current circumstances, the issue of the NEDSP Shares to Mr Keevers (or his nominee) would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or a defacto spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. Accordingly, the proposed issue of the NEDSP Shares to Mr Keevers will constitute the provision of a financial benefit to a related party of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of NEDSP Shares, the subject of Resolution 12, is reasonable remuneration:

- (a) for a company of the size and nature of the Company; and

Explanatory Memorandum

- (b) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and for those and other reasons, as such, falls within the exception set out in section 211 of the Corporations Act.

Additional Information

Details of Mr Keevers' remuneration (inclusive of superannuation) per annum plus outstanding sacrificed remuneration owed for the previous year (total cost to the Company) is set out in the following table:

Non-executive Director	Remuneration per annum (inclusive of superannuation)	50% of Remuneration per annum	Outstanding Sacrificed Remuneration owed from previous Year	Total Remuneration Sacrificed for NEDSP Shares
Richard Keevers	\$40,000.00	\$20,000.00	\$0.0	\$20,000

Under the NEDSP, Mr Keevers will be provided with the number of NEDSP Shares equal to the amount of fees in the relevant financial year plus the balance of remuneration sacrificed during the previous year divided by, in the case of shares being issued by the Company, the volume weighted average price for sales on ASX for the thirty trading days immediately before the issue of the NEDSP Shares (**30 Day VWAP**). It is not possible to predict the maximum number of NEDSP Shares that may be issued during the 12 month period ending 30 September 2017 to which approved NEDSP relates, however, approval is sought at this AGM for the issue of a maximum of 595,238 Shares (**Maximum Shares**) to Mr Keevers for directors fees sacrificed for the period 1 October 2016 to 30 September 2016. The number for the Maximum Shares has been calculated assuming a 30 Day VWAP of 3.360 cents which was the 30 Day VWAP calculated as at 20 October 2016, and assuming that 50% of Mr Keevers' total remuneration for the 12 month period ending 30 September 2017.

For the purposes of Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Shares will be offered to Mr Keevers (or his nominee);
- (b) on the basis of Mr Keevers' remuneration noted in the table above and assuming that he continues to sacrifice 50% of his fees at a 30 Day VWAP of 3.360 cents, the maximum number of NEDSP Shares that may be issued to Mr Keevers is 595,238 Shares, which has been calculated as specified above;
- (c) the Company has not issued any Shares to Mr Keevers under the NEDSP for remuneration sacrificed for the period from 1 October 2014 to 31 March 2016;
- (d) Mr Keevers is one of four non-executive directors who are the only persons referred to in Listing Rule 10.14 currently entitled to participate in the NEDSP. NEDSP Shares will only be issued to Mr Keevers and other Participating Directors under any approval obtained and will not be issued to any additional person not named in this Notice of Meeting without obtaining further shareholder approval to any such issue under Listing Rule 10.14;
- (e) a voting exclusion statement is set out under Resolution 12 in the Notice of Meeting;
- (f) details of any shares issued under the NEDSP will be published in the Annual Report in respect of the period in which NEDSP Shares are issued;
- (g) there are no loans in relation to the NEDSP Shares;
- (h) the NEDSP Shares are intended to be issued to the Mr Keevers together with the remaining Participating Directors for the period from 1 October 2016 to 30 September 2017 for up to 12 months, the intention being that NEDSP Shares would be issued to Mr Keevers and the Participating Directors in arrears at the end of each six months but in any event by no later than twelve (12) months from the date of the Meeting;
- (i) the NEDSP Shares will be issued on the same terms and rank *pari passu* with all other Shares on issue in the Company; and

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- (j) no funds are being raised by the grant of the NEDSP Shares and the Company has not previously obtained approval under Listing Rule 10.14 for the issue of securities under the NEDSP for the period from 1 October 2016 to 30 September 2017.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 12.

Directors' Recommendation

Mr Richard Keevers, Mr Stephen Bizzell, Mr Andrew Martin and Mr Chris Anderson each have a material personal interest in the resolution and do not make any recommendations. The Directors (with Mr Keevers, Mr Bizzell, Mr Martin and Mr Anderson abstaining) recommend that you vote in favour of this Ordinary Resolution.

15. Resolution 13 - Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 13, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period, pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**), each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or, if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the costs of such placement, an acquisition of new assets or investments (including expenses or interest associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors of the Company unanimously recommend that shareholders vote in favour of Resolution 13.

Listing Rule 7.1A

a) General

(1) Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 21 October 2016, the Company's market capitalisation was \$12,705,630 based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing price of the shares, on the last trading day on which trades in the shares were recorded before the date of the AGM, multiplied by the number of shares on issue

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(excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained shareholders' approval pursuant to this Resolution 13, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining shareholder approval by way of a Special Resolution at the meeting (which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution).

b) 10% Placement Period - Listing Rule 7.1A.1

Assuming Resolution 13 is passed, shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the AGM; or
- (2) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire on 25 November 2017, unless shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

c) Calculation for Additional 10% Placement - Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue, or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

D is 10 percent.

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E is the number of Equity Securities issued, or agreed to be issued, under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

d) Listing Rule 7.1A.3

(1) Equity Securities

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Meeting, the Company has 438,125,177 quoted Shares on issue.

(2) Minimum Issue Price

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (A) the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- (B) if the relevant Placement Securities are not issued within five trading days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

e) Information to be given to ASX - Listing Rule 7.1A.4

If Resolution 13 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
 - (A) details of the dilution to the existing holders of ordinary securities caused by the issue;
 - (B) where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing shareholders would have been eligible to participate;
 - (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
 - (D) any other fees or costs incurred in connection with the issue.

f) Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 438,125,177 Shares. Assuming that Resolutions 7 and 13 are passed, the Company will have the capacity to issue the following on the date of the Meeting:

- (1) 65,718,776 Equity Securities under Listing Rule 7.1; and

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- (2) subject to shareholder approval being obtained under Resolution 13 – additional 43,812,517 shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

Specific Information required by Listing Rule 7.3A

a) Minimum Price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to, and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The minimum price cannot be determined at this stage, however the Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 13 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing shareholders. The Company currently has on issue 438,125,177 Shares. Assuming that Resolutions 7 and 13 are passed, the Company could issue 43,812,517 Shares on the date of the meeting pursuant to Listing Rule 7.1A (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing shareholders.

In particular, in relation to the issue of any Placement Securities, there is a risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- decreased by 50%; and
- increased by 100%.

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Table 1

Issued Share Capital (Variable A)	50% decrease in Market Price \$0.0145		Current Market Price \$0.029		100% increase in Market Price \$0.050	
	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised
Present Issued Share Capital = 438,125,177 shares (Variable A)	43,812,518	\$635,2828	43,812,518	\$1,270,563	43,812,518	\$2,541,126
50% Increase in Share Capital = 657,187,766 Shares (Variable A)	65,718,777	\$952,922	65,718,777	\$1,905,845	65,718,777	\$3,811,689
100% Increase in Share Capital = 876,250,354 Shares (Variable A)	87,625,035	\$1,270,563	87,625,035	\$2,541,126	87,625,035	\$5,082,252

Table 1 - Assumptions and explanations

- The market price is \$0.029 based on the closing price of the shares on ASX on 21 October 2016.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued) and not any shares issued under the 15% pursuant to Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 21 October 2016.
- The issue price of the Placement Securities used in the table is the same as the market price and does not take into account the discount to the market price (if any).
- The issued share capital (Variable A) shows the present issued share capital (assumes the full 15% placement capacity under listing rule 7.1 is available) and also shows additional scenarios in which the Issued share capital has increased (by both 50% and 100%) and the market price of the shares has decreased by 50% and increased by 100%.

c) Final date for issue - Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 25 November 2017. The approval under Resolution 13 for the issue of the Placement Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

d) Purpose - Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued includes to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards cost of the placement, an acquisition of new assets or investments (including expenses and interest associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

e) Shares Issued for Non-cash consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of assets or investments, payment of fees for the grant of options or the exercise of options over assets or investments or the payment of other expenses of the Company. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

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f) Company's Allocation Policy - Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including, but not limited to, the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

g) Company has previously obtained shareholder approval under Listing Rule 7.1A – Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2015 AGM.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued in the previous 12 months preceding the date of the AGM (that is, since 26 November 2015):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	216,725,610 Shares 38,725,310 Listed Options 750,000 Unlisted Options <u>666,667 Performance Rights</u> <u>256,867,587 Equity Securities (Total)</u>
Equity securities issued in prior 12 month period	221,399,567 Ordinary Shares 25,666,671 Options
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	96.18%

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Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months:

(1)

Date of issue:	26 February 2016
Number issued	18,000,000 Ordinary Shares 4,000,000 Options
Type of equity security:	Ordinary Shares and Options
Summary of terms:	Consideration re acquisition of Sol Jar Property Pty Ltd – 18,000,000 shares and 4,000,000 listed Options expiring on 30 September 2016 exercisable at \$0.03
Names of persons who received securities or basis on which those persons was determined	Vendors of Sol Jar Pty Ltd: 1) Idinoc Pty Ltd 2) Super Impose Investments Pty Ltd
Price at which equity securities were issued:	\$0.013 per Share
Consideration received	Non-cash consideration – acquisition of Sol Jar Property Pty Ltd
Use of cash	Non-cash consideration as per agreement – acquisition of Sol Jar Property Pty Ltd.

(2)

Date of issue:	11 April 2016
Number issued	2,340,914
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares to Participating Directors of NEDSP approved at the Annual General Meeting dated 26 November 2015.
Names of persons who received securities or basis on which those persons was determined	Mr Stephen Bizzell, Mr Andrew Martin and Mr Chris Anderson (Participating Directors - NEDSP as approved at Annual General Meeting held on 26 November 2015)
Price at which equity securities were issued:	\$0.021 per Share (calculated using 30 Day VWAP)
Consideration received	Non-cash consideration - NEDSP Shares issued in lieu of sacrificed director fees.
Use of cash	Non-cash consideration - value of sacrificed director fees for 6 months from 1 October 2015 to 31 March 2016 plus balance owed from previous period pursuant to the NEDSP.

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(3)

Date of issue:	13 May 2016
Number issued	47,400,003 Ordinary Shares 11,850,003 Options
Type of equity security:	Ordinary Shares and Options
Summary of terms:	Placement to sophisticated and professional investors at \$0.015 per Share plus one (1) free attaching listed Option expiring on 30 September 2016 exercisable at \$0.03 for every four (4) new Shares acquired.
Names of persons who received securities or basis on which those persons was determined	Sophisticated and professional investors
Price at which equity securities were issued:	\$0.015 per Share No consideration for the Options issued
Consideration received	\$711,000
Use of cash	Proceeds enabled the Company to fund resource expansion drilling on the Siviour deposit and to commence comprehensive metallurgical test work at Siviour.

(4)

Date of issue:	11 July 2016
Number issued	38,666,667 Ordinary Shares
Type of equity security:	Ordinary Shares
Summary of terms:	Shareholders of Eyre Peninsula Minerals Pty Ltd (EPM)
Names of persons who received securities or basis on which those persons was determined	Shareholders of EPM as vendors of 29% of issued capital of EPM.
Price at which equity securities were issued:	\$0.016 per Share – closing price on date of issue.
Consideration received	Non-cash consideration – acquisition of additional 29% of issued capital of EPM
Use of cash	Non-cash consideration as per agreement – acquisition of additional 29% of issued capital of EPM.

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(5)

Date of issue:	11 July 2015
Number issued	39,266,668 Ordinary Shares 9,816,668 Options
Type of equity security:	Ordinary Shares and Options
Summary of terms:	Placement to Directors, associates and sophisticated and professional investors re placement as part of capital raising approved by Shareholders at General Meeting held on 30 June 2016 at a price of \$0.015 per Share plus one (1) free attaching listed Option expiring on 30 September 2016 exercisable at \$0.03 for every four (4) new Shares acquired.
Names of persons who received securities or basis on which those persons was determined	Directors, associates and sophisticated and professional investors
Price at which equity securities were issued:	\$0.015 per Share No consideration for the Options issued
Consideration received	\$589,000
Use of cash	Proceeds enabled the Company to fund resource expansion drilling on the Siviour deposit and to commence comprehensive metallurgical test work at Siviour.

(6)

Date of issue:	11 July 2016
Number issued	600,001
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares to on exercise of vested and exercisable performance rights held by eligible participant in the Company's performance Rights Plan (PRP).
Names of persons who received securities or basis on which those persons was determined	Mr David Christensen, Mr Geoffrey McConachy and Mr Angelo Gaudio (Eligible participants - PRP as approved at Annual General Meeting held on 30 November 2012)
Price at which equity securities were issued:	Nil – exercise of vested and exercisable performance rights
Consideration received	Non-cash – shares issued on exercise of vested and exercisable performance rights.
Use of cash	Non-cash - shares issued on exercise of vested and exercisable performance rights.

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7)

Date of issue:	25 August 2016
Number issued	32,500
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares to on exercise of listed options.
Names of persons who received securities or basis on which those persons was determined	Option holders - Mr Victor Lawrence Joyce and Mrs Susan Joan Abra and Stanford Hill Pty.
Price at which equity securities were issued:	\$0.03 per share
Consideration received	\$975.00.
Use of cash	Proceeds to fund resource expansion drilling on the Siviour deposit and to commence comprehensive metallurgical test work at Siviour.

8)

Date of issue:	6 October 2016
Number issued	46,487,767
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares to on exercise of listed options.
Names of persons who received securities or basis on which those persons was determined	Listed Option holders who exercised their listed options by the expiry date of 30 September 2016.
Price at which equity securities were issued:	\$0.03 per share
Consideration received	\$1,394,633.01.
Use of cash	Proceeds to fund resource expansion drilling on the Siviour deposit and to commence comprehensive metallurgical test work at Siviour.

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9)

Date of issue:	10 October 2016
Number issued	17,871,714
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares in relation to Shortfall of Underwritten Exercise of Listed Options expiring 30 September 2016.
Names of persons who received securities or basis on which those persons was determined	sophisticated and professional investors
Price at which equity securities were issued:	\$0.03 per share
Consideration received	\$ 536,151.42.
Use of cash	Proceeds to fund resource expansion drilling on the Siviour deposit and to commence comprehensive metallurgical test work at Siviour.

10)

Date of issue:	21 October 2016
Number issued	10,733,333
Type of equity security:	Ordinary Shares
Summary of terms:	Placement to sophisticated and professional investors at \$0.03 per Share.
Names of persons who received securities or basis on which those persons was determined	Sophisticated and professional investors
Price at which equity securities were issued:	\$0.03 per share
Consideration received	\$ 322,000.00.
Use of cash	Proceeds to be used to accelerate the development of the Siviour Graphite Deposit and to provide general working capital.

Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

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16. Interpretation

In this Explanatory Memorandum:

ASIC means the Australian Securities and Investments Commission;

ASX means the ASX Limited ABN 98 008 624 691;

Board means the board of directors of the Company;

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

(a) a spouse or child of the member; or

(b) a child of the member's spouse; or

(c) a dependant of the member or the member's spouse; or

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

(e) a company the member controls; or

(f) a person prescribed by the regulations for the purposes of this definition;

Company means Renascor Resources Limited ACN 135 531 341;

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time;

Directors mean directors of the Company;

Equity Securities has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting;

Independent Expert means BDO Corporate Finance (SA) Pty Ltd.

Independent Expert's Report means the report set out in Annexure B of the Notice of Meeting.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules;

Meeting or **Annual General Meeting** or **AGM** means the Annual General Meeting of Shareholders to be held at The Belair Room, BDO, Level 7 BDO Centre, 420 King William St, Adelaide South Australia 5000 on Friday, 25 November 2016 at 2.00pm (Adelaide time);

Notice of Meeting means the notice of meeting convening the Meeting and the Explanatory Memorandum;

Options mean an option to subscribe for ordinary Shares in the capital of the Company;

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

Related Party Vendors means Mr Richard Keevers, a director of the Company, and Mr Richard Keevers and Roslyn Keevers as Trustees for the Keevers Superannuation Fund.

Resolution means a resolution to be proposed at the Meeting;

Shareholder means a holder of Shares in the Company;

Shares means ordinary fully paid shares in the issued capital of the Company;

Special Resolution means a resolution:

(a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and

(b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Underwriting Agreement means the underwriting agreement between the Company and Bizzell Capital Partners Pty Ltd as announced on 5 September 2016.

Unrelated Vendors means those persons listed in item 3 of the Explanatory Memorandum who are not related parties or substantial holders of the Company.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to:

Angelo Gaudio (Company Secretary)
36 North Terrace,
Kent Town, South Australia 5067
(08) 8363 6989
Explanatory Statement – AGM 25 Nov 2016

Annexure A – Terms and Conditions of Options

1. Definitions:
 - (a) **Exercise Price** means \$0.05.
 - (b) **Issue Date** means the date of issue of the Options in accordance with Clause 5.4 of the EPM Agreement.
 - (c) **Expiry Date** means the date which is the 3rd anniversary of the Issue Date.
 - (d) **Options** means the RNU Options.
 - (e) **Company** means RNU.
2. The Options will vest on the Issue Date.
3. The Options will lapse on the Expiry Date.
4. The Options are options to subscribe for ordinary shares (**Shares**) in the capital of the Company.
5. The Options are non-transferable.
6. The Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or after the Issue Date and on or before the Expiry Date.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
9. The Option holder does not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. The Company does not intend to apply for listing of the Options on the ASX.
11. Subject to the Company being listed on the ASX, the Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Option.
12. If there is a pro rata issue (except a bonus issue), the Exercise Price of a Option may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

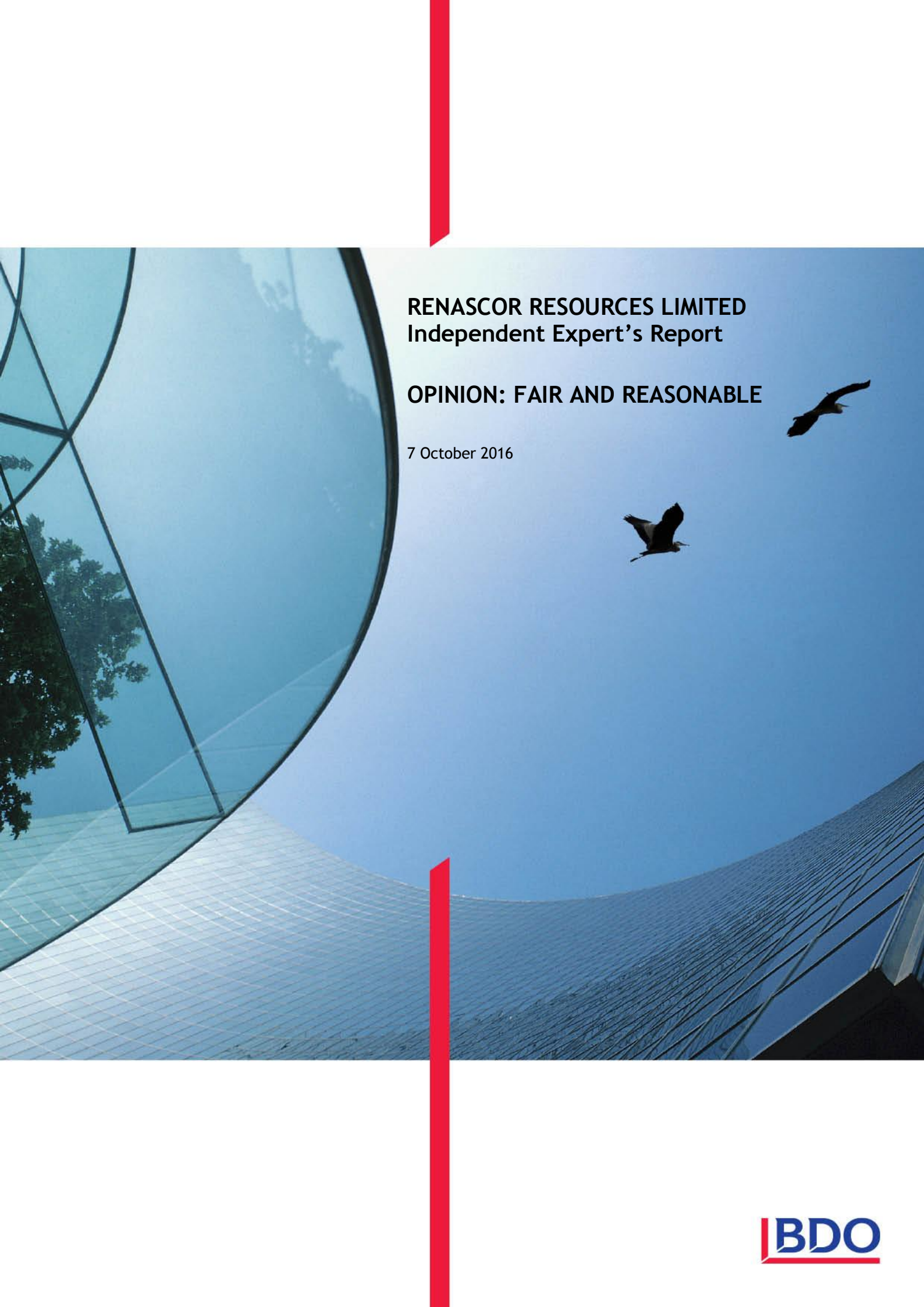
Where:

- O' = the new exercise price of the Option
- O = the old exercise price of the Option
- E = the number of underlying Shares into which one Option is exercisable
- P = if the Company is listed on the ASX, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date; or if the Company is not listed on the ASX, the market value determined by the auditor of the Company.
- S = the subscription price for a Share under the pro rata issue
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue)
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13. If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
 14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
 15. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
-

Annexure B – Independent Expert’s Report

Please refer to the Independent Expert’s Report booklet included with the Notice of Meeting documents



RENASCOR RESOURCES LIMITED
Independent Expert's Report

OPINION: FAIR AND REASONABLE

7 October 2016



Financial Services Guide

7 October 2016

BDO Corporate Finance (SA) Pty Ltd ACN 008 181 379 ('we' or 'us' or 'ours' as appropriate) has been engaged by Renascor Resources Limited ('Renascor') to provide an independent expert's report on the proposal to acquire the following:

- 51% of the shares in Eyre Peninsula Management Pty Ltd ('EPM'), who in turn has an option to acquire Ausmin Development Limited, the 100% owner of the Arno graphite project.

You will be provided with a copy of our report as a retail client because you are a shareholder of Renascor.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 259983;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (SA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (SA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (SA) Pty Ltd for this engagement is approximately \$24,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Other assignments

BDO Audit (SA) Pty Ltd is the appointed Auditor of Renascor. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement with the provision of a report. We have received a fee from Renascor for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (SA) Pty Ltd, PO Box 2018 Adelaide SA 5001.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Optiro

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The Directors
Renascor Resources Limited
36 North Terrace
KENT TOWN SA 5067

7 October 2016

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 1 September 2016 Renascor Resources Limited (**'Renascor or the Company'**) announced its intention to exercise its option to acquire the remaining 51% of outstanding issued capital in Eyre Peninsula Minerals Pty Ltd (**'EPM'**) (the **'Proposed Transaction'**), which in turn has an option to acquire Ausmin Development Pty Ltd (**'Ausmin'**), the 100% owner of the Arno graphite Project comprising four exploration licences on the Eyre Peninsula of South Australia.

BDO has been appointed by the Directors of Renascor to prepare an IER expressing our opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Renascor (**'Shareholders'**) under Australian Securities Exchange (**'ASX'**) Listing Rule 10.1.

The IER is required under ASX Listing Rule 10.1 as Richard Keevers is a director of Renascor and EPM and a substantial shareholder of EPM and shareholders from which Renascor is acquiring the shares in EPM includes Richard Keevers and associated entities. ASX Listing Rule 10.1 requires that the acquisition of a substantial asset from a director of a public company must be approved by the holders of the entity's ordinary securities.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Renascor have requested that BDO Corporate Finance (SA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Renascor (**'Shareholders'**).

Our Report is prepared pursuant to ASX listing rule 10.1 and is to be included in the Explanatory Memorandum for Renascor in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 74 'Acquisitions Approved by Members' (**'RG 74'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of the consideration provided compares to the value of the assets acquired;
- How the value of a Renascor share prior to the Proposed Transaction compares to the value of a Renascor share post the Proposed Transaction.
- The likelihood of a superior alternative offer being available to Renascor;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Proposed Transaction is fair and reasonable to Shareholders. In our opinion, the Proposed Transaction is fair because the value of the consideration paid by Renascor is less than the value of the asset acquired. We consider the Proposed Transaction to also be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages.

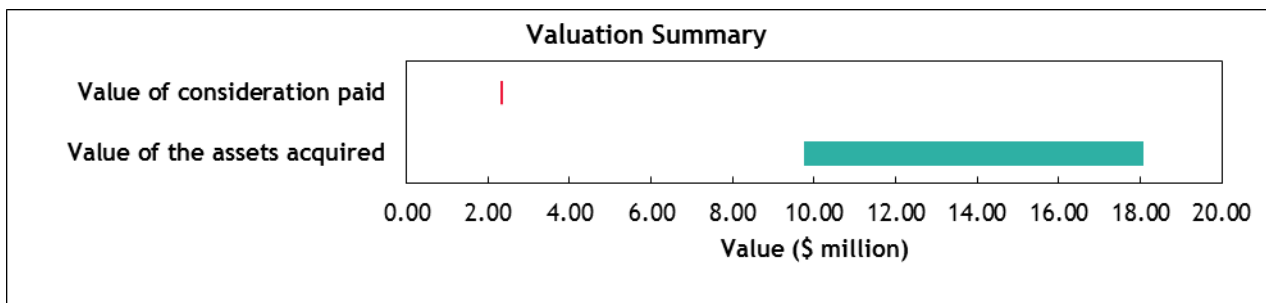
2.4 Fairness

In section 15 we determined that the Proposed Transaction consideration paid compares to the value of the assets acquired, as detailed below.

	Ref	Low \$m	Preferred \$m	High \$m
Value of consideration paid	14	2.33	2.33	2.33
Value of the assets acquired	13	9.76	15.87	18.07

Source: BDO analysis

The above valuation ranges are graphically presented below:

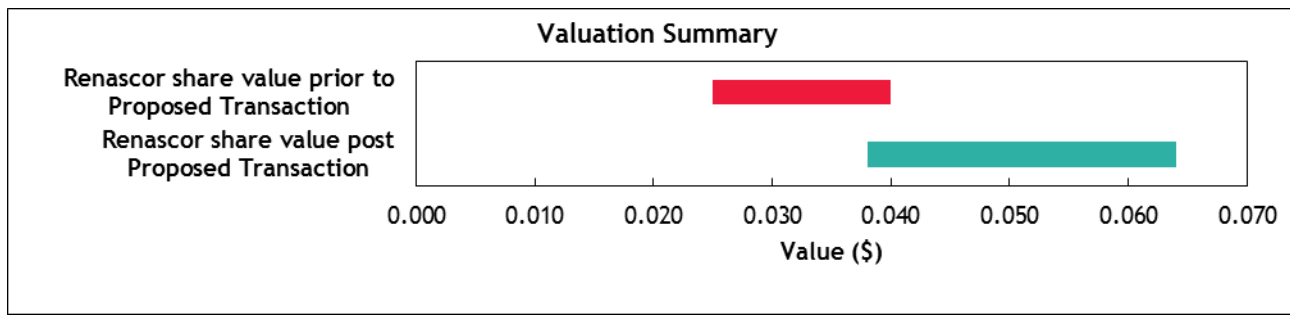


In section 15 we also determined that the value of a Renascor share prior to the Proposed Transaction compares to the value of a Renascor share post the Proposed Transaction as set out below:

	Ref	Low \$	Preferred \$	High \$
Value of a Renascor share prior to the Proposed Transaction	10.3	0.025	0.036	0.040
Value of a Renascor share post the Proposed Transaction	12.2	0.038	0.057	0.064

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Proposed Transaction is fair for Shareholders.

2.5 Reasonableness

As set out in Section 16, the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
16.3	The Proposed Transaction is fair	16.4	Dilution of existing shareholders
16.3	Potential to undertake control of 100% of the project	16.4	Further capital raise

Other key matters we have considered include:

Section	Description
16.1	Alternative proposal
16.2	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. Based on the audited accounts as at 30 June 2016, the value of the consideration to be paid for assets is greater than 5% of the equity interest of Renascor.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or substantial shareholder of the listed entity.

Richard Keevers is a director of Renascor and EPM and a substantial shareholder of EPM and shareholders from which Renascor is acquiring the shares in EPM includes Richard Keevers and associated entities.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded in respect of the transaction, being the non-associated shareholders.

Accordingly, an independent experts' report is required for the Proposed Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Renascor.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of the entity, Renascor, by either:

- undertaking a detailed examination of the Proposed Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Renascor have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is not a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a non-control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable

and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities which are the subject of the offer in a control transaction, the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if the expert believes that, despite being 'not fair', there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the consideration provided and the value of the assets acquired (fairness - see Section 15 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 16 'Is the Proposed Transaction Reasonable?').

3.4 APES 225 requirements

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

As announced on 1 September 2016 the Company announced its intention to exercise its option to acquire the remaining 51% of outstanding issued capital of EPM, which in turn has an option to acquire Ausmin, the 100% owner of the Arno graphite project.

Renascor has the right to acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in Renascor. Renascor committed to and completed \$400,000 in exploration expenditure in exchange for a 20% interest in EPM.

On 22 June 2016 Renascor announced it had secured an interest in an additional 29% of EPM through the issue of 38.67 million ordinary shares, bringing their total interest in EPM to 49%.

The announcement on 1 September 2016 relates to the second option under the agreement with EPM announced on 3 December 2015, granting Renascor the right to acquire all remaining EPM Shares (51%), bringing their total interest to 100%, by:

1. Issuing shares to the value of \$2,040,000 in Renascor where the value and issue price of each share is the 20 day volume weighted average price (VWAP) as at the date of exercise
2. Issuing 15,000,000 options exercisable at \$0.05 per option, expiring three years after the issue date

On 1 September 2016, Renascor announced its intention to exercise its option to acquire 100% of EPM by issuing ordinary shares to the value of \$2,040,000 and 15,000,000 options.

The agreement between EPM and Ausmin grants EPM the option to acquire 100% of the issued capital in Ausmin (“**Ausmin Option**”) by:

1. EPM having explored and evaluated the Exploration Titles
2. EPM having completed definitive studies in the commercial development of mineralisation on the Exploration Titles
3. EPM having formally notified Ausmin that it has received acceptance for project finance purposes of a Definitive Feasibility Study from a bank whose business includes resource financing, in relation to commercial development of graphite on the Exploration Titles
4. issue shares equating to 22% of the issued capital of the listed entity holding the Arno Graphite Project as at the date of exercise

Based on our discussions with Management, it is likely that, under the current circumstances, shares in Renascor would be issued upon exercise of the Ausmin Option. For the purposes of our report we have assumed that Renascor shares will be issued to Ausmin shareholders upon exercise of the Ausmin Option.

Richard Keevers is a director of Renascor and EPM and a substantial shareholder of EPM and shareholders from which Renascor is acquiring the shares in EPM includes Richard Keevers and associated entities.

5. Profile of Renascor Resources Limited

5.1 History

Renascor Resources Limited is an Australian-based company focused on the discovery and development of economically viable mineral deposits. The company has an extensive tenement portfolio holding interests in graphite, copper, precious metals and uranium projects in key mineral provinces in South Australia, Western Australia and the Northern Territory. It holds interests in nine projects including significant graphite projects being the Arno graphite project in South Australia and the Munglinup project in Western Australia. The company was formerly known as Renaissance Uranium Limited and changed its name to Renascor Resources Limited in December 2013. Renascor Resources Limited is based in Adelaide, Australia.

5.2 Projects

Arno Graphite Project

The Arno graphite project is the collective name for the four granted exploration licences which hosts the Siviour graphite deposit located along the east coast of the Eyre Peninsula of South Australia. The Siviour graphite deposit is presently the largest reported graphite mineral resource in Australia. The four licences are:

Licence	Area km ²	Valid until	Right to earn interest	Licence holder
EL5204	81	4 April 2017	100%	Ausmin
EL5495	329	28 September 2017	100%	Ausmin
EL5618	690	28 January 2017	100%	Ausmin
EL5714	270	4 February 2018	100%	Ausmin

The project area comprises an area of approximately 1,370 km² and is situated on the Eyre Peninsula of South Australia. The project comprises several well-defined graphite prospect areas of which the Siviour prospect is the most advanced.

Renascor currently holds 49% of EPM which in turn holds the rights to acquire a 100% interest in exploration licences 5204, 5495, 5618 and 5714. Overall Renascor owns a right to 49% of licences EL5204, EL5495, EL5618 and EL5714.

Current progress on the project is as follows:

- Two stages of reverse circulation drilling and one stage of diamond core drilling were completed to define the initial JORC Mineral Resource estimate
- Analysis of mineralised samples selected from the initial drilling programmes indicate the graphite content is mostly 7 to 30% volume with the average length of individual flakes from 100µm to 800µm with the expectation that the interstitial graphite would be relatively easily liberated during processing to create graphite concentrate.
- Additional reverse circulation drilling and diamond core drill programmes have confirmed the continuity of the graphite mineralisation for at least an additional 1km.

Further information on the project is contained in the Independent Specialists report at Appendix 3.

Other Projects

Renascor holds other mineral assets including those outlined in the table below:

Mine	Location	Tenements	Area	Target
Munglinup	Albany Fraser Range (Western Australia)	E75/517, E74/518, E74/523, E74/531, E74/544, E74/545	579 km ²	Graphite, lithium and nickel sulphide
Eastern Eyre	Southern Gawler Craton (South Australia)	ELs 4721, 5012 and 5236	1,200 km ²	Copper and associated mineralisation
Warrior	Gawler Craton (South Australia)	ELs 4570 and 4707	310 km ²	Sandstone-hosted uranium
Carnding	Gawler Craton (South Australia)	EL 4707	162 km ²	Gold
Farina	Adelaide Fold Belt (South Australia)	ELs 4822 and 5586	1,305 km ²	Sedimentary and near-surface oxide copper

5.3 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
CURRENT ASSETS		
Cash and cash equivalents	862,488	1,075,336
Trade and other receivables	154,720	224,803
Other	15,887	23,355
TOTAL CURRENT ASSETS	1,033,095	1,323,494
NON-CURRENT ASSETS		
Plant and equipment	7,287	9,596
Exploration and evaluation assets	5,977,606	3,534,046
TOTAL NON-CURRENT ASSETS	5,984,893	3,543,642
TOTAL ASSETS	7,017,988	4,867,136
CURRENT LIABILITIES		
Trade and other payables	345,763	242,337
Provisions	132,007	154,979
TOTAL CURRENT LIABILITIES	477,770	397,316
NON-CURRENT LIABILITIES		
Provisions	70,750	57,630
TOTAL NON-CURRENT LIABILITIES	70,750	57,630
TOTAL LIABILITIES	548,520	454,946
NET ASSETS	6,469,468	4,412,190
EQUITY		
Contributed equity	13,235,479	11,903,316
Reserves	1,041,506	1,026,312
Accumulated losses	(9,407,517)	(8,517,438)
PARENT INTERESTS	4,869,468	4,412,190
Non-controlling interests	1,600,000	-
TOTAL EQUITY	6,469,468	4,412,190

Source: Annual Report 2016

The auditors have issued an unqualified audit report for Renascor's 2016 Annual Report.

The most significant changes from 2015 to 2016 were the acquisition through business combinations of 29% of Eyre Peninsula Minerals Pty Ltd and 100% of Sol Jar Property Pty Ltd.

5.4 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$
Revenue	27,996	26,317
Other income	12,000	41,556
Administration and consulting	(129,559)	(121,304)
Depreciation and amortisation expense	(4,158)	(7,296)
Employee benefits expense	(427,155)	(500,131)
Legal fees	(10,288)	300
Office accommodation	(30,596)	(30,225)
Impairment of exploration costs	(265,602)	(4,266,131)
Other expenses	(62,717)	(75,512)
Loss before income tax	(890,079)	(4,932,426)
Income tax expense	-	-
Loss after income tax	(890,079)	(4,932,426)
Total comprehensive loss for the year	(890,079)	(4,932,426)

Source: Annual Report 2016

5.5 Capital Structure

The share structure of Renascor as at 1 September 2016 is outlined below:

	Number
Total Ordinary Shares on Issue	363,032,363
Top 20 Shareholders	164,635,171
Top 20 Shareholders - % of shares on issue	45.35%

Source: Management

The range of shares held in Renascor as at 1 September 2016 is as follows:

Range of Shares Held	No. of Ordinary Shareholders
1-1,000	14
1,001-5,000	20
5,001-10,000	74
10,001-100,000	471
100,001 - and over	388
TOTAL	967

Source: Management

The ordinary shares held by the most significant shareholders as at 1 September 2016 are detailed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares (%)
Andrew Martin and related interests	23,834,988	6.57%
Richard Keevers and related interests	20,195,334	5.56%
Others	319,002,041	87.87%
Total Ordinary Shares on Issue	363,032,363	100%

Source: Management

Listed options on issue of Renascor as at 1 September 2016 are outlined below:

Number of Options	Exercise Price (\$)	Expiry Date
64,359,481	0.03	30/9/2016

Source: Management

6. Profile of the assets to be acquired

6.1 Interest in Eyre Peninsula Minerals Pty Ltd

The Proposed Transaction includes Renascor's acquisition of the remaining 51% of the outstanding share capital in EPM which will provide Renascor with an option to acquire a 100% interest in the four granted exploration licences that comprise the Arno Graphite Project.

Option to acquire Ausmin Development Pty Ltd

EPM's sole material asset is the option to acquire Ausmin Development Pty Ltd (Ausmin) the 100% owner of the Arno Graphite Project.

The Arno Graphite Project hosts the Siviour graphite deposit, presently the largest reported graphite mineral resource in Australia.

6.2 History

Eyre Peninsula Pty Ltd

EPM is an Australian private company which was incorporated on 17 October 2013 for the purpose of developing the exploration licences comprising the Arno Graphite Project. Prior to entering the agreement that granted Renascor an option to acquire EMP, EPM conducted limited graphite exploration activities over the project tenements.

Ausmin Development Pty Ltd

Ausmin is an Australian private company which was incorporated on 21 August 2009 for the purpose of acquiring, holding and developing exploration licences. Ausmin acquired the rights to the tenements comprising the Arno Graphite Project prior to 2013.

EPM has a binding agreement with Ausmin, the Exploration Licence holders of licences EL5204, EL5495, EL5618 and EL5714 ("Exploration Titles") to fund and explore those licence areas for graphite. EPM holds the option to acquire up to a 100% interest in Aumin ("Ausmin Option"). The option can be exercised up until 30 September 2018 and can be extended to 31 December 2019 by payment of \$150,000 and to 31 December 2020 by payment of \$250,000.

To exercise the option EPM must:

1. have explored and evaluated the Exploration Titles
2. have completed definitive studies in the commercial development of mineralisation on the Exploration Titles
3. have formally notified Ausmin that it has received acceptance for project finance purposes of a Definitive Feasibility Study from a bank whose business includes resource financing, in relation to commercial development of graphite on the Exploration Titles
4. issue shares equating to 22% of the issued capital of the listed entity holding the Arno Graphite Project as at the date of exercise



EPM holds an option to acquire a 100% interest in Ausmin, and as such, a 100% interest in the Exploration Titles. The shareholders of EPM have agreed to collectively sell their remaining 51% of the shares in EPM to Renascor Resources Ltd.

We have been advised by the management of Rensacor and the directors of EPM that EPM has no material assets or liabilities other than the Ausmin Option.

We have been advised by the management of Ausmin and the directors of Ausmin that Ausmin has no material assets or liabilities other than the Arno Graphite Project.

7. Economic analysis

7.1 Global Overview

Overall, the global economy is continuing to grow, though at a slightly slower pace than earlier expected. Although several advanced economies have seen improved growth over the past year, conditions have become more difficult for a number of emerging market economies. Key commodity prices have significantly declined over the past few years as a result of increased supply and weaker demand.

In China, economic activity has eased and the growth rate has continued to moderate following the Government's stimulus plan, which will see China shift away from an economy dependent on manufacturing, to one driven by consumer demand. China's demand for commodities such as crude oil, steel, coal and other raw materials have decreased, therefore affecting the global economy.

Global financial markets have seen improved sentiment following a period of increased volatility. However, uncertainty regarding the global economic outlook and policy settings for major jurisdictions continues. Globally, monetary policy remains accommodative.

7.2 Australia

The Australian economy seems to be continuing to rebalance off the end of the mining boom despite a large decline in business investment. Overall growth is continuing to grow, albeit at a lower than average pace, supported by domestic demand and exports that have been expanding at a pace at or above trend. Growth in the labour market is subdued and consistent with a modest pace of expansion in employment in the near term. The inflation rate remains low in Australia, along with other parts of the world. This is likely to continue over the next few years with the help of subdued growth in labour costs.

Commodity prices

Commodity prices are above recent lows, following very substantial declines over the past couple of years. They are, however, still much lower than that of a few years ago. Australia's terms of trade remain much lower than it has been in recent years. Prices tend to rely on demand, in particular from the Chinese industrial sector, along with the response to changes in supply. Due to low oil prices, producers of bulk commodities have in general been reducing their cost of production, as oil is an important input for the transportation of these commodities. However, the ability for these producers to keep on reducing their costs is unlikely and may lead to firms exiting the market.

Financial markets

The financial markets have experienced heightened volatility recently due to the re-pricing of assets following Britain's exit from the European Union. However, most markets have continued to function effectively. Funding costs for high-quality borrowers remain low and monetary policy around the globe remains generous.

Interest rates

Credit is recording moderate growth overall. Low interest rates are acting to support borrowing and spending, and supporting domestic demand. Growth in lending to the housing market has slowed a little this year. Dwelling prices have been rising moderately over the course of this year. However, an influx of apartments onto the property market is expected over the next few years, particularly in the eastern capital cities. The cash rate remains unchanged at 1.50%.

Australian dollar

The Australian dollar has appreciated recently, despite its noticeable declines against the US dollar over the past year. This in part reflects rises in commodity prices, along with monetary developments globally having a positive impact. Due to current economic circumstances, a strengthening exchange rate could complicate the adjusting economy.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 6 September 2016.

8. Industry analysis

8.1 Graphite

8.1.1 Overview

Graphite is one of four main forms of crystalline carbon. Graphite in its natural form is a very soft low density mineral with a metallic lustre. Graphite occurs naturally in metamorphic rocks and is flexible. It has both metallic and non-metallic properties and is considered to be the most electrically and thermally conductive of non-metals and is chemically inert.

Graphite occurs in several forms described as amorphous, flake and vein. Amorphous graphite is the lowest quality and most abundant form of graphite. Flake graphite is higher quality than amorphous and occurs as separate flakes which crystallise in the metamorphic rocks. Vein graphite is the rarest, highest quality and most valuable form of natural graphite. It occurs in veins along intrusive contacts in solid lumps.

8.1.2 Graphite Prices

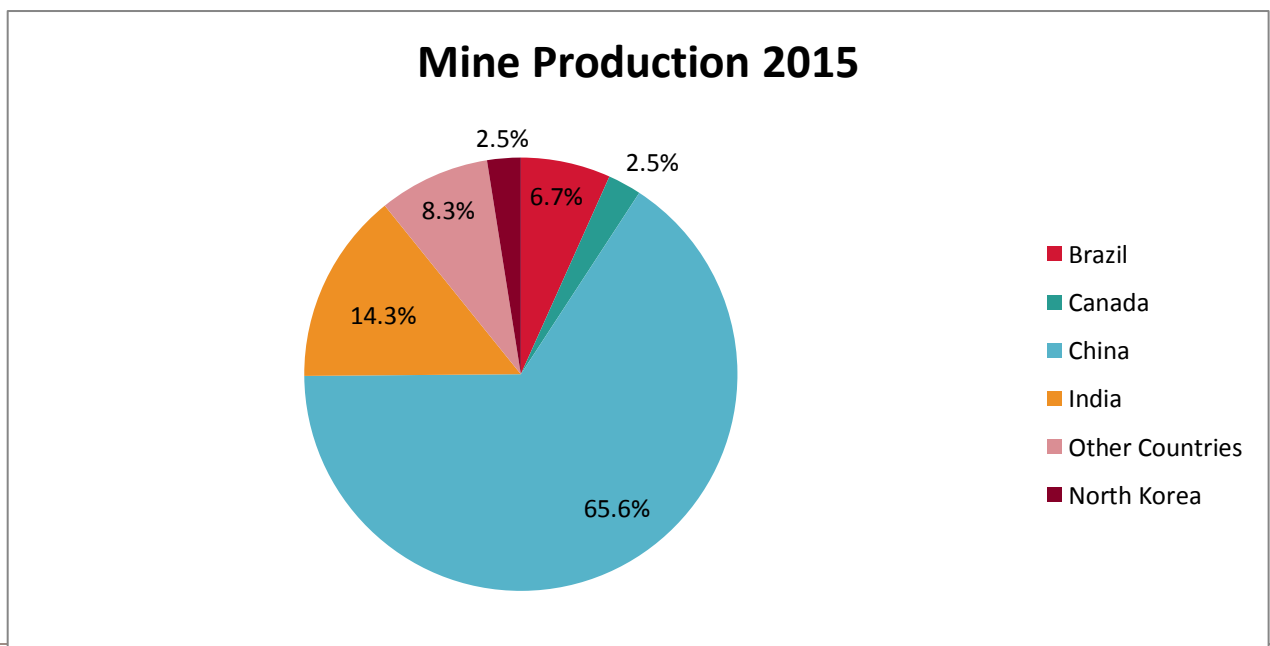
Graphite prices are determined by particle (flake) size, carbon content (purity) and shape.

From 2005 to 2011, graphite prices traded between US\$1,500/t to US\$1,600/t. As with most commodities, graphite prices declined during the global financial crisis. Since the global financial crisis, graphite prices peaked dramatically in 2012 reaching a high of approximately US\$3,000/t.

However, more recently due to excess production and reduced demand, prices have declined to pre-global financial crisis levels to US\$1,300/t.

8.1.3 Global Production

China is the world's leading producer of natural graphite in the amorphous and flake form, producing approximately 66% of global production in 2015. India, Brazil, Canada and North Korea together accounted for approximately 26% of global production in 2015.



India, Brazil and Canada are producers of primarily flake graphite. Vein graphite is only commercially mined in Sri Lanka which accounts for approximately 0.34% of global production.

8.1.4 Outlook

Traditionally, demand for graphite has largely been driven by the steel and automotive manufacturing industries. In the steel industry, graphite is primarily used as liners for refractories, ladles and crucibles and as an agent to increase the carbon content of steel. In the automotive manufacturing industry, the major uses of graphite include batteries, brakes, spark plugs, bearings, gaskets, clutch materials and many more.

Going forward, global demand for graphite is expected to continue to be driven primarily by the automotive manufacturing and steel industry. Electrodes and refractory usage is the largest single use application of graphite. Further development in technological applications such as aerospace, fuel cells, graphene, lithium-ion batteries, pebble-bed nuclear reactors and solar powers will also contribute to the growth in the global graphite industry.

Increased global demand for graphite to be used in batteries is expected to have a significant effect on the global graphite industry. Most portable electronic devices such as laptops, tablets and smartphones use lithium-ion batteries, with the average smartphone battery containing about 15 grams of graphite.

Electric vehicles also use lithium-ion batteries which contain significant amounts of graphite. The growth in the electric vehicle manufacturing industry is a key driver for graphite demand with leading manufacturers such as Tesla Motors heavily investing in projects such as the \$5 billion Nevada Gigafactory.

The Nevada Gigafactory is expected to produce lithium-ion batteries for approximately 500,000 electric vehicles a year. The increase in manufacture and sales of hybrid and electric vehicles is expected to increase the demand for graphite in fuel cells and battery applications, with the average fully electric vehicle requiring approximately 50 kilograms of graphite.

Technological improvements in the production of graphene are also expected to play an important role in the demand for graphite in the near future.

Source: U.S. Geological Survey and BDO Analysis

9. Valuation methodology and approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Renascor shares we have chosen to employ the following methodologies:

- Net Asset Value
- Market based assessment
- QMP

We have chosen these methodologies for the following reasons:

- We have considered QMP as a primary method. In accordance with RG111.69, we note that there is a deep and liquid market for the trading of Renascor shares. Therefore, there is a sufficiently active trading market to reflect a fair market value of the Company's shares, which makes the QMP method a reliable valuation approach. RG 111.32 also requires the consideration of the volatility of the market price of the entity's shares. We note that the share price of Renascor has traded in a narrow range in the period leading up to the acquisition announcement and there were minimal days where no trading occurred.
- Renascor is a holder of exploration assets with a limited amount of revenue produced from bulk sampling, as such we do not consider that we have reasonable grounds to use an income based valuation methodology such as DCF.
- We have used a market based assessment by Optiro Pty Ltd ("Optiro") to value the mineral asset interests being acquired and those held prior to the transaction to undertake a Net Asset Valuation as a secondary method as required by ASIC's regulatory guidance.

Our approach in this Report is to consider the:

- Value of Renascor prior to the Proposed Transaction (Section 10)
- Value of Renascor post the Proposed Transaction and exercise Ausmin Option (Section 11)
- Value of Renascor post the Proposed Transaction (Section 12)

Based on our discussions with the Management, it is likely that, under the current circumstances, shares in Renascor would be issued upon exercise of the Ausmin Option. For the purposes of our report we have assumed that Renascor shares will be issued to Ausmin shareholders upon exercise of the Ausmin Option.

10. Valuation of Renascor prior to the Proposed Transaction

10.1 Quoted Market Prices for Renascor Securities

To provide a comparison to the valuation of Renascor in Section 10.2, we have also assessed the quoted market price for a Renascor share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

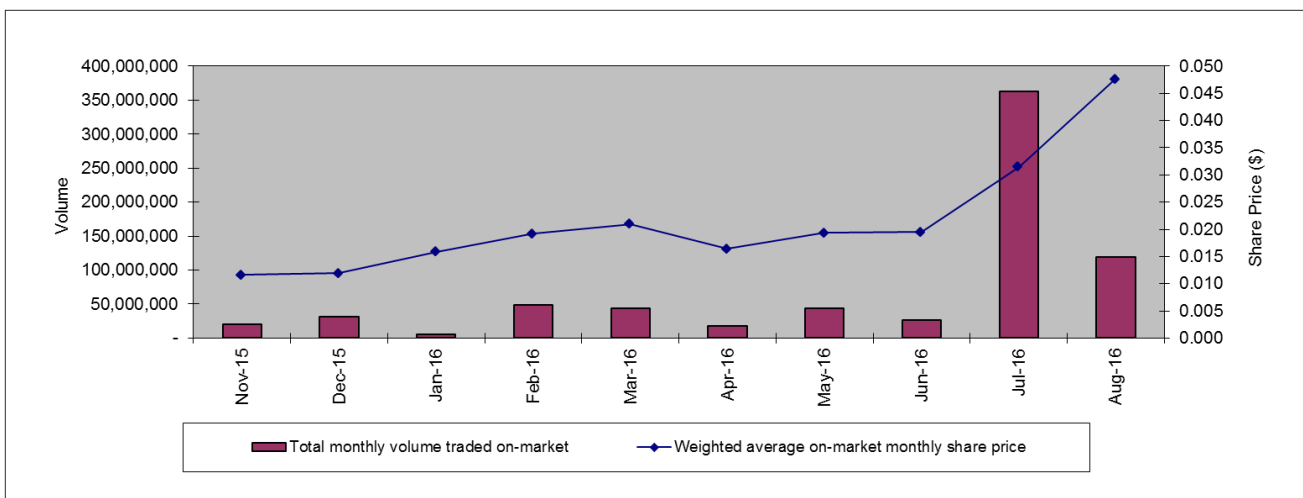
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

As the Proposed Transaction is not a control transaction we have not incorporated a premium for control.

Minority interest value

Our analysis of the quoted market price of a Renascor share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Renascor share after the announcement may include the effects of any change in value as a result of the Transaction being announced. However, we have considered the value of a Renascor share following the announcement of the Transaction when we have considered reasonableness in Section 16.

Information on the Transaction was announced to the market on 1 September 2016. Therefore, the following chart provides a summary of the share price movement over the twelve months to 31 August 2016 which was the last trading day prior to the announcement of the Transaction.



Source: Bloomberg

The daily price of Renascor shares from 31 August 2015 to 31 August 2016 has ranged from a low of \$0.009 on 27 November 2015 to a high of \$0.060 on 12 August 2016. The share price of Renascor has been relatively stable until July 2016, where it peaked to a high of \$0.060 on 12 August 2016 and 16,478,477 shares were traded. The highest single day of trading was on 14 July 2016 where 147,058,267 shares were traded, representing approximately 20% of total volume for the period.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
4/09/2015	Eastern Eyre Exploration Update	0.011	▶ 0.0%	0.011	▶ 0.0%
10/09/2015	Acquisition of Graphite/Nickel Sulphide Project	0.020	▲ 81.8%	0.016	▼ 20.0%
26/10/2015	Large-scale Graphite Prospects at Munglinup Project	0.015	▲ 15.4%	0.015	▶ 0.0%
3/12/2015	Acquisition of Major, High-grade Graphite Project	0.011	▶ 0.0%	0.013	▲ 18.2%
6/01/2016	Arno Graphite Project Update	0.016	▲ 14.3%	0.015	▼ 6.3%
10/02/2016	Extensive Thick Graphite Intersections at Arno Project	0.016	▲ 6.7%	0.015	▼ 6.3%
16/02/2016	More Thick High Grade Graphite Intersections at Arno Project	0.019	▲ 26.7%	0.023	▲ 21.1%
25/02/2016	Drill Assays Confirm More Thick High Grade Graphite	0.024	▲ 20.0%	0.023	▼ 4.2%
11/03/2016	Arno Graphite Project Update	0.023	▲ 15.0%	0.019	▼ 17.4%
17/03/2016	Maiden JORC Mineral Resource Estimate for Siviour Deposit	0.021	▲ 10.5%	0.023	▲ 9.5%
3/05/2016	Elevated Lithium Identified at Munglinup Project	0.019	▲ 26.7%	0.017	▼ 10.5%
5/05/2016	Further Drilling to Commence at Arno Graphite Project	0.017	▼ 10.5%	0.017	▶ 0.0%
11/05/2016	Placement to Raise \$1.1 Million	0.020	▲ 17.6%	0.024	▲ 20.0%
19/05/2016	Diamond Drilling Commences at Arno Graphite Project	0.019	▲ 5.6%	0.018	▼ 5.3%
7/06/2016	Completion of Diamond Drilling at Arno Graphite Project	0.018	▼ 5.3%	0.019	▲ 5.6%
16/06/2016	Record Date for EDI Credits to Shareholders	0.019	▶ 0.0%	0.019	▶ 0.0%
22/06/2016	Arno Update - Completion of Earn-in and Exercise of Option	0.019	▶ 0.0%	0.017	▼ 10.5%
14/07/2016	High-grade Graphite at Australia's Largest Graphite Resource	0.026	▲ 52.9%	0.028	▲ 7.7%
18/07/2016	Ground EM Identifies High Grade Target Zones at Siviour	0.030	▲ 7.1%	0.032	▲ 6.7%
21/07/2016	Drilling Recommences at Australia's Largest Graphite Resourc	0.032	▲ 18.5%	0.040	▲ 25.0%
12/08/2016	Extensive, Shallow Graphite Intersected at Arno Project	0.051	▼ 5.6%	0.046	▼ 9.8%
22/08/2016	Drilling Returns Highest Grade Graphite to Date at Siviour	0.045	▼ 10.0%	0.038	▼ 15.6%

On 10 September 2015, the Company announced that it had entered into a binding heads of agreement to secure the Munglinup Project, a graphite-nickel sulphide tenement position in the Albany-Fraser Range province of Western Australia. The acquisition cost involved 8 million Renascor shares, 4 million Renascor options and \$100,000 cash, with Renascor to have the benefit of a \$140,000 co-funded drilling grant. On the date of the announcement, the Company's share price increased by 81.8% from \$0.011 to \$0.020. However, in the three subsequent trading days the Company's share price declined by 20% to \$0.016.

On 3 December 2015, the Company announced that it had entered into a binding agreement to secure an option over the Arno Graphite Project in the graphite region of South Australia's Eyre Peninsula. The

agreement granted Renascor an option to acquire 100% of the issued capital of Eyre Peninsula Pty Ltd ('EPM'), an unlisted company that has an option to acquire a 78% interest in the Arno Graphite Project. On the date of the announcement, the Company's share price remained unchanged; however in the subsequent three trading days the share price increased by 18.2% from \$0.011 to \$0.013.

On 16 February 2016, the Company released the results from its 24-hole reverse circulation drill program at its Arno Graphite Project. The results confirmed that the Siviour prospect area hosts an extensive, thick, near-surface body of high-grade graphite extending approximately 600 metres west of the originally drilled traverse. On the date of the release of the results, the Company's share price increased by 26.7% from \$0.015 to \$0.019 and in the subsequent three trading days the share price increased by a further 21.1% to reach a close of \$0.023.

On 11 March 2016, the Company provided an update on the work being undertaken at its Arno Graphite Project. The announcement also stated that it expected to release a maiden Joint Ore Reserves Committee ('JORC') resource the following week. On the date of the announcement, the Company's share price increased by 15.0% from \$0.020 to \$0.023. In the three trading days subsequent to the announcement, the share price decreased by 17.4% to a close of \$0.019.

On 3 May 2016, the Company announced that it had identified elevated lithium at its Munglinup Project. On the date of the announcement, the Company's share price increased by 26.7% from \$0.015 to \$0.019; however in the three subsequent trading days the share price decreased by 10.5% to a close of \$0.017.

On 11 May 2016, the Company announced that it had received commitments for a capital raising of \$1.1 million to fund the development of its Arno Graphite Project. The raising included a \$389,000 conditional placement subject to shareholder approval, and all shares were to be issued under placement at \$0.015 per share and included one free attaching option for every four new shares issued. On the date of the announcement, the Company's share price increased by 17.6% from \$0.017 to \$0.020. In the three trading days subsequent to the announcement, the share price increased by a further 20% to reach a close of \$0.024.

On 22 June 2016, the Company announced that it had exercised its rights to acquire a 49% ownership interest in Eyre Peninsula Minerals Pty Ltd, which holds an option over the Arno Graphite Project. The announcement stated that the Company had acquired the rights to 20% of EPM after successfully completing its initial exploration program at its Arno Graphite Project, and that the Company had exercised an option to acquire an additional 29% of EPM. On the date of the announcement, the Company's share price remained unchanged; however in the three trading days subsequent the share price decreased by 10.5% from \$0.019 to \$0.015.

On 21 July 2016, the Company announced that drilling had recommenced at its Siviour Graphite Deposit. The drilling was focused on locating shallow, high-grade graphite within or along-strike from the Indicated and Inferred Resources at the Siviour deposit. On the date of the announcement, the Company's share price increased by 18.5% from \$0.027 to \$0.032. In the three trading days subsequent, the share price increased by a further 25% to a close of \$0.040.

On 22 August 2016, the Company released initial assay results from its recently completed reverse circulation drill program at its Siviour Graphite Deposit. The results confirmed a thick, shallow and near flat-lying mineralised body extending for an additional 1 km to the west of the Siviour Indicated Resource. On the date of the announcement, the Company's share price decreased by 10% from \$0.050 to \$0.045. In the three trading days subsequent to the announcement, the share price decreased by a further 15.6% to reach a close of \$0.038.

To provide further analysis of the market prices for a Renascor share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 31 August 2016.

Share Price per unit	31-Aug-16	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.037				
Volume weighted average price (VWAP)		\$0.042	\$0.044	\$0.035	\$0.034

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Renascor shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Renascor shares for the twelve months to 31 August 2016 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.036	\$0.038	1,120,366	0.31%
10 Days	\$0.035	\$0.053	34,484,623	9.50%
30 Days	\$0.028	\$0.060	240,446,747	66.23%
60 Days	\$0.016	\$0.060	499,006,719	137.46%
90 Days	\$0.015	\$0.060	554,494,747	152.74%
180 Days	\$0.012	\$0.060	668,195,101	184.06%
1 Year	\$0.009	\$0.060	731,245,653	201.43%

Source: Bloomberg, BDO analysis

This table indicates that Renascor's shares display a high level of liquidity, with 201.43% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Renascor, we consider there to be a deep market for the Company's shares as a result of 201.43% of the Company's issued capital being traded over the twelve months prior to the announcement of the Transaction.

Our assessment is that a range of values for Renascor Energy shares based on market pricing, after disregarding post announcement pricing, is between \$0.036 and \$0.044 and a preferred value of \$0.039.

10.2 Net Asset Valuation of Renascor

The value of Renascor assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Note	Audited as at 30-Jun-16 \$	Valuation Low \$	Valuation Preferred \$	Valuation High \$
CURRENT ASSETS					
Cash and cash equivalents	1	862,488	2,718,708	2,718,708	2,718,708
Trade and other receivables		154,720	154,720	154,720	154,720
Other		15,887	15,887	15,887	15,887
TOTAL CURRENT ASSETS		1,033,095	2,889,315	2,889,315	2,889,315
NON-CURRENT ASSETS					
Plant and equipment		7,287	7,287	7,287	7,287
Exploration and evaluation assets	2	5,977,606	11,699,092	17,564,638	19,683,153
TOTAL NON-CURRENT ASSETS		5,984,893	11,706,379	17,571,925	19,690,440
TOTAL ASSETS		7,017,988	14,595,694	20,461,240	22,579,755
CURRENT LIABILITIES					
Trade and other payables		345,763	345,763	345,763	345,763
Provisions		132,007	132,007	132,007	132,007
TOTAL CURRENT LIABILITIES		477,770	477,770	477,770	477,770
NON-CURRENT LIABILITIES					
Provisions		70,750	70,750	70,750	70,750
TOTAL NON-CURRENT LIABILITIES		70,750	70,750	70,750	70,750
TOTAL LIABILITIES		548,520	548,520	548,520	548,520
NET ASSETS		6,469,468	14,047,174	19,912,720	22,031,235
Shares on issue	3	284,466,527	427,391,844	427,391,844	427,391,844
Value per share controlling interest basis		0.0227	0.033	0.047	0.052
Value per share minority interest basis	4		0.025	0.036	0.040

Source: BDO analysis

The table above indicates the net asset value of a Renascor share is between \$0.025 and \$0.040 with a preferred value of \$0.036 on a minority interest basis.

The following adjustments were made to the net assets of Renascor as at 30 June 2016 in arriving at our valuation.

Note 1 Cash and cash equivalents

We have adjusted cash to include the following:

	\$
39,266,668 shares issued (11 Jul 2016)	589,000
32,500 options exercised @ \$0.03 (25 Aug 2016)	975
64,359,481 options exercised @ \$0.03 (underwritten)	1,930,784
Forecast cash outflows for the September 2016 quarter	(568,000)
Estimated underwriting fee (5%)	(96,539)
Total Adjustment	1,856,220

Source: Management and BDO analysis

Note 2 Valuation of interest in EMP

	Low Value	Preferred Value	High Value
	\$	\$	\$
Value of Ausmin Option (Section 13)	19,141,004	31,111,506	35,435,007
Renascor's interest (49%)	9,379,092	15,244,638	17,363,153

Source: BDO analysis

For further discussion on the value of the Ausmin Option refer to Section 13.

Renascor holds other mineral assets including the Munglinup, Eastern Eyre, Olary Warrior and Frome projects. Optiro has completed a high level review of these projects and considers them to be at an early stage of exploration assessment. Optiro considers the value of these projects is likely to be immaterial in relation to the Arno Graphite Project.

Optiro's valuation is prepared under VALMIN Code, 2015 which provides for the determination of materiality as a percentage variation as:

- an amount that is equal to or greater than 10% may be presumed to be Material unless there is evidence or a convincing argument to the contrary;
- an amount that is equal to or less than 5% may be presumed to not be Material unless there is evidence or a convincing argument to the contrary

On the basis of Optiro's low valuation of \$23.2 million we have assumed a value of Renascor's other exploration assets to be \$2.32 million.

For further discussion on Optiro's valuation report refer to Section 11.1.

Note 3 Shares on issue

We have adjusted the shares on issue as follows:

	Number of shares
On issue 30 June 2016	284,466,527
Issue of shares at 1.5c to EPM	38,666,667
Issue of shares (capital raise)	39,266,668
Issue of shares to management on exercise of performance rights	600,001
Issue of shares on exercise of option expiring 30 Sept 2016	64,391,981
Total	427,391,844

Note 4 Minority interest

The NTA value of a Renascor share is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the Company which allows an influence in the operations and value of that company. As this is not a control transaction we must consider the minority interest value of a Renascor share. We have therefore adjusted our valuation to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. As discussed below, we consider an appropriate control premium for Renascor to be in the range of 25% to 35%, giving a minority interest discount in the range of 20% to 26%.

Control Premium

We have reviewed the control premiums paid by acquirers of mining companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2015	4	336.38	59.76
2014	12	128.96	36.67
2013	7	35.38	47.63
2012	12	35.44	46.47
2011	12	223.04	37.27
2010	19	880.42	40.70
2009	22	102.62	39.93
2008	7	487.96	41.25
	Median	176.00	40.97
	Mean	278.77	43.71

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

The table above indicates that the long term average control premium paid for ASX-listed mining companies is approximately 40%. However, given that Renascor's assets are at an early stage of exploration we believe that an appropriate control premium is in the range of 25% to 35%.

10.3 Assessment of a Renascor share value

The results of the valuations performed are summarised in the table below:

	Low	Preferred	High
	\$	\$	\$
Net asset value (Section 10.2)	0.025	0.036	0.040
ASX market prices (Section 10.1)	0.036	0.039	0.044

Source: BDO analysis

We note that the significant overlap of values obtained from the NAV approach compared with the values obtained from the QMP approach. The difference between the valuation ranges obtained under the NAV and QMP approaches can be explained by the following:

- The NAV approach is lower than the QMP value at the low end of the range, which is not uncommon for exploration companies which often trade at a premium to their net asset value.
- The QMP value reflects investors' perception and speculation of the future prospects of Renascor and may have taken into account the future prospects of the exploration and evaluation assets in a manner that incorporates a higher premium than the adjustment to the Geoscientific method adopted by Optiro in arriving at a market value. We note that the QMP value will only be sustained if the Company has adequate funding to enable the Company's projects to be progressed to realise their potential.
- We also note that the low range for NAV may well better reflect a high level of minority discount that may not be factored in by the market given the nature of the company's operations.
- In accordance with RG111.69, we note that there is a deep and liquid market for the trading of Renascor shares. Therefore, there is a sufficiently active trading market to reflect a fair market value of the Company's shares, which makes the QMP method a reliable valuation approach.
- RG 111.32 also requires the consideration of the volatility of the market price of the entity's shares. We note that the share price of Renascor has traded in a range of +/- 12% of the preferred value in the period leading up to the acquisition announcement and there were minimal days where no trading occurred.

Based on the results above we consider the value of a Renascor share to be between \$0.36 and \$0.44, with a preferred value of \$0.39.

11. Valuation of Renascor post the Proposed Transaction and exercise of Ausmin Option

11.1 Net Asset Valuation of Renascor

The value of Renascor assets on a going concern basis post the Proposed Transaction and after exercising the Ausmin Option is reflected in our valuation below:

Statement of Financial Position	Note	Audited as at 30-Jun-16 \$	Valuation Low \$	Valuation Preferred \$	Valuation High \$
CURRENT ASSETS					
Cash and cash equivalents	1	862,488	2,718,708	2,718,708	2,718,708
Trade and other receivables		154,720	154,720	154,720	154,720
Other		15,887	15,887	15,887	15,887
TOTAL CURRENT ASSETS		1,033,095	2,889,315	2,889,315	2,889,315
NON-CURRENT ASSETS					
Plant and equipment		7,287	7,287	7,287	7,287
Exploration and evaluation assets	2	5,977,606	25,520,000	35,020,000	44,520,000
TOTAL NON-CURRENT ASSETS		5,984,893	25,527,287	35,027,287	44,527,287
TOTAL ASSETS		7,017,988	28,416,602	37,916,602	47,416,602
CURRENT LIABILITIES					
Trade and other payables		345,763	345,763	345,763	345,763
Provisions		132,007	132,007	132,007	132,007
TOTAL CURRENT LIABILITIES		477,770	477,770	477,770	477,770
NON-CURRENT LIABILITIES					
Provisions		70,750	70,750	70,750	70,750
TOTAL NON-CURRENT LIABILITIES		70,750	70,750	70,750	70,750
TOTAL LIABILITIES		548,520	548,520	548,520	548,520
NET ASSETS		6,469,468	27,868,082	37,368,082	46,868,082
Shares on issue	3	284,466,527	614,999,405	614,999,405	614,999,405
Value per share controlling interest basis		0.0227	0.045	0.061	0.076
Value per share minority interest basis	4		0.035	0.047	0.059

Source: BDO analysis

The table above indicates the value of a Renascor share on a net asset basis post the Proposed Transaction and after exercising the Ausmin Option is between \$0.035 and \$0.59 with a preferred value of \$0.047 on a minority interest basis.

The following adjustments were made to the net assets of Renascor as at 30 June 2016 in arriving at our valuation.

Note 1 Cash and cash equivalents

We have adjusted cash by \$1,856,220. For further discussion on cash adjustments refer Section 10.2.

Note 2 Valuation of mineral assets

We instructed Optiro to provide an independent market valuation of the exploration assets held by Ausmin. Optiro considered a number of different valuation methods when valuing the exploration assets of Ausmin. Optiro applied the Geoscientific Rating method which assesses key technical attributes to

produce a prospectivity rating that is multiplied by a base acquisition cost. We consider this method to be appropriate given the stage of development for Ausmin's exploration assets.

The range of values for Ausmin's Arno Graphite Project mineral assets as calculated by Optiro is set out below:

Mineral Assets	Low Value	Preferred Value	High Value
	\$	\$	\$
Optiro valuation	23,200,000	32,700,000	42,200,000

Renascor holds other mineral assets including the Munghlinup, Eastern Eyre, Olary Warrior and Frome projects. Optiro considers the value of these projects is likely to be immaterial in relation to the Arno Graphite Project. On the basis of Optiro's low valuation of \$23.2 million we have adjusted the value of Renascor's other exploration assets to \$2.32 million.

Optiro's valuation report is set out at Appendix 3.

Note 3 Shares on issue

We have adjusted the shares on issue as follows

	Number of shares
On issue 30 June 2016	284,466,527
Issue of shares to EPM (29%)	38,666,667
Issue of shares (capital raise)	39,266,668
Issue of shares to management on exercise of performance rights	600,001
Issue of shares on exercise of option expiring 30 Sept 2016	64,391,981
Issue of shares to EPM (51%) (Section 14)	52,307,692
Issue of shares to Ausmin shareholders (Section 13)	135,299,869
Total	614,999,405

Note 4 Minority interest

A minority interest discount has been applied in the range of 20% to 26%. For further discussion on minority interest refer Section 10.2.

12. Valuation of Renascor post the Proposed Transaction

12.1 Net Asset Valuation of EPM

The value of EPM assets on a going concern basis post the Proposed Transaction is reflected in our valuation below:

Statement of Financial Position	Note	Unaudited as at 30-Jun-16 \$	Valuation Low \$	Valuation Preferred \$	Valuation High \$
CURRENT ASSETS					
Cash and cash equivalents	1	46,875	-	-	-
Trade and other receivables	2	196,250	-	-	-
Other	1	2,887	-	-	-
TOTAL CURRENT ASSETS		246,012	-	-	-
NON-CURRENT ASSETS					
Exploration and evaluation assets	3	232,160	19,141,004	31,111,506	35,435,007
TOTAL NON-CURRENT ASSETS		232,160	19,141,004	31,111,506	35,435,007
TOTAL ASSETS		478,172	19,141,004	31,111,506	35,435,007
CURRENT LIABILITIES					
Trade and other payables	1	49,275	-	-	-
TOTAL CURRENT LIABILITIES		49,275	-	-	-
TOTAL LIABILITIES		49,275	-	-	-
NET ASSETS		428,897	19,141,004	31,111,506	35,435,007

Source: BDO analysis

The table above indicates the net asset value of EPM on a control basis is between \$19.1 million and \$35.4 million with a preferred value of \$31.1 million on a control basis.

The following adjustments were made to the net assets of EPM as at 30 June 2016 in arriving at our valuation.

Note 1 Cash and payables

We have adjusted available cash under the assumption it will be used to discharge trade and other payables upon Renascor's 100% acquisition of EPM.

Note 2 Trade and other receivables

The trade and other receivables amount refers to obligations of Rensacour in respect of the Arno Graphite Project. We have adjusted this amount to Nil as this value is reflected in the value of the Ausmin Option.

Note 3 Value of Ausmin Option

We have determined the value of the Ausmin Option based upon the value of Ausmin's sole material asset, the Arno Graphite Project.

	Low Value	Preferred Value	High Value
	\$	\$	\$
Value of Ausmin Option	19,141,004	31,111,506	35,435,007

Source: BDO analysis

For further discussion on the determination of the value of the Ausmin Option refer to Section 13.

12.2 Value of Renascor Post Proposed Transaction

The value of Renascor assets on a going concern basis post the Proposed Transaction is reflected in our valuation below:

Statement of Financial Position	Note	Audited as at 30-Jun-16 \$	Valuation Low \$	Valuation Preferred \$	Valuation High \$
CURRENT ASSETS					
Cash and cash equivalents	1	862,488	2,718,708	2,718,708	2,718,708
Trade and other receivables		154,720	154,720	154,720	154,720
Other		15,887	15,887	15,887	15,887
TOTAL CURRENT ASSETS		1,033,095	2,889,315	2,889,315	2,889,315
NON-CURRENT ASSETS					
Plant and equipment		7,287	7,287	7,287	7,287
Exploration and evaluation assets	2	5,977,606	21,461,004	33,431,506	37,755,007
TOTAL NON-CURRENT ASSETS		5,984,893	21,468,291	33,438,793	37,762,294
TOTAL ASSETS		7,017,988	24,357,606	36,328,108	40,651,609
CURRENT LIABILITIES					
Trade and other payables		345,763	345,763	345,763	345,763
Provisions		132,007	132,007	132,007	132,007
TOTAL CURRENT LIABILITIES		477,770	477,770	477,770	477,770
NON-CURRENT LIABILITIES					
Provisions		70,750	70,750	70,750	70,750
TOTAL NON-CURRENT LIABILITIES		70,750	70,750	70,750	70,750
TOTAL LIABILITIES		548,520	548,520	548,520	548,520
NET ASSETS		6,469,468	23,809,086	35,779,588	40,103,089
Shares on issue	3	284,466,527	479,699,536	479,699,536	479,699,536
Value per share controlling interest basis		0.0227	0.050	0.075	0.084
Value per share minority interest basis	4		0.038	0.057	0.064

Source: BDO analysis

The table above indicates the net asset value of a Renascor share is between \$0.038 and \$0.064 with a preferred value of \$0.057 on a minority interest basis.



The following adjustments were made to the net assets of Renascor as at 30 June 2016 in arriving at our valuation.

Note 1 Cash and cash equivalents

We have adjusted cash by \$1,856,220. For further discussion on cash adjustments refer Section 10.2.

Note 2 Valuation of 100% interest in EMP

	Low Value	Preferred Value	High Value
	\$	\$	\$
Value of interest in EPM (Section 12.1)	19,141,004	31,111,506	35,435,007

Source: BDO analysis

For further discussion on the value of the Ausmin Option refer to Section 13.

Note 3 Shares on issue

Renascor issues 52,307,692 at \$0.039 (Section 14) as \$2,040,000 consideration in accordance with the agreement for the Proposed Transaction.

Note 4 Minority interest

A minority interest discount has been applied in the range of 20% to 26%. For further discussion on minority interest refer Section 10.2.

13. Valuation of the assets acquired

We instructed Optiro to provide an independent market valuation of the exploration interest to be acquired by Renascor in the Arno Graphite Project. Optiro considered a number of different valuation methods when valuing the exploration assets. Optiro applied the Geoscientific Rating method which assesses key technical attributes to produce a prospectivity rating that is multiplied by a base acquisition cost. We consider this method to be appropriate given the stage of development for the assets.

As set out in Appendix 3, Optiro concluded the mineral assets in the Arno Graphite Project are in the range of \$23.2 million to \$42.2 million with a preferred value of \$32.7 million.

Value of Ausmin Option

EPM's sole material asset is the option to acquire 100% of the issued capital in Ausmin ("Ausmin Option").

The value of the Ausmin Option is reflected in our valuation below:

	Low Value	Preferred Value	High Value
Shares on issue in Renascor pre exercise of the Ausmin Option	427,391,844	427,391,844	427,391,844
Issue of shares to Ausmin Shareholders on exercise of Ausmin Option (22%)	135,299,869	135,299,869	135,299,869
Value of a Renascor share post the Proposed Transaction (Section 12.2)	\$0.038	\$0.057	\$0.064
Diluted value of a Renascor share post the exercise of the Ausmin Option	\$0.030	\$0.045	\$0.050
Value of 135,299,869 Renascor shares issued (22%)	\$4,058,996	\$6,088,494	\$6,764,993

Given the 100% acquisition of Ausmin is essentially the acquisition of the underlying Arno Graphite Project asset, the value of the Ausmin Option is set out below:

	Low Value	Preferred Value	High Value
	\$	\$	\$
Optiro valuation of Arno Graphite Project (Section 11.1)	23,200,000	32,700,000	42,200,000
Less: Value of consideration paid to acquire Ausmin	4,058,996	6,088,494	6,764,993
Value of Ausmin Option	19,141,004	31,111,506	35,435,007
Renascor's proposed acquisition (51%)	9,761,912	15,866,868	18,071,853

The value of Renascor's 51% interest being acquired in the assets as a result of the Transaction being announced is in the range of \$9.8 million to \$18 million with a preferred value of \$15.9 million.

14. Consideration

Under the terms of the agreement Renascor is to issue shares to EPM to the value of \$2,040,000 and 15,000,000 options exercisable at \$0.05 as consideration for the remaining outstanding capital (51%) of EPM. This is summarised below:

Share issue

	Low	Preferred	High
	\$	\$	\$
Renascor share value (ASX market prices Section 10.1)	0.036	0.039	0.044
Number of shares issued to EPM	56,666,667	52,037,692	46,363,636

Source: BDO analysis

The table above indicates Renascor will issue between 56.7 million and 46.4 million shares under the terms of the agreement as consideration. At our preferred share value of \$0.039, Renascor will issue 52,037,692 shares to EPM.

Options issue

We have used the Black Scholes option pricing model to determine the fair market value of the options to be issued under the terms of the agreement with EPM.

Data used in the Black Scholes model is set out below:

Black Scholes Model	
Spot price of the asset (7 October 2016)	\$0.033
Exercise price	\$0.05
Risk free rate (3 year treasury bond)*	1.6%
Expiry date	31 October 2019
Volatility (BDO Analysis)	110%

The option value derived from the Black Scholes model using the above data is \$0.0196. Based on the derived option value, 15,000,000 options issued to EPM under the agreement are valued at \$294,000.

The total consideration for the acquisition of the 51% outstanding issued capital in EPM is set out below:

	\$
Ordinary shares issued to EPM	2,040,000
Options issued to EPM	294,000
Total consideration	2,334,000

15. Is the Proposed Transaction fair?

The value of the consideration paid is compared below to the value of the assets acquired:

	Ref	Low \$m	Preferred \$m	High \$m
Value of consideration paid	14	2.33	2.33	2.33
Value of the assets acquired	13	9.76	15.87	18.07

We note from the table above that the value of the assets acquired exceeds the value of the consideration.

The issue of 52,307,692 shares and 15,000,000 options to EPM has a dilutive effect to current shareholders.

The value of a Renascor share prior to the Proposed Transaction is compared below to the value of a Renascor share post the Proposed Transaction:

	Ref	Low \$m	Preferred \$m	High \$m
Renascor share value prior to Proposed Transaction	10.3	0.025	0.036	0.040
Renascor share value post Proposed Transaction	12.2	0.038	0.057	0.064

We note from the table above that the preferred value of a Renascor share after the Proposed transaction exceeds the value prior to the Proposed Transaction.

As the value of the assets acquired exceeds the value of consideration, we consider that the Proposed Transaction is fair.

16. Is the Proposed Transaction reasonable?

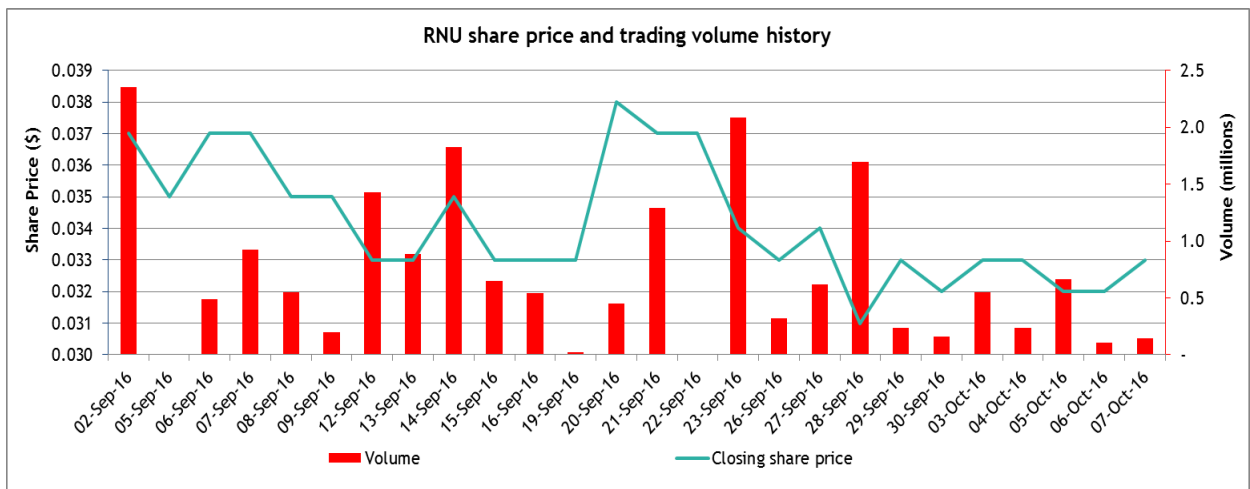
16.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Renascor a premium over the value ascribed to, resulting from the Proposed Transaction.

16.2 Consequences of not Approving the Proposed Transaction

Post announcement pricing

We have analysed movements in Renascor's share price since the Proposed Transaction was announced. A graph of Renascor's share price since the announcement is set out below.



Source: Bloomberg

Since the announcement on 1 September 2016 the Renascor share price traded in a range of between \$0.031 and \$0.039 which was consistent with the price pre announcement. Since late June 2016 the price has increased and is currently \$0.033 (7 October 2016). This may reflect the period of time since the exercise of the first option under the agreement with EPM was announced.

Given the above analysis it is possible that if the Proposed Transaction is not approved then Renascor's share may decline.

16.3 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 15 the Proposed Transaction is fair. Under RG 111 if a Transaction is fair it is also reasonable.
Potential to undertake control of 100% of the Arno Graphite Project	In exercising the option Renascor has the ability to move to 100% ownership of the Arno Graphite Project. This is likely to make negotiations for future development easier with providers of debt and equity who only have to reach agreement with Renascor.

16.4 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved then, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of existing shareholders	Following the Proposed Transaction, existing non-associated shareholders who currently hold approximately 94.4% of the Company will hold 88.5%, this is based on the current shares on issue of 363,032,363 being increased to 415,340,055. We note a further dilution would occur if the Ausmin Option is exercised.
Further capital raise	One of the conditions to enable the exercise of the Ausmin Option is acceptance, for project finance purposes, of a Definitive Feasibility Study from a bank in relation to commercial development of graphite on the Exploration Titles. Meeting the costs associated with obtaining such a study may be dependent on a further capital raise. This may result in a further dilution of current shareholders.

17. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Renascor.

18. Sources of information

This report is based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Renascor for the years ended 30 June 2015 and 30 June 2016.
- Unaudited financial statements of EPM for the year ended 30 June 2016.
- Independent Valuation Report of the Arno Graphite Project mineral assets dated 19 September 2016 performed by Optiro Pty Ltd;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Renascor.

19. Independence

BDO Corporate Finance (SA) Pty Ltd is entitled to receive a fee of \$24,000 (excluding GST, disbursement fee and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (SA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (SA) Pty Ltd has been indemnified by Renascor in respect of any claim arising from BDO Corporate Finance (SA) Pty Ltd's reliance on information provided by Renascor, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (SA) Pty Ltd has considered its independence with respect to Eyre Peninsula Minerals Pty Ltd and Renascor and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (SA) Pty Ltd's opinion it is independent of Eyre Peninsula Minerals Pty Ltd and Renascor and their respective associates.

A draft of this report was provided to Renascor and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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20. Qualifications

BDO Corporate Finance (SA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (SA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The person specifically involved in preparing and reviewing this report is David Fechner of BDO Corporate Finance (SA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

David Fechner is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Tax Institute of Australia. He has over twenty five years experience working in professional accounting services being employed in many areas of accounting including tax, business services, corporate advisory and forensic accounting services. David Fechner specialises in Business and Corporate Advisory services undertaking valuations of businesses for purposes of compliance (CGT, stamp duty, probate, finance, etc.), mergers & acquisitions (business acquisitions, sales, mergers, partnership admissions/retirements, etc.) and expert reports (litigation support, IPO's, etc.) He has prepared over his tenure in excess of 125 valuation and expert reports. David Fechner is a member of ASIC's Professional Liaison Group and subscribes to the Forensic Accounting and Business Valuation Specialist Interest Group of Chartered Accountants Australia and New Zealand.

21. Disclaimers and consents

This report has been prepared at the request of Renascor for inclusion in the Explanatory Memorandum which will be sent to all Renascor Shareholders. Renascor engaged BDO Corporate Finance (SA) Pty Ltd to prepare an independent expert's report to consider if the acquisition of Eyre Peninsula Minerals Pty Ltd is fair and reasonable to non-associated shareholders.

BDO Corporate Finance (SA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (SA) Pty Ltd.

BDO Corporate Finance (SA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (SA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Renascor or EPM. BDO Corporate Finance (SA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (SA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Renascor, or any other party.

BDO Corporate Finance (SA) Pty Ltd has also considered and relied upon independent valuations for mineral assets in the Arno Graphite Project.

The valuer engaged for the mineral asset valuation, Optiro Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (SA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (SA) PTY LTD



David Fechner

Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Ausmin Option	The agreement between EPM and Ausmin granting EPM the option to acquire 100% of the issued capital in Ausmin
BDO	BDO Corporate Finance (SA) Pty Ltd
The Company	Renascor Resources Limited
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPM	Eyre Peninsula Minerals Pty Ltd
Exploration Titles	Exploration Licences EL5204, EL5495, EL5618 and EL5714
FME	Future Maintainable Earnings
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Management	Management of Renascor
NAV	Net Asset Value
Optiro	Optiro Pty Ltd
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)

Reference	Definition
Renascor	Renascor Resources Limited
our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Renascor not associated with Eyre Peninsula Minerals Pty Ltd
The Proposed Transaction	The proposal to issue shares in Renascor to the value of \$2,040,000 and 15,000,000 options exercisable at \$0.05 to the vendors of Eyre Peninsula Minerals Pty Ltd
Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price

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The Directors
 BDO Corporate Finance (SA) Pty Ltd
 420 King William Street
 ADELAIDE, SA 5000
 Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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Appendix 3 - Independent Valuation Report



Renascor Minerals Limited Valuation of the Arno Graphite Project



J_2009

Principal Author:

Jason Froud *BSc Hons, MAusIMM, MAIG*

Principal Reviewer:

Christine Standing *BSc Hons, MAusIMM, MAIG*

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Perth Office

Level 1, 16 Ord Street
West Perth WA 6005

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PO Box 1646
West Perth WA 6872
Australia

Number of copies:



Tel: +61 8 9215 0000

Optiro: 1

Fax: +61 8 9215 0011

Renascor Minerals Limited: 1

Optiro Pty Limited
ABN: 63 131 922 739
www.optiro.com

Principal Author:	Jason Froud <i>BSc Hons, MAusIMM, MAIG</i>	Signature:	
		Date:	20 September 2016
Principal Reviewer:	Christine Standing <i>BSc Hons, MSc, MAusIMM, MAIG</i>	Signature:	
		Date:	20 September 2016

Important Information

This Report is provided in accordance with the proposal by Optiro Pty Ltd ("Optiro") to Renascor Minerals Limited and the terms of Optiro's Consulting Services Agreement ("the Agreement"). Optiro has consented to the use and publication of this Report by Renascor Minerals Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Renascor Minerals Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.

Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Renascor Minerals Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent valuer to perform any due diligence procedures on behalf of the Company. The Directors of the Renascor Minerals Limited are responsible for conducting appropriate due diligence in relation to mineral projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete. The terms of engagement are such that Optiro has no obligation to update this report for events occurring subsequent to the date of this report.

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1. EXECUTIVE SUMMARY

At the request of BDO Corporate Finance (SA) Pty Ltd (BDO), on behalf of Renascor Resources Limited (Renascor or the Company), Optiro Pty Ltd (Optiro) has prepared an independent opinion on the market value of the Arno graphite project. Optiro understands that this report will be used as a public document to support an Independent Expert Report to be prepared by BDO for inclusion with a Notice of Meeting. This report has been prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015) and Optiro confirms that it is in compliance with ASIC Regulatory Guide 112 in relation to independence of experts.

The Arno graphite project is located along the east coast of Eyre Peninsula approximately 40 kilometres southwest of Cowell on the Eyre Peninsula and includes the township of Arno Bay. The project comprises four exploration licences and covers an area of approximately 1,370 km². The project hosts an Indicated and Inferred Mineral Resource at the Siviour deposit (Table 1.1) and further known graphite mineralisation exploration targets, along with regional exploration targets.

Table 1.1 Siviour graphite project Mineral Resources reported above a 3% total graphitic carbon (TGC) cut-off

Classification	Tonnes (Mt)	Grade (TGC %)	Contained graphitic carbon
Indicated	6.8	8.1	550,000
Inferred	10.0	6.9	690,000
Total	16.8	7.4	1,240,000

Optiro has determined the fair market value of the Arno graphite project at an effective valuation date of 19 September 2016. Optiro has selected the value derived from the Geoscientific rating method as the preferred valuation for the exploration potential of the mineralisation within these properties, and has used comparable transactions to value the Mineral Resource. Optiro's opinion of the fair market value of the Siviour Mineral Resource and exploration potential, on a 100% basis, is that it lies within a range between A\$23.2 M and A\$42.2 M, with a preferred value of A\$32.7 M (Table 1.2). The values assigned to these mineral assets are in Australian dollars (A\$) and were prepared at the effective valuation date.

Table 1.2 Arno graphite project valuation summary (100% equity basis)

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Mineral Resources	\$19.0	\$37.0	\$28.0
Exploration Potential	\$4.2	\$5.2	\$4.7
Total	\$23.2	\$42.2	\$32.7

The opinions expressed and conclusions drawn with respect to this valuation of the graphite mineral assets are appropriate at the valuation date of 19 September 2016. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions, in addition to future exploration results.

Optiro is aware that Renascor holds other mineral assets including the Munglinup, Eastern Eyre, Olary Warrior and Frome projects. Optiro has completed a high level review of these projects and considers them to be at an early stage of exploration assessment. Optiro considers the value of these projects is likely to be immaterial in relation to the Arno graphite project.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1. TERMS OF REFERENCE AND PURPOSE OF REPORT

At the request of BDO Corporate Finance (SA) Pty Ltd (BDO), on behalf of Renascor Resources Limited (Renascor or the Company), Optiro Pty Ltd (Optiro) has prepared an independent opinion on the market value of the Arno graphite project. Optiro understands that this report will be used as a public document to support an Independent Expert Report to be prepared by BDO for inclusion with a Notice of Meeting. This report has been prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015) and Optiro confirms that it is in compliance with ASIC Regulatory Guide 112 in relation to independence of experts.

On 3 December 2015, Renascor announced it had entered into a binding agreement to secure an option over the Arno graphite project. Renascor entered into an option agreement to acquire Eyre Peninsula Minerals Pty Ltd (EPM), which in turn has an option to acquire Ausmin Development Pty Ltd (Ausmin), the 100% owner of the Arno graphite project.

Pursuant to the agreement between EPM and Ausmin, EPM has the option to acquire 100% of the issued capital of Ausmin. This option can be exercised at any time prior to 30 September 2018 and may be further extended to December 2019 and December 2020 by payment of A\$150,000 and \$200,000 respectively. To exercise this option, EPM must complete a Feasibility Study in relation to the commercial development of graphite on the project tenements and issue to the owners of Ausmin a 22% equity interest in a listed vehicle holding the project. After exercise of the option, Ausmin shareholders will retain a 1% gross royalty on minerals produced from the project tenements.

As per the agreement announced on 3 December 2015, Renascor has the right to acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in Renascor. Renascor committed to and completed A\$400,000 in exploration expenditure in exchange for a 20% interest in EPM. Furthermore, on 22 June 2016, Renascor announced it had secured an interest in an additional 29% of EPM (to 49%) through the issue of 38.67 million ordinary shares.

A second option grants Renascor the right to acquire the remaining 51% of outstanding capital in EPM (to 100%) by:

1. issuing shares to the value of A\$2,040,000 in Renascor as determined by the 20 day volume weighted average price of Renascor shares at the time of the exercise, and
2. issuing 15,000,000 options exercisable at A\$0.05 per option and expiring three years after grant.

On 1 September 2016, Renascor announced its intention to exercise its option to acquire 100% of EPM through the issue of 42,068,684 ordinary shares and 15,000,000 options.

Optiro understands that this valuation report will be appended to BDO's Independent Expert's Report, and as such it will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015), the Australasian Code for Reporting Of Exploration Results, Mineral Resources and Ore Reserves (2012) (the JORC Code) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

2.2. RESPONSIBILITY FOR THE REPORT AND DATA SOURCES

This report was prepared by Mr Jason Froud (Principal) and was reviewed by Mrs Christine Standing (Principal) of Optiro. The report has been prepared in accordance with the requirements of the VALMIN Code (2015). The author and reviewer of this report are Members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists, and as such are obliged to prepare mineral asset valuations in accordance with the Australian reporting guidelines as set out in the VALMIN Code.

In developing its technical assumptions for valuation, Optiro has relied upon information provided by Renascor and their consultants, as well as information obtained from other public sources. Optiro has confirmed and verified the content of this information and is satisfied that the reports are sound and that there are reasonable grounds for the contents and conclusions drawn in the reports unless otherwise stated. The material on which this report is based includes internal and open-file project documentation, technical reports, the project's drillhole databases and resource models.

Optiro has reviewed all relevant technical and corporate information made available by the management of Renascor and BDO, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Renascor and BDO. Optiro has sourced publically available information on recent transactions involving graphite properties and has had discussions with key staff of Renascor.

Optiro has not visited the Arno project area as it considered it unlikely to reveal information or data that is material to this valuation. Optiro is satisfied that sufficient current information is available to allow an informed appraisal to be made without a site inspection.

2.3. LIMITATIONS AND EXCLUSIONS

This report is based mainly on information provided by Renascor, either directly from discussions and data provided, or from reports and correspondence with other organisations whose work is the property of Renascor.

This report is based on information made available to Optiro up to the valuation date. Renascor have not advised Optiro of any material change, or event likely to cause material change, to the technical assessment of the mineral assets contained within the Arno project. This report specifically excludes any aspects relating to legal issues, commercial and financing matters, land titles and agreements, excepting such aspects as may directly influence the technical assessment of the asset.

The conclusions expressed in this report are appropriate as at 19 September 2016. The valuation is only appropriate for this date and may change in time and response to variations to economic, market, legal or political factors, in addition to ongoing exploration results.

All values are in Australian dollars unless otherwise indicated.

3. ARNO GRAPHITE PROJECT

3.1. LOCATION AND ACCESS

The Arno graphite project which hosts the Siviour graphite deposit is located along the east coast of Eyre Peninsula approximately 40 km southwest of Cowell on the Eyre Peninsula of South Australia. The project is readily accessed by the Lincoln Highway (B100) between Port August and Port Lincoln and includes the township of Arno Bay (Figure 3.1). The project area is located predominantly within freehold cropping land and includes one registered vegetation heritage area (VHA 1095).

Figure 3.1 Arno graphite project location and exploration permits (source: Renascor)



The area is serviced by the nearby cities of Whyalla (population 22,000), Port Lincoln (14,000) and Port Augusta (13,000) as well as the towns of Arno Bay, Cleve, Cowell and Tumby Bay. The licences are located within 20 km of rail service and the area is connected to the South Australian main power grid.

Within the regional area, the Uley graphite mine (Valence Industries Ltd) is located approximately 140 km to the south. The Waddikee and Campoona graphite deposits (Archer Exploration), the

Kookaburra Gully graphite deposit (Lincoln Minerals Ltd) and the Oakdale graphite deposit (Oakdale Resources Ltd) are all located within the immediate area.

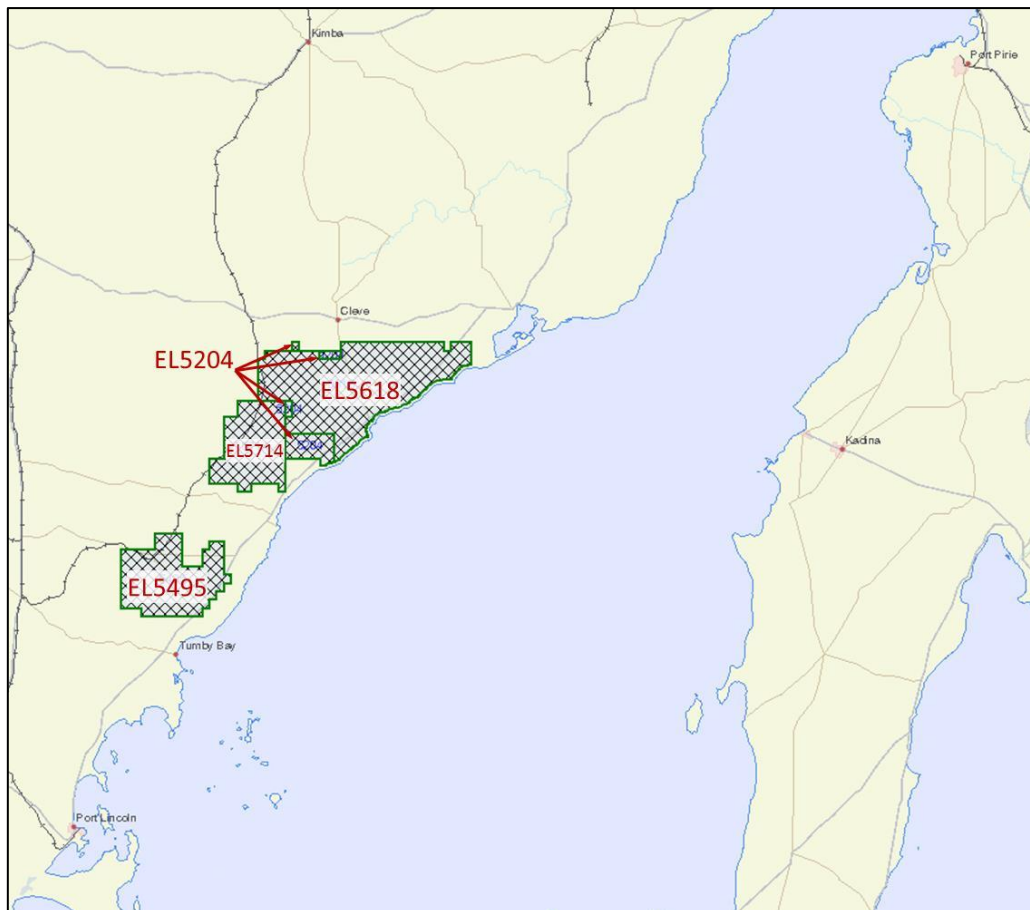
3.2. TENURE, OWNERSHIP AND AGREEMENTS

The Arno project comprises four exploration licences that cover an area of approximate 1,370 km² (Table 3.1). The registered holder of the licences is currently Ausmin, as discussed in Section 2.1.

Table 3.1 Arno project tenement schedule

Licence number	Name	Holder	Equity	Grant	Expiry	Term	Area (km ²)	Expenditure to date
EL5204	Malbrom	Ausmin	100%	5/04/13	4/04/17	4 yrs	81	\$12,730
EL5495	Lipson Cove	Ausmin	100%	29/09/14	28/09/17	3 yrs	329	\$14,800
EL5618	Verran	Ausmin	100%	29/01/15	28/01/17	2 yrs	690	\$459,867
EL5714	Malbrom West	Ausmin	100%	5/02/16	4/02/18	2 yrs	270	\$4,877

Figure 3.2 Arno graphite project exploration permits (source: SARIG)



The exploration licences are subject to three joint venture/option agreements:

1. Cowell Joint Venture Agreement (signed 3 November 2010) between Ausmin (the holder) and THTF Australia Mining Pty Ltd primarily to explore for iron ore but currently inactive.
2. ActivEX/Eyre Peninsula Minerals Option Agreement (signed 3 April 2013 and assigned 23 October 2013) between Ausmin (the holder) and EPM primarily to explore for graphite.

3. The Renascor agreement with EPM (Section 2.1). Under this agreement Renascor has assumed the operation and management of exploration over the project area.

EL5204 comprises four separate areas which each adjoin EL5618 (Verran) to the north, west and south. Total expenditure reported to date is approximately A\$490,000. The licences have terms of between two and four years. Renewals will be handled by the standard application for an extension of term.

Optiro is not qualified to provide legal opinion on the status of the Arno project licences but has reviewed the Government of South Australia Department of State Development's South Australian Resource Information Geoserver (SARIG) and copies of all relevant and signed tenement documents. Optiro is satisfied that Ausmin and, through the various agreements, Renascor have good and valid title to the described exploration licences required to explore the project in the manner proposed and that the licences are in good standing.

3.2.1. AGREEMENTS AND ROYALTIES

In consideration of services provided to Ausmin, a 1% Gross Overriding Royalty interest in all minerals contained within EL5495, EL5618 and EL5204 has been granted to the Milton Park Trust. The Gross Overriding Royalty refers to 1% of all and any minerals which result from the processing or refining of ore derived for the licences.

No community or heritage issues have been identified across the project area. Standard consultation processes are required and are ongoing with Pastoral Lease holders.

3.3. GEOLOGY AND MINERALISATION

The Arno graphite deposit comprises several well-defined graphite prospect areas of which the Siviour prospect is the most advanced.

Regional interpretation of the aeromagnetic data shows the Siviour prospect to be located within an unusual fold nose striking east-west against the overall north-northeast trending Hutchinson Group. Banded iron formations of the Hutchinson Group or Miltalie Gneiss showing variable magnetic signatures are interpreted to be lying to the east of the Siviour prospect with non-magnetic meta-sediments (calc silicates, dolomites and psammites) hosting the Siviour graphite deposit.

Interpretation of outcrop mapping and historic and recent drilling shows the Siviour deposit is underlain by interpreted Hutchinson group meta-sediments consisting of mixed semi-pelitic, psammitic and chemical metasediments with concordant amphibolites. These units are equated with the Katunga Dolomite, which in the area is recognised as generally massive to poorly layered calc-silicate through to marble unit, dolomitic in places with retrograde alteration to serpentinite nodules including chrysotile and talc formed in places.

The graphitic mineralised zone intersected at Siviour is interpreted to represent the upper part of the Katunga Dolomite rather than the Cook Gap (Mangalo) Schist which would normally overly the jaspilite. The Cook Gap (Mangalo) Schist, is a semi-pelitic garnet mica schist and gneiss with magnetite gneiss and concordant amphibolites with similar lithologies to the Siviour mineralised zone.

Graphite mineralisation is associated primarily with rocks of the Palaeoproterozoic Hutchinson Group, in particular iron formations and dolomitic rocks within this group. The Hutchinson Group extends southwest from the Cleve/Cowell area into the western two thirds of the Verran licence (EL5618) and strikes southwest to west-southwest.

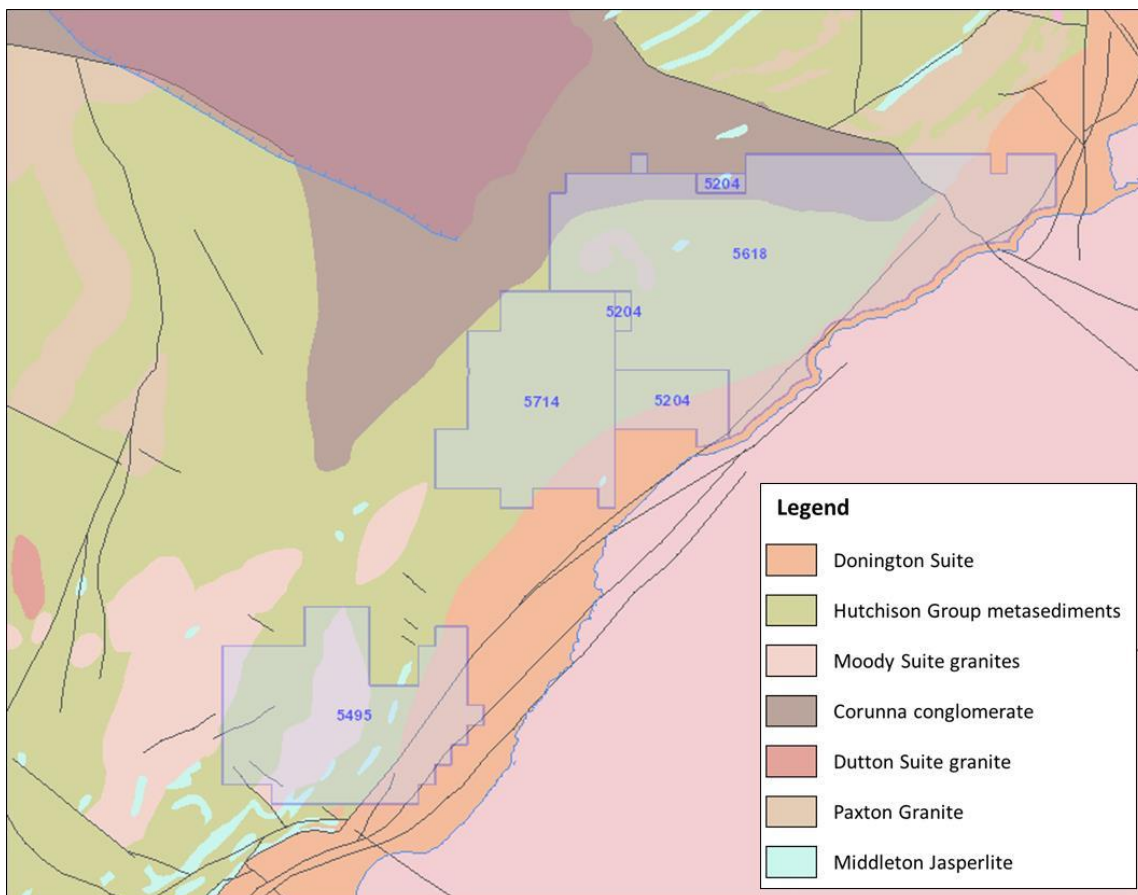
Three groups of graphitic occurrences have been defined north of the Verran area with the following associations:

- Mt Millar antiform and the contact of the Carpa Granite (Miltalie, Ben Boy)
- western limb of the Cleve antiform (Mangalo, Mt Shannan)
- Campoona Synform (Campoona, Wildhorse Plains).

The Cleve antiform and Mt Millar antiformal trends appear prospective with graphite occurrences at Boothby and Beames Farm being interpreted as the extensions of the Mt Millar trend (Figure 3.3).

Further south from Beames Farm the trend appears to be offset to the east by an apparent fold/granite intrusive suggested by a broad, sub-circular magnetic anomaly. The graphite occurrence at Siviour may represent the extension of the Mt Millar trend and extend south into EL5204.

Figure 3.3 Geology of the Arno area (source: SARIG)



3.4. EXPLORATION HISTORY

Renascor completed 24 reverse circulation drill holes totalling 1,546 metres between 14 January 2016 and 26 January 2016. The holes were drilled at the Siviour, Siviour West, Paxtons and Malbrom prospects. The majority of the drilling was undertaken at Siviour on three sections with holes at approximately 100 m spacing on 200 m separated sections.

In total eighteen holes intersected graphitic zones and 278 one metre intervals were sampled and assayed for graphitic carbon (TGC%). The mineralised samples were visually selected and these intervals were dispatched to Bureau Veritas (AMDEL) in Adelaide for sample preparation and assay.

All drill hole collars were pegged to the planned collar location using a hand held GPS using the Geocentric Datum of Australia (GDA) 94, Zone 53 grid system. These holes have been incorporated into a Mineral Resource estimate discussed below.

Renascor completed a further 31 hole, 2,100 m reverse circulation drilling programme in July and August 2016 which targeted conductivity anomalies to the east and west of the Siviour deposit (23 holes). This drilling programme included the thickest intervals of near-surface graphite mineralisation intersected in the Siviour area to date and is yet to be incorporated into the Mineral Resource estimate. This drilling has confirmed the continuity of the graphite mineralisation for at least an additional 1 km.

3.5. MINERAL RESOURCES

In March 2016, Optiro prepared a Mineral Resource estimate for the Siviour. The Siviour deposit included mineralisation defined at the Siviour Homestead, Siviour West and Buckies prospects. The mineralisation was defined by 24 reverse circulation drillholes for a total of 1,869 m and one diamond drillhole for a total of 74.1 m. The mineralisation is generally tabular, oriented east-west and dips at 5° to the southwest. The strike of the mineralisation has been interpreted, from geophysical data, to swing sharply towards the north and is dislocated in the east by a fault zone. The graphite mineralisation has been interpreted using a nominal cut-off grade of 3% TGC.

Quality assurance and quality control data, comprising the insertion of standards and field duplicates, shows good accuracy and precision.

Block grades were estimated using an ordinary kriging technique using a panel size of 25 mE by 100 mN on 2 m benches. A bulk density of 2.55 t/m³ was assigned to mineralised material for tonnage estimation.

Mineralogical analysis of 30 samples indicates that the graphite content is mostly 7 to 30 volume % and that the length of individual flakes ranges from <50 µm to 2,000 µm, with average lengths ranging from 100 µm to 800 µm. The graphite occurs as strand-like single crystal flakes, and as composites of these, are commonly aligned (schistose) along and within the whole rock fabric. Approximately 85% of the graphite occurs between layered quartz and around granular altered feldspar and biotite, and it is expected that this interstitial graphite would be relatively easily liberated during processing to create a graphite concentrate.

The Mineral Resource estimate, as at March 2016, for the Siviour deposit (which incorporates drilling from the Siviour Homestead, Siviour West and Buckies prospects) is reported in Table 3.2. This has been classified and reported in accordance with the guidelines of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, 2012 (the JORC Code). The Mineral Resources have been reported above a 3% TGC cut-off grade to reflect current commodity prices and extraction by open pit mining. As at March 2016, the total Indicated and Inferred graphite Mineral Resources for the Siviour deposit are 16.8 Mt at 7.4% TGC.

Table 3.2 Arno graphite project Mineral Resources reported above a 3% TGC cut-off (source: Renascor)

Classification	Tonnes (Mt)	Grade (TGC %)	Contained graphitic carbon
Indicated	6.8	8.1	550,000
Inferred	10.0	6.9	690,000
Total	16.8	7.4	1,240,000

Interpretation of geophysical data, by Renascor, indicates that the graphite mineralisation extends to the east of the Siviour deposit and drilling at Paxtons (located 1.8 km to the east of the Siviour deposit) has intersected graphite mineralisation. An Exploration Target of some 12 to 15 million tonnes with a grade of 7% to 7.5% TGC has been defined from the extent of the electromagnetic anomaly and the thickness and grade of the graphite mineralisation at Paxtons and the Siviour deposit. The potential quantity and grade of this Exploration Target is conceptual in nature: there has been insufficient exploration to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource at Siviour East and Paxtons.

The information in this report which relates to Mineral Resources is based upon information compiled by Mrs Christine Standing who is a Member of the Australasian Institute of Mining and a Member of the Australian Institute of Geoscientists. Mrs Standing is an employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs Standing consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears

3.6. METALLURGICAL STUDIES

In October 2014, ALS Metallurgy completed a metallurgical testwork programme on one sample from the Arno graphite project. The testwork included sample preparation, bench flotation testing, gravity testing and size by size analysis. The sample provided contained 6.59% Total Carbon (TC) and 6.45% TGC.

The results from the test work are as follows:

- graphite concentrate assaying 93.1% TC was produced at 87.1% recovery
- over 40% of the concentrate produced was +150 µm large flake graphite and approximately 70% of the concentrate was +75 µm flake graphite
- +600 µm extra-large flake (jumbo flake) graphite was also produced

- gravity separation was a very effective method to separate floatable gangue or gangue with minor inclusions of graphite from liberated graphite flakes
- due to its particular shape, the actual screen size for graphite flake is smaller than that under microscope. The +600 µm flakes measured up to 3 mm but passed a 1 mm screen.

Further bench flotation tests are required to optimise the flowsheet in future testwork.

Petrological testing from samples over the wider project area is noted to have returned a significantly higher proportion of large and jumbo flake graphite with average lengths in the jumbo to super jumbo categories ranging from 400 to 800 µm. Whilst this petrological work is not considered definitive, it is indicative that higher grade zones are likely to contain a higher portion of more valuable, larger flake size material.

3.7. EXPLORATION POTENTIAL

The Arno graphite project is considered to have significant resource expansion and exploration potential based on the existing data sets. The opportunities include:

- inclusion of the most recent drilling into an updated Mineral Resource estimate
- infill drilling on the existing resource to increase resource confidence levels
- targeting extensions of mineralisation along strike within the Siviour area
- targeting of additional known EM conductivity targets within the broader licence area including the Carpa, Mt Priscilla and Lipson Cove prospects.

4. OTHER MINERAL PROJECTS

Optiro is aware that Renascor hold other mineral assets including the Munglinup, Eastern Eyre, Olary Warrior and Frome projects. Optiro has completed a high level review of these projects and considers them to be at an early stage of exploration assessment. Optiro considers the value of these projects is likely to be immaterial in relation to the Arno graphite project.

5. GRAPHITE COMMODITY MARKET

The graphite market is largely opaque with sales contracts negotiated between buyers and sellers on products that need to meet predetermined specifications designed specifically for its intended end use. Whilst graphite mineralisation is reasonably common, the quality of the deposit and the ability to produce a product that meets a users requirements limits the number of economic deposits.

The total world graphite market is approximately 2 to 2.2 Mtpa which is roughly split between synthetic graphite (50%) and natural graphite (50%). Natural and synthetic graphite industries operate independently and have little crossover in market share and end-uses.

The natural graphite market comprises approximately 55% flake, 44% amorphous and 1% vein material. According to Industrial Minerals (www.indmin.com), China accounts for 79% of total world output followed by Brazil, India, North Korea and Canada. Smaller levels of production are also from Norway, Zimbabwe, Madagascar, Russia, Ukraine and Germany. Chinese mines reportedly lack significant large and jumbo flake production. Sri Lanka is the sole supplier of vein graphite.

Graphite's main markets are a combination of traditional industry – refractories (high temperature bricks and linings utilised in metal production, ceramics, petrochemicals and cement industries) – as well as in batteries and the main anode material. Other markets include steel-making (as a recarburizer), brake-linings for vehicles and lubricants. It is primarily the potential growth in the Li-ion battery market that has captured the market's interest with demand for graphite increasing from 11% of the market in 2014 to around 19% at present.

Graphite prices are determined based on benchmark flake size and purity levels. According to Industrial Minerals, recent pricing indicates:

- flake 94% to 97% C, +180 µm – US\$750 to US\$850/t
- flake 94% to 97% C, 150 to 180 µm – US\$700 to US\$750/t
- flake 94% to 97% C, -150 µm – US\$550 to US\$700/t
- flake 90% C, 150 to 180 µm – US\$550 to US\$620/t
- flake 85% to 77% C, 150 to 180 µm – US\$400 to US\$450/t
- amorphous fines 80% to 85% C – US\$400 to US\$430/t
- Sri Lankan vein graphite 93% C, -250 µm – US\$1,550/t
- uncoated spherical, 15 µm, 99.5% C – US\$2,500 to US\$3,000/t

These prices are indicative only and Optiro notes that these prices are significantly lower than those observed two years ago.

The demand for graphite from its traditional uses (particularly in steel making) is expected to remain weak for the foreseeable future. There is however an expected shift away from synthetic to natural graphite as a possible result of potential cost advantages. The potential growth in demand for Li-ion batteries is considered the main driver for growth in the graphite market. Optiro notes that market commentators have estimated the demand profile for natural flake graphite to increase from the current 550 to 600 ktpa to approximately 785 to 845 ktpa by 2020.

6. VALUATION CONSIDERATIONS

There are a number of recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the extent and reliability of information available in relation to the asset. The VALMIN Code classifies mineral assets according to the maturity of the asset:

- **Exploration areas** - properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been declared.
- **Advanced exploration areas** - properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some form of detailed geological sampling. A Mineral Resource may or may not have been estimated, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more prospects to the resource category.

- **Pre-development projects** - properties where Mineral Resources have been identified and their extent estimated, but where a decision to proceed with development has not been made. This includes projects at an early assessment stage, on care and maintenance or where a decision has been made not to proceed with immediate development.
- **Development projects** - properties for which a decision has been made to proceed with development, but which are not commissioned or are not operating at design levels.
- **Operating mines** - mineral properties that have been fully commissioned and are in production.

The VALMIN Code defines value as the fair market value of a mineral asset. The fair market value is the amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an “arm’s length” transaction, with each party acting knowledgeably, prudently and without compulsion. In times of high commodity prices and/or buoyant share market conditions, the fair market value ascribed to mineral assets may be higher than their technical value. The fair market value of the mineral asset comprises:

- The underlying or technical value, which is an assessment of a mineral asset’s future economic benefit under a set of assumptions, excluding any premium or discount for market, strategic or other considerations.
- The market component, which is a premium or discount relating to market, strategic or other considerations.

In assessing the value of the Arno mineral assets, Optiro has considered both the technical value and the fair market value of the assets.

7. VALUATION APPROACH AND METHODOLOGY

In determining the appropriate valuation method(s) to be used for the Arno graphite project, Optiro has taken into consideration the classification of these assets according to the categories defined in the VALMIN Code and the different methodologies that are generally accepted as industry practice for each classification. Generally there are three broad methods of valuation that are used for valuing mineral assets: these are the market approach, cost approach and income approach. The market and cost approaches are used for the grass-roots through to advanced exploration stages and the income approach is used for advanced projects with defined reserves to operating mines.

In relation to the graphite Mineral Resources within the Arno project, the project is considered to be at an advanced exploration stage. As there are no Ore Reserves or capital and operating cost estimates in place along with production estimates, a DCF-style valuation cannot be used to determine fair market value. As such, the valuation approaches that Optiro has elected to use are defined as inferential methods and rely on comparative or subjective inputs, such as the “rule of thumb” or appraised value method. Such methods value the property in dollars per unit area or dollars per resource tonne.

The methodologies considered by Optiro to determine a value for the graphite Mineral Resources and the exploration potential are summarised below.

7.1. GEOSCIENTIFIC RATING METHOD

The most well-known method of the Geoscientific ratings type is the modified Kilburn Geological Engineering/Geoscientific method, which was developed by a Canadian geologist who wished to introduce a more systematic and objective way of valuing exploration properties. The Kilburn and similar rating approaches are acknowledged as industry-standard valuation tools. This method is Optiro's preferred valuation tool for early stage exploration projects.

The Kilburn method uses a Geoscientific rating which has as its fundamental value a base acquisition cost (BAC) of the tenement. The BAC is the average cost to acquire a unit of exploration tenement (generally a graticular block, square kilometre or hectare) and maintain it for one year, including statutory fees and minimum expenditure commitments.

In determining the BAC for exploration licences, Optiro has considered the application and retention costs as set by the Government of Western Australia, Department of Mines and Petroleum and the average identification, administration and expenditure costs. Using the Western Australia costs allows for consistency between jurisdictions. Based on Optiro's assessment, the BAC applied to exploration licences is A\$1,125 per graticular block, or generally A\$377/km².

Four technical factors are then applied sequentially to the BAC of each tenement, each of which can enhance, downgrade or have no impact on the value of the property and which allow a value per tenement to be determined. The four technical factors are:

- **Off-property factor** – relates to physical indications of favourable evidence for mineralisation, such as workings and mining on the nearby properties, which may or may not be owned by the company being valued. Such indications are mineralised outcrops, old workings through to world-class mines.
- **On-property factor** – this is similar to the off property factor but relates to favourable indications on the property itself, such as mines with significant production.
- **Anomaly factor** – the anomaly factor relates to the degree of exploration which has been carried out and the level and/or number of the targets which have been generated as a consequence of that exploration. Properties which have been subject to extensive exploration without the generation of sufficient or quality anomalies are marked down under the Kilburn approach.
- **Geological factor** – this refers to the amount and exposure of favourable lithology and/or structure (if this is related to the mineralisation being valued) on the property. Thus properties which have a high coverage of favourable lithology and through-going structures will score most highly.

The ratings applied by Optiro are listed in Table 7.1.

This methodology is used to determine the technical value, and a fifth factor, reflecting the current state of the market, is applied to determine the market value. This market value determined from the Geoscientific rating method has been verified by consideration of the current market for graphite properties.

Table 7.1 Geoscientific rating criteria (modified by Optiro)

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor	
0.1				Generally unfavourable geological setting	
0.5				Extensive previous exploration with poor results	Poor geological setting
0.9				Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within tenement	No targets defined	Generally favourable geological setting	
1.5	Mineralisation identified	Mineralisation identified	Target identified, initial indications positive		
2.0	Resource targets identified	Exploration targets identified	Significant intersections - not correlated on section	Favourable geological setting	
2.5					
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks	
3.5					
4.0					Along strike from a major mine(s)
5.0	Along strike from world class mine	Major mine with significant historical production			

7.2. COMPARABLE TRANSACTION METHOD

The comparable market value approach is a market based approach and is an adaptation of the common real estate approach to valuation. For the purposes of mineral asset valuation, a valuer compiles and analyses transactions, converted to a 100% equity basis, of projects of similar nature, time and circumstance, with a view to establishing a range of values that the market is likely to pay for a project. The comparable market approach:

- is intuitive, easily understood and readily applied
- implies a market premium/discount for the prevailing sovereign risk
- captures market sentiment for specific commodities or locations
- accounts for intangible aspects of a transaction (i.e. intellectual property).

The transactions deemed to be analogous to the mineral asset being valued are used to determine a unit price (e.g. \$/km² or \$/tonne metal, etc.) for the asset being valued; however, there is an intricate value dynamic between the quantity (size) and quality (grade or prospectivity) that may result in the exclusion of a large number of comparable transactions, which in turn may undermine the accuracy of this method.

The comparable market value approach is widely used throughout the minerals industry; however, the valuer must take into account that this approach is essentially retrospective and cannot take into account anticipated or recent commodity or other market price movements.

7.3. JOINT VENTURE TERMS METHOD

The joint venture terms method is a variation of the comparable market value method. This technique involves transactions where only partial ownership of a project is acquired. The joint venture terms method provides the valuer with a larger acquisitions dataset than the comparable market value method, and consequently these approaches are often used simultaneously in mineral asset valuations.

It is recognised that the market will attribute a sliding-scale premium in accordance with the level of ownership acquired (i.e. a joint venture agreement for a 51% interest in a project may attract a market value significantly above that for an identical project in which a 49% interest is acquired). The valuer therefore needs to account for any potential associated with ownership premiums.

7.4. APPRAISED VALUE METHOD

The cost approach or Appraised Value method is founded on the assumption that the intrinsic value of the exploration tenement is based on the exploration expenditure, and that a highly prospective tenement will generally encourage a higher level of exploration expenditure.

This valuation methodology relies upon the premise that a project is at least worth what the owner has previously spent and/or committed to spending in the future. It considers historical and/or planned future expenditure on the mineral asset and includes the amount of expenditure that has been meaningfully used in the past to define a target or resource and the future costs in advancing the exploration.

The value of the property may be determined from the sum of past effective exploration expenditure (usually limited to the past three years) plus any committed exploration expenditure in the current year and the application of a prospectivity enhancement multiplier (PEM). The PEM is determined by the level of sophistication of the exploration for which positive exploration results have been obtained, and usually ranges from 0.5 to 3.0.

The principal shortcomings of this method are that there is no consistent base from which to derive the valuation and there is no systematic approach taken in determining the PEM. Optiro places less reliance on values determined this method than those determined from the Geoscientific Ratings and comparable transaction methods.

8. VALUATION

8.1. OVERVIEW

Optiro's preferred approach to value the Mineral Resources within the Arno graphite project was to use comparable transactions. Optiro reviewed recent global transactions involving graphite projects with defined Mineral Resources (Appendix A). In order to obtain a dataset that is relevant under the current time and circumstances, Optiro has reviewed transactions that occurred within the last 24 months.

Optiro notes that transactions involving graphite projects with defined Mineral Resources are particularly sparse. Furthermore, the transactions identified are across a variety of locations,

development stage, grade and processing characteristics. As a cross-check to the unit price of the comparable transaction identified, Optiro reviewed the enterprise value per TGC tonne of selected companies with comparable graphite Mineral Resources considered to be their primary value driver. The enterprise value is based upon the share price as at 16 September 2016 and the most recently reported financial and share registry information.

Optiro's approach in valuing the exploration potential for mineralisation within the Arno project exploration tenements was to use the following:

- the Geoscientific Rating method
- comparable transactions
- joint venture terms.

In determining the exploration potential, Optiro reviewed recent Australian transactions involving graphite projects without defined Mineral Resources (Appendix B). In order to obtain a dataset that is relevant under the current time and circumstances, Optiro has reviewed transactions that occurred within the last 24 months.

8.2. MINERAL RESOURCES

In terms of valuing the Mineral Resources defined within the Arno project area, Optiro identified three transactions that are considered to be of use in assessing the current market value attributed to graphite Mineral Resources. In valuing the Mineral Resources, Optiro considered the classification, size and grades of the graphite mineralisation of the Mineral Resources along with the potential to produce a product that meets a users requirements. The transactions selected by Optiro are listed in Appendix A.

Optiro has established from its search of publically available information on recent market transactions of graphite Mineral Resources that the market has generally been valuing graphite projects at A\$5 to A\$50 per tonne of graphite in the ground (Appendix A). In considering these transactions Optiro notes the following:

- The number of transactions available is limited and assessment is required to determine the value of the Arno graphite project
- The Lac Aux Bouleaux transaction (31 March 2015) included a historic mineral estimate calculated using a polygonal method with sectional volume (circa 1982). Accordingly, the confidence in this estimate is reduced.
- The Graphmada transaction (4 April 2016) included two milestone payments contingent on production performance. Whilst the Mineral Resource grade is relatively low only the top 5 to 10 m of mineralisation has been assessed. The project has an established plant and produces large flake size graphite.
- The La Loutre transaction (16 May 2016) is of relatively low grade (3.5% TGC) with limited information available on processing characteristics.

Due to the limited number of transactions identified and to verify the unit price of the comparable transaction identified, Optiro reviewed the enterprise value per graphite resource tonne of selected companies with comparable graphite Mineral Resources considered to be their primary value driver

(Table 8.1). Market capitalisation has been calculated on an undiluted basis using the most recently available share registry information (typically ASX Appendix 5B reports) and the share price as at 16 September 2016. The enterprise value is based upon the company's cash and debt position taken from ASX Appendix 5B reports.

The enterprise value per tonne (EV/t) of contained graphite was calculated using the latest Mineral Resource reports. The EV/t of graphite displays a relatively broad range of values up to A\$50/t contained graphite.

Table 8.1 Enterprise value per resource tonne of graphite for selected companies

Company	Share price (A\$)	Undil. mkt cap (A\$ M)	EV (A\$ M)	EV/t TGC (A\$)
Hexagon Resources Ltd	0.185	\$43.30	\$42.30	\$53.06
Graphitecorp Ltd	0.72	\$50.10	\$48.40	\$51.41
Magnis Resources Ltd	0.88	\$377.20	\$370.00	\$39.38
Lincoln Minerals Ltd	0.059	\$21.70	\$18.70	\$32.28
Oakdale Resources Ltd	0.135	\$7.30	\$7.00	\$15.77
Archer Exploration	0.073	\$8.00	\$6.00	\$15.09
Kibaran Resources Ltd	0.225	\$42.60	\$40.50	\$12.22
Volt Resources Ltd	0.07	\$63.40	\$55.80	\$5.10
Talga Resources Ltd	0.26	\$47.30	\$35.50	\$4.74
Metals of Africa	0.05	\$14.80	\$10.60	\$1.31

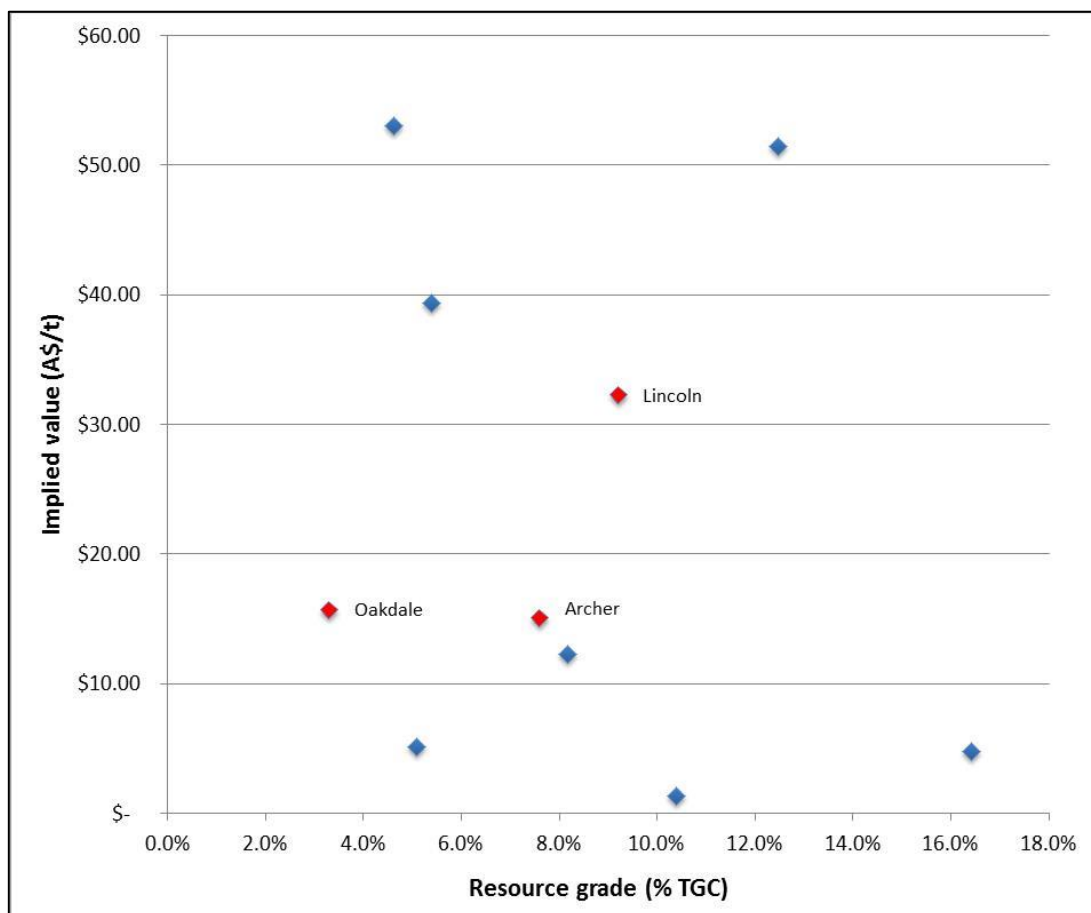
In considering these enterprise values Optiro notes the following:

- Hexagon Resources Ltd's (Hexagon) McIntosh project in northern Western Australia is reported to have favourable metallurgy and a low CAPEX requirement to production. Hexagon also holds graphite assets in South Korea and the Halls Creek gold-copper project. Hexagon's market capitalisation will include value associated with these additional assets.
- Graphitecorp Ltd's Mount Dromedary project in north Queensland is a high grade flake deposit (18.8% TGC high grade zone). Metallurgical flotation and purification tests have produced graphite concentrate above 94% graphitic carbon (Cg) and purification tests have produced concentrate above 99.9% Cg.
- Magnis Resources Ltd's (Magnis) Nachu graphite project in Tanzania has been the subject of a feasibility study and all regulatory and environmental permits for mining are now understood to be finalised. Magnis expects to commence site works in the fourth quarter of 2016.
- Lincoln Minerals Ltd's (Lincoln) Kookaburra Gully graphite project is located on the Eyre Peninsula proximal to the Arno project. The Mineral Resources are relatively high grade (15.1% TGC) with good metallurgical recoveries. Lincoln also holds a number of other secondary mineral assets with some associated value.

- Oakdale Resources Ltd (Oakdale) holds the Oakdale graphite project on the Eyre Peninsula with a Mineral Resource of 13.5Mt at 3.3% TGC including 6.2 Mt at 4.8% TGC. Metallurgical test work has indicated a +90% TGC concentrate with a recovery of approximately 84%.
- Archer Exploration Ltd’s (Archer) flagship project is its Eyre Peninsula graphite project which includes the Campoona Mineral Resource of 5.3 Mt at 7.6% TGC. Archer is currently working on a scoping study for the Campoona project. Archer holds a number of other mineral assets of which a several non-core assets were recently farmed-out.
- Kibaran Resources Limited (Kibaran) holds a number of graphite projects in Tanzania with the Epanko project being the most advanced. Kibaran has completed a Feasibility Study on Epanko and has a mining licence in place with 75% of planned production supported by off-take agreements.

Based on the above discussions, Optiro considers the mineral assets of Lincoln, Oakdale and Archer to be the most comparable to the Arno graphite project. These projects are geographically close to the Arno project and at a similar level of assessment. Lincoln’s Kookaburra Gully project is slightly higher grade and the company holds additional mineral assets. Archer’s Campoona project is a similar grade whereas the Oakdale project (held by Oakdale) is lower grade. Of note, Renascor’s Siviour project is flat-lying and near surface and may present a lower strip ratio mining option than the other projects.

Figure 8.1 Enterprise value per resource tonne of graphite for selected graphite companies
Most comparable companies highlighted in red



Based on the above discussion, Optiro considers that the Arno Mineral Resource would likely attract a low value defined by the enterprise value per tonne of graphite for Oakdale and Archer (A\$15.77 and A\$15.09 respectively). Optiro considers that the upper value would be defined by the enterprise value per tonne of graphite for Lincoln at A\$32.28/t TGC. This falls within the range defined by the identified comparable transactions. Therefore, Optiro considers that the Arno project Mineral Resource on a 100% equity basis would likely attract a value in the range of A\$15 to A\$30 per resource tonne of contained graphite. Thus the implied current market value of the Arno Mineral Resources lies within the range A\$19 M to A\$37 M, with a preferred value of A\$28 M. The Mineral Resource valuation is summarised in Table 8.2.

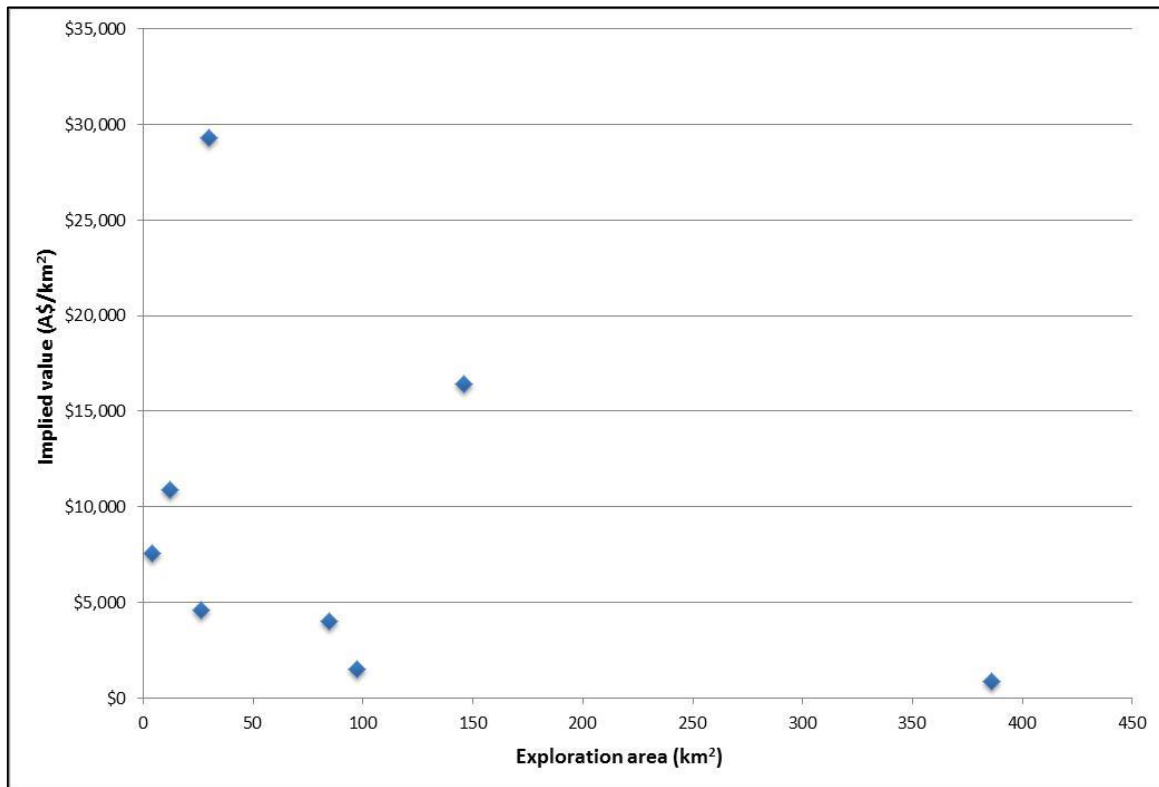
Table 8.2 Arno project Mineral Resource valuation on a 100% basis

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Mineral Resources	\$19	\$37	\$28

8.3. EXPLORATION POTENTIAL

Optiro has identified eight transactions that are considered to be of use in assessing the current market value attributed to mineralisation potential similar to that at the Arno graphite project. As for resource projects, the number of graphite exploration projects transacted is limited. Optiro excluded properties with Mineral Resources and defined exploration target tonnages. The transactions selected by Optiro are listed in Appendix B.

Optiro notes that there is a distinct negative correlation between licence size and price transacted per km². This correlation is common in exploration stage projects and largely reflects the tighter exploration focus as projects advance (Figure 8.2). Based upon this and Renascor's granted exploration tenure of approximately 1,370 km², the exploration potential for the project area would likely attract a value in the order of \$300 to \$5,000/km².

Figure 8.2 Implied value per exploration area for selected graphite transactions


Optiro has used the identified exploration transactions as a benchmark for its Geoscientific Ratings valuation below.

Optiro determined Geoscientific Ratings for each project area in reference to the off-property, on-property, anomaly and geology factors for potential graphite mineralisation. The ratings for the project area licences are listed in Table 8.3.

Optiro assigned the ratings based on:

- four semi contiguous granted exploration licences areas covering 1,370 km²
- strong potential for extensions of mineralisation along strike from the Siviour deposit
- the presence of multiple airborne EM anomalies indicative of further graphite mineralisation
- the shallow and flat-lying orientation of the mineralisation at Siviour and associated potential mining efficiencies
- favourable jurisdiction and established infrastructure.

Table 8.3 Arno graphite project - Geoscientific Rating criteria applied to exploration mineralisation potential

Licence	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
EL5204	1.5	2	2	2.5	1	1.5	2.5	3
EL5495	1.5	2	1.5	2	1	1.5	2	2.5
EL5618	1.5	2	2.5	3	3	3.5	2.5	3
EL5714	1.5	2	2	2.5	1.5	2	2.5	3

Fair market value is the technical value (as determined by the Geoscientific Ratings) plus a premium or discount to account for market, strategic considerations and special purposes. Optiro has examined the past and forecast graphite prices, general market sentiment, as well as the development stage, location and geology of the Arno exploration tenements, and has elected not to apply a premium or discount to the licences.

The following assumptions have been used by Optiro in applying the Geoscientific Ratings method to determine a value for the mineralisation potential within the Arno exploration licences:

- BAC for Western Australian exploration licence - A\$377/km²
- no market premium (or discount) factor for the exploration properties.

Based on the Geoscientific Ratings of the mineralisation prospectivity within the Arno exploration tenements and allowing for 100% effective ownership, the mineral assets are expected to have a market value that lies in the range A\$4.2 M to A\$5.2 M, with a preferred value of A\$4.7 M.

Optiro's analysis of comparable transactions suggests that graphite exploration projects similar to the Arno project would typically attract market values up to A\$5,000/km² when considering prospectivity and project size. Based on the Geoscientific Ratings of the graphite mineralisation potential of the Arno licences, an average value of A\$3,400/km² has been determined. This is within the expected range of values indicated by recent comparable transactions and, given the location of the licences and overall prospectivity of the licences, is considered reasonable.

8.4. SUMMARY OF VALUATION

Optiro has applied a number of recognised valuation methods to derive a value estimate for the Arno mineral assets.

Optiro's opinion of the fair market value of the Mineral Resources and exploration potential, using the methodologies described above, is summarised in Table 8.4. The values presented are based upon a 100% interest of the projects.

Table 8.4 Valuation summary of the Arno graphite project exploration potential and Mineral Resources (100% interest)

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Mineral Resources	\$19.0	\$37.0	\$28.0
Exploration potential	\$4.2	\$5.2	\$4.7
Total	\$23.2	\$42.2	\$32.7

Optiro's opinion of the fair market value of the Arno mineral assets on a 100% basis is that they lie within the range of A\$23.2 M to A\$42.2 M, with a preferred value of A\$32.7 M. The values assigned to these mineral assets are in nominal Australian dollars (A\$) and were prepared with an effective valuation date of 19 September 2016.

9. DECLARATIONS BY OPTIRO

9.1. INDEPENDENCE

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects in a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes and in compliance with ASIC Regulatory Guide 112. The authors do not hold any interest in Renascor Resources Limited, its associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report. Optiro will charge Renascor fees of approximately \$17,500 for the preparation of this report.

9.2. QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mr Jason Froud (Principal) and Mrs Christine Standing (Principal) of Optiro.

Mr Jason Froud [BSc (Hons), Grad Dip (Fin Mkts), MAusIMM] is a geologist with 20 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

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11. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
Abbreviations	A\$ - Australian dollars, BAC - Base Acquisition Cost, DCF - Discounted cashflow, DSO - direct shipping ore, °C - degrees Celsius, EL - Exploration Licence, EIA - Environmental Impact Assessment, EV - Enterprise Value, g/t - grams per tonne, ha - hectare, km - kilometre, km ² - square kilometre, m - metre, m ³ - cubic metres, MA - million years, mm - millimetre, M - million, MOU - Memorandum of understanding, Mt - million tonnes, Mtpa - million tonnes per annum, NPV - Net Present Value, PEA - Preliminary Economic Assessment, % - percentage, RC - Reverse Circulation drilling, SG - specific gravity, t - metric tonnes, US\$ - United States dollars.
aircore drilling	A drilling method used in soft or unconsolidated ground. Drill cuttings are returned to surface using compressed air within an inner tube of the hollow drill rods reducing sample contamination .
amphibolite	A mafic igneous rock principally comprised of amphibole and plagioclase.
basalt	A fine grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
basement/bedrock	In general terms older, typically crystalline rocks which are often covered by younger rocks.
block model	A model comprised of rectangular blocks, each with attributes such as grades, rock types, codes that represents a given mineral deposit.
breccia	A detrital sedimentary rock composed of poorly sorted fragments which are all angular to sub-angular in shape, and have a particle size of greater than 2 mm.
bulk density	A property of particulate materials. It is the mass of many particles of the material divided by the volume they occupy. The volume includes the space between particles as well as the space inside the pores of individual particles.
composite	A sample comprised of a number of smaller samples.
concentrate	End product of the flotation process.
core	See diamond drilling.
cut-off grade	The grade that differentiates between mineralised material that is economic to mine and material that is not.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
dolerite	Basaltic rocks which are comparatively coarse grained.
drillhole data	Data collected from the drilling, sampling and assaying of drill holes.
Feasibility Study	A mining and or processing study into the economic development of a project for which the inputs have an accuracy of 5% to 10%.
gneiss	A high grade metamorphic rock that display distinct and alternating mineral foliation.
granite	A felsic intrusive rock with a granular texture.
igneous	Rock is formed through the cooling and solidification of magma or lava.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2004)
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain

Term	Explanation
	quality and reliability.'(JORC 2004)
jaspilite	A chemically deposited rock formed in a similar manner to chert but iron rich.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2004.
kriging	In geostatistics, a method of estimating a value(s) at a given point by computing a weighted average of the known values in the neighbourhood of the point.
limestone	A rock composed mainly of calcium carbonate or magnesium carbonate or combinations thereof.
lithology	The study and description of rocks, including their mineral composition and texture.
metallurgy	Study of the physical properties of metals as affected by composition, mechanical working and heat treatment.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
Ore Reserve	'An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.' (JORC, 2012)
ore zone	Zone of mineralised material.
orogeny/orogenic	Relating to tectonic forces resulting in large scale deformation of portions of the earth's crust.
psammite	A sedimentary rock, typically with sand sized grains or metamorphosed sandstone.
ptygmatical fold	Folds with chaotic, random or disconnected character typical of sedimentary slump folding and migmatites.
reverse circulation drilling (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
saprolite	Soft, decomposed/oxidised rock rich in clay and remaining in its original place.
sedimentary	Rock forming process where material is derived from pre-existing rocks by weathering and erosion.
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
serpentinite	A metamorphic rock comprised of serpentine minerals, namely hydrous magnesium iron phyllosilicates.
siltstone	A detrital sedimentary rock composed of clay minerals similar to mudstone but with mostly silt-grade material (1/16 to 1/256) mm.
smectite	A group of phyllosilicate clay minerals including montmorillonite and nontronite.
tenement	A generic term for an exploration or mining licence or lease.
TGC	Total graphitic carbon
unconformity	A structural break in the geological profile representing unrecorded time.
VALMIN Code	The Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets for Independent Expert Reports (2005), sponsored by the AusIMM, the ASX, the AIG and MICA among others.
volcanic	An igneous rock of volcanic origin.

Appendix A Graphite Mineral Resource Transactions

Project	Location	Date	Buyer	Seller	Consideration (100% basis) A\$	Equity	Implied value (A\$/t)
La Loutre	Quebec	16 May 16	Lomiko Metals Inc	Canada Strategic Metals Inc.	\$1,844,132	20%	\$7.60
Graphmada	Madagascar	04 Apr 16	Bass Metals Ltd	Statmin Global Resources plc	\$2,250,000	94%	\$10.21
Lac Aux Bouleaux	Quebec	31 Mar 15	NRG Metals Inc	undisclosed	\$682,770	100%	\$5.74

Appendix B Graphite Exploration Transactions

Project	Location	Date	Buyer	Seller	Consideration (100% basis) A\$	Area (km ²)	Equity	Implied value (A\$/km ²)
Clot	Quebec	06 Jul 16	Saint Jean Carbon Inc.	undisclosed	\$130,547	12	100%	\$10,900
Liandu	Tanzania	11 Jul 16	Armada Capital plc	Graphite Advancement Pty Ltd	\$874,829	29.9	100%	\$29,300
La Loutre	Quebec	09 Feb 15	Lomiko Metals Inc	Canada Strategic Metals Inc.	\$226,160	84.7	66%	\$4,000
Champion	Ontario	20 Apr 16	Benton Capital Corp.	Benton Resources Inc.	\$30,393	~ 4	100%	\$7,600
Diamond and Bell	Quebec	16 Feb 16	Saint Jean Carbon Inc.	undisclosed	\$121,908	26.4	100%	\$4,600
Four projects	Finland	11 Jan 16	Beowulf Mining plc	Oy Fennoscandian Resources AB	\$339,864	385.9	100%	\$900
E66/89	Western Australia	18 Dec 15	Mayan Iron Corporation Ltd	Rhodes Resources Pty Ltd	\$150,000	97.0	100%	\$1,500
Amitsoq	Greenland	06 Oct 15	Alba Mineral Resources Limited	Artemis Resources Ltd	\$1,676,224	146.0	70%	\$16,400

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be received not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Renascor Resources Limited

36 North Terrace, Kent Town, South Australia 5067.

Telephone Phone: (08) 8363 6989

Facsimile No: (08) 8363 4989

If a representative of the corporation is to attend the meeting, the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on 23 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.



LODGE YOUR VOTE

By Mail:

36 North Terrace
Kent Town
South Australia 5067

By Fax: +61 8 8363 4989

All telephone enquiries: +61 8 8363 6989

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to vote on your behalf

I/We being a member/s of Renascor Resources Limited and entitled to attend and vote hereby appoint:

the Chairman
of the Meeting

OR if you are NOT
appointing the Chairman of
the Meeting as your proxy,
please write the name of the
person or body corporate you
are appointing as your proxy.

!

PLEASE NOTE: Leave this box
blank if you have selected the
Chairman of the Meeting. Do
not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, subject to compliance with the Corporations Act and the Listing Rules) at the Annual General Meeting of Renascor Resources Limited to be held at The Belair Room, BDO, Level 7 BDO Centre, 420 King William St, Adelaide South Australia 5000 on 25 November 2016 at 2.00pm (Adelaide time) and at any adjournment of that meeting.

Important - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

The Chairman of the Meeting intends to vote undirected proxies **in favour of each item of business**, subject to compliance with the Corporations Act and the Listing Rules.

Resolutions 1, 9, 10, 11 and 12 (Corporations Act voting restrictions)

If the Chairman of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the Chairman to exercise your proxy on Resolutions 1, 9, 10, 11 and 12 (except where I/we have indicated a different voting intention below), even though Resolutions 1, 9, 10, 11 and 12 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman. If you do not wish to authorise the Chairman to vote in this way, you should direct your vote in accordance with Step 2 below.

Resolutions 8, 9, 10, 11 and 12 (Listing Rule voting restrictions)

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default, and you do NOT wish to direct your proxy how to vote as your proxy in respect of the resolution/s, please place a mark in the box opposite.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of resolutions 8, 9, 10, 11 and 12 (Relevant Resolutions) and that votes cast by the Chair of the meeting for the Relevant Resolutions other than as proxy holder will be disregarded because of that interest.

If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution.

Important - Exercise of undirected proxies by Key Management Personnel

If a member of the Company's Key Management Personnel (other than the Chairman) or their closely related parties, is your proxy and you have not directed the proxy how to vote, that person will not vote your shares on Resolutions 1, 6, 8, 9, 10, 11 and 12 (being resolutions which are connected directly or indirectly with the remuneration of members of the Company's Key Management Personnel).

Key Management Personnel of the Company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year ended 30 June 2015. Their closely related parties are defined in the Corporations Act 2001 (Cth), and include certain of their family members, dependants and companies they control.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions before marking any boxes with an .

STEP 2 Voting Directions for Items of Business

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Richard Keevers as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Geoffrey McConachy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval to complete EPM Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval for issue of Consideration Securities for EPM Acquisition to Unrelated Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval for issue of Consideration Securities for EPM Acquisition to Related Party Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of prior issue of Shares under Placement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval for Bizzell Capital Partners Pty Ltd to participate in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of issue of Shares to Mr Stephen Bizzell under the Non-Executive Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Approval of issue of Shares to Mr Andrew Martin under the Non-Executive Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval of issue of Shares to Mr Chris Anderson under the Non-Executive Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Approval of issue of Shares to Mr Richard Keevers under the Non-Executive Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Approval to issue an additional 10% of the issued capital of the Company over a 12 Month Period Pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business, subject to the Corporations Act and the Listing Rules.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting by marking the appropriate box above.

STEP 3 Signature of Security holder(s) *This section must be completed.*

Security holder 1

Security holder 2

Security holder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Phone No.

Date

This form should be signed by the shareholder. If a joint holding, all shareholders should sign. If signed by the shareholder's attorney, the power of attorney must be attached to this form. If executed by a company, the form must be executed in accordance with company's constitution and the *Corporations Act 2001 (Cth)*.