

**RENASCOR RESOURCES LIMITED
AND SUBSIDIARIES**

A.B.N. 90 135 531 341

**CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

RENASCOR RESOURCES LIMITED

CORPORATE DIRECTORY

DIRECTORS

Richard Keevers (Appointed 22 July 2016)
David Christensen
Geoff McConachy
Andrew Martin
Stephen Bizzell
Chris Anderson

AUSTRALIAN BUSINESS NUMBER

90 135 531 341

SECRETARY

Angelo Gaudio

ADMINISTRATION AND REGISTERED OFFICE

36 North Terrace
Kent Town SA 5067
Phone: + 61 8 8363 6989
Fax: +61 8 8363 4989
Website: www.renascor.com.au

SHARE REGISTRY

Link Market Services Limited
ANZ Building
Level 15, 324 Queen Street
Brisbane Qld 4000
Phone: +61 2 8280 7454
Fax: +61 2 92870303

SOLICITORS

Arion Legal
Level 1, 214 Greenhill Road
Eastwood SA 5063, Australia
Phone: +61 8 8133 1018
Fax: +61 8 8133 1018

AUDITORS

BDO Audit (SA) Pty Ltd
Level 7, BDO Centre
420 King William Street
Adelaide SA 5000
Phone: +61 8 7324 6000
Fax: +61 8 7324 6111

MSM Lawyers
11-13 Gilbert Street
Adelaide SA 5000
Phone: +61 8 8161 5088
Fax: +61 8 8410 7266

Competent Persons Statement

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. G. W. McConachy (fellow of the Australasian Institute of Mining and Metallurgy) who is a director of Renascor. Mr. McConachy has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a competent person as defined by the 2012 edition of the Australasian code for reporting of exploration results, mineral resources and ore reserves (the JORC code, 2012 edition). Mr. McConachy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Renascor Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

Directors

The following persons were directors of Renascor Resources Limited (the Company) during the half-year and up to the date of this report, unless otherwise stated:

Richard Keevers (Appointed 22 July 2016)

David Christensen

Geoff McConachy

Andrew Martin

Stephen Bizzell

Chris Anderson

Company Secretary

Angelo Gaudio

Review of Operations

For the half-year ended 31 December 2016, the loss for the consolidated entity after providing for income tax was \$352,847 (2015: \$360,046).

Operational activities and highlights for the half-year ended 31 December 2016 are listed as follows:

- On 5 December 2016, Renascor completed the acquisition of a 100% ownership interest in Eyre Peninsula Minerals Pty Ltd (EPM). Renascor previously owned 49% of the outstanding share capital of EPM, and, as first announced on 1 September 2016, Renascor exercised its option to acquire the remaining 51% of EPM subject to obtaining shareholder approval at Renascor's annual general meeting on 25 November 2016. Having obtained such approval at the annual general meeting, Renascor acquired the remaining 51% of EPM on 5 December 2016 in exchange for 42,068,884 ordinary shares in Renascor and 15,000,000 unlisted options exercisable at \$0.05 per option and expiring 5 December 2019.

EPM's primary asset is an option to acquire Ausmin Development Pty Ltd (Ausmin), which owns the underlying rights to the exploration tenements that comprise the Arno Graphite Project.

- During the half-year ended 31 December 2016, Renascor's activities were focused on the Arno Graphite Project and, in particular, the Siviour Graphite Deposit in South Australia's Eyre Peninsula. Activities undertaken during the half-year included commencement of a Scoping Study to evaluate the viability of the potential mining from Siviour Graphite Deposit. The Scoping Study will examine geological, mining and processing options at Siviour and will include mining parameters to be defined following the recently completed drill program (conducted during January 2017); product parameters are to be defined by mineral processing testing currently underway.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

- Drilling completed during the half-year ended 31 December 2016 expanded the Siviour resource and identified a higher-grade +10% total graphitic carbon (TGC) zone. Work programs undertaken during the period include a ground electromagnetic (EM), reverse circulation drilling, a revised Mineral Resource estimate and diamond drilling.

The revised estimate almost quadrupled the initial Siviour Mineral Resource estimate to 60.8 million tonnes @ 7.8% TGC for 4.7 million tonnes of contained graphite, including higher-grade mineralisation of 22.2 million tonnes @ 10.0% TGC for 2.2 million tonnes of contained graphite (see Table 1 below and ASX announcement dated 26 October 2016 - the information contained therein has not materially changed since first being reported).

Category	Tonnes of mineralisation (millions)	TGC	Tonnes of contained graphite (millions)
Indicated	33.4	8.2%	2.7
Inferred	27.4	7.3%	2.0
Total	60.8	7.8%	4.7

Note: Cut-off grade of 3% total graphitic carbon

Table 1. Siviour Mineral Resource estimate as of 25 October 2016

- The Siviour resource potential remains largely open, with near-surface opportunities to extend the deposit both along and across strike into areas that Renascor considers highly prospective for additional graphite mineralisation.
- During the period mineral processing test work has been conducted on ore considered reasonably representative of what would be mined in Siviour's first ten years of mine life, subject to satisfactory completion of mining studies and obtaining requisite developmental financing. Metallurgical tests completed by ALS Metallurgy in Adelaide have achieved concentrates of 99% TGC from simple flotation without chemical or thermal purification.
- Additional exploration and evaluation activities undertaken during the period included activities related to lithium and graphite targets at Renascor's Munglinup Project near Ravensthorpe, Western Australia. Targets at Munglinup include areas mapped and interpreted as Archean greenstone prospective for lithium-cesium-tantalum (LCT) pegmatites of the type associated with the nearby Mt Cattlin lithium mine. The project area also includes large conductivity anomalies along strike from the Halberts graphite mine. Next step programs under consideration include a program of multi-element geochemistry that will include coverage of the interpreted greenstone target zones, as well as reverse circulation drilling over graphite targets.
- On 21 December 2016, Renascor announced the appointment of Richard (Dick) E Keevers as Non-Executive Chairman with effect from 1 January 2017. 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.

Renascor's outgoing Chairman Stephen Bizzell has remained on the Board as a Non-Executive Director.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 6.

This report is signed in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



David E. Christensen
Director

Adelaide
Date: 14 March 2017.

**DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF RENASCOR RESOURCES LIMITED**

As lead auditor for the review of Renascor Resources Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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



Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 14 March 2017

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	<i>Note</i>	Consolidated Entity Half-Year Ended	
		31 December 2016	31 December 2015
		\$	\$
Revenue	3	25,290	17,671
Other income	3	-	-
Administration and consulting expenses		(124,595)	(60,545)
Depreciation and amortisation expenses		(1,771)	(1,864)
Employee benefits expense		(171,928)	(266,132)
Legal fees		(10,162)	(7,435)
Office accommodation		(15,298)	(15,298)
Impairment of exploration costs	3, 7	-	(3,573)
Other expenses		(54,383)	(22,870)
		<hr/>	<hr/>
Loss before income tax expense		(352,847)	(360,046)
Income tax expense		-	-
		<hr/>	<hr/>
Loss for the half-year attributable to the owners of Renascor Resources Limited		(352,847)	(360,046)
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of Renascor Resources Limited		(352,847)	(360,046)
		<hr/> <hr/>	<hr/> <hr/>
Earnings/(loss) per share for loss attributable to owners of Renascor Resources Limited:		Cents	Cents
Basic earnings/(loss) per share		(0.09)	(0.17)
Diluted earnings/(loss) per share		(0.09)	(0.17)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<i>Note</i>	Consolidated Entity	
		31 December 2016 \$	30 June 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,367,978	862,448
Trade and other receivables		56,349	154,720
Other		22,709	15,887
Total Current Assets		<u>2,447,036</u>	<u>1,033,095</u>
Non-Current Assets			
Property, plant and equipment		5,516	7,287
Exploration and evaluation	7	6,816,021	5,977,606
Other		20,000	-
Total Non-Current Assets		<u>6,841,537</u>	<u>5,984,893</u>
TOTAL ASSETS		<u>9,288,573</u>	<u>7,017,988</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		217,515	345,763
Provisions		133,177	132,007
Total Current Liabilities		<u>350,692</u>	<u>477,770</u>
Non-Current Liabilities			
Provisions		86,790	70,750
Total Non-Current Liabilities		<u>86,790</u>	<u>70,750</u>
TOTAL LIABILITIES		<u>437,482</u>	<u>548,520</u>
NET ASSETS		<u>8,851,091</u>	<u>6,469,468</u>
EQUITY			
Contributed equity	4	18,628,616	13,235,479
Reserves		(17,161)	1,041,506
Accumulated losses		(9,760,364)	(9,407,517)
TOTAL EQUITY		<u>8,851,091</u>	<u>4,869,468</u>
Non-controlling interests	8	-	1,600,000
TOTAL EQUITY		<u>8,851,091</u>	<u>6,469,468</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Consolidated	Note	Contributed	Share-based	Business	Accumulated	Total	Non-	Total
		equity	Payments	Combination	losses		controlling	equity
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015		11,903,316	1,026,312	-	(8,517,438)	4,412,190	-	4,412,190
Loss for the half-year		-	-	-	(360,046)	(360,046)	-	(360,046)
Total comprehensive income			-	-	(360,046)	(360,046)	-	(360,046)
Transactions with owners in their capacity as owners:								
Contributions of equity net of transaction costs		374,567	-	-	-	374,567	-	374,567
Share-based payments		15,098	-	-	-	15,098	-	15,098
		389,665	-	-	-	389,665	-	389,665
Balance at 31 December 2015		12,292,981	1,026,312	-	(8,877,484)	4,441,809	-	4,441,809
Balance at 1 July 2016		13,235,479	1,041,506	-	(9,407,517)	4,869,468	1,600,000	6,469,468
Loss for the half-year		-	-	-	(352,847)	(352,847)	-	(352,847)
Total comprehensive income		-	-	-	(352,847)	(352,847)	-	(352,847)
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs		2,742,830	-	-	-	2,742,830	-	2,742,830
Acquisition of non-controlling interest of Eyre Peninsula Minerals Pty Ltd	8	2,650,307	359,123	(1,417,790)	-	1,591,640	(1,600,000)	(8,360)
		5,393,137	359,123	(1,417,790)	-	4,334,470	(1,600,000)	2,734,470
Balance at 31 December 2016		18,628,616	1,400,629	(1,417,790)	(9,760,364)	8,851,091	-	8,851,091

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	<i>Note</i>	Consolidated Entity Half-Year Ended	
		31 December 2016	31 December 2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for Goods & Services Tax paid		60,142	44,218
Payments to suppliers and employees (including payments of Goods & Services Tax)		(572,697)	(346,698)
Interest received		25,418	18,409
Research and Development tax offset refund		121,356	190,942
Net cash (outflow)/inflow from operating activities		<u>(365,781)</u>	<u>(93,129)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant & equipment		(1,849)	-
Payments for exploration & evaluation		(841,350)	(449,062)
Payments made for tenement security bonds		(20,000)	-
Net cash (outflow)/inflow from investing activities		<u>(863,199)</u>	<u>(449,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,734,470	335,678
Net cash (outflow)/inflow from financing activities		<u>2,734,470</u>	<u>335,678</u>
NET INCREASE/(DECREASE) IN CASH HELD		1,505,490	(206,513)
Net cash at beginning of period		862,488	1,075,336
NET CASH AT END OF PERIOD		<u>2,367,978</u>	<u>868,823</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The historical cost basis has been used. Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to approximate their fair value.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by Renascor Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

New, revised or amending Accounting Standards and Interpretations adopted

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

The application of the above standards amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

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

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

2. GOING CONCERN

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. This includes the realisation of capitalised exploration expenditure of \$6,816,021 (30 June 2016: \$5,977,606).

The consolidated entity has incurred a net loss after tax for the half-year ended 31 December 2016 of \$352,847 (31 December 2015: \$360,046) and operations were funded by a net cash inflow of \$1,505,490 (31 December 2015: \$206,513). At 31 December 2016, the consolidated entity had net current assets of \$2,096,344 (30 June 2016: net current assets of \$555,325).

The consolidated entity's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. Should the consolidated entity not achieve the matters set out above, there would then be significant uncertainty over the ability of the consolidated entity to continue as a going concern, and, therefore, it may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the half-year financial report.

The half-year financial report does not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

3. LOSS FOR THE HALF-YEAR

Consolidated Entity	
Half-Year Ended	
31 December	31 December
2016	2015
\$	\$

The following items are relevant in explaining the financial performance for the interim period:

(a) Revenue and other income

Interest Income	25,290	17,671
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(b) Expenses

Exploration costs expensed	-	3,573
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RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Consolidated Entity Half-Year Ended		Consolidated Entity Half-Year Ended	
	31 December 2016 Number of shares	31 December 2015 Number of shares	31 December 2016 \$	31 December 2015 \$
4. ISSUED CAPITAL				
(a) Ordinary shares				
At 1 July	284,466,527	194,839,488	13,235,479	11,903,316
Shares issued during the half-year ended 31 December				
(1) Retail component of Entitlement Offer	-	20,950,612	-	374,567
(2) NEDSP Shares	-	935,510	-	15,098
(3) Consideration shares on acquisition of EPM	80,735,351	-	2,650,307	-
(4) Exercise of Performance Rights	600,001	-	-	-
(5) Conditional placement to Directors, associates & investors.	39,266,668	-	550,001	-
(6) Exercise of listed options	64,391,981	-	1,815,913	-
(7) Optional placement pursuant to underwriter's agreement.	13,333,333	-	376,916	-
Shares issued (net of costs) during the half-year	198,327,334	21,886,122	5,393,137	389,665
Total as at 31 December	482,793,861	216,725,610	18,628,616	12,292,981

- (1) On 9 July 2015, 20,950,612 ordinary shares were issued in relation to the retail component of the Entitlement Offer.
- (2) On 14 October 2015, 935,510 shares were issued to non-executive directors pursuant to Non-Executive Directors Share Plan (NEDSP), as approved by shareholders at the Annual general meeting held on 27 November 2014, for non-executive directors to receive up to 50% of their compensation in shares in the Company.
- (3) On 11 July 2016, pursuant to the Subscription and Exploration Management Agreement with Eyre Peninsula Minerals Pty Ltd ("EPM"), 38,666,667 ordinary shares were issued as consideration for an additional 29% equity in EPM and on 5 December 42,068,684 ordinary shares plus 15,000,000 unlisted options exercisable at \$0.05, expiring on 5 December 2019 were issued as consideration for the remaining 51% equity to complete the 100% buy-out of EPM.
- (4) On 11 July 2016 600,001 shares were issued upon the exercise of 600,001 performance rights held by executives pursuant to the Company's Performance Rights Plan.
- (5) On 11 July 2016 39,266,668 shares were issued to directors, associates and sophisticated and professional investors pursuant to a conditional placement approved by shareholders at a general meeting held on 30 June 2016.
- (6) 46,520,267 shares were issued upon the exercise of listed options exercisable at \$0.03, expiring on 30 September 2016 and a further 17,871,714 shares were issued as a result of the placement of the shortfall under the underwritten exercise of the listed options.
- (7) 13,333,333 shares were issued as part of an optional placement pursuant to the underwriter's agreement.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

5. SEGMENT INFORMATION

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

In the opinion of the board of directors, the consolidated entity has one reportable segment, being exploration for graphite, copper, gold, uranium and associated minerals in Australia. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as a single segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole. The basis for determining segments has not changed from the last annual financial statements.

6. CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

7. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity Half-Year Ended	
	31 December 2016	31 December 2015
Movements in exploration and evaluation assets	\$	\$
Cost brought forward at 1 July	5,977,606	3,534,046
Expenditure incurred during the period	838,415	447,166
Impairment losses	-	(3,573)
PACE Grant offset against capitalised Exploration & Evaluation	-	(50,000)
Balance at 31 December	6,816,021	3,927,639

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

8. BUSINESS COMBINATION

Eyre Peninsula Minerals Pty Ltd

During December 2015, the Company entered into an agreement with Eyre Peninsula Minerals Pty Ltd (EPM) and EPM's shareholders (EPM JV Agreement) that granted the Company an option to acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in Renascor. EPM, in turn, has an option to acquire Ausmin Development Pty Ltd (Ausmin), an unlisted company that holds the underlying rights to the Arno graphite project. Pursuant to the EPM JV 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 JV Agreement granted the Company two additional options pursuant to which the Company could increase its ownership in EPM to 100%.

During June 2016, the Company completed its initial earn-in commitment of \$400,000 in exploration expenditure acquiring 20% of EPM. From completion of the earn-in, the activities and strategic direction of EPM were controlled by the management committee. Pursuant to the EPM JV Agreement, the Company had a voting control over the management committee. For accounting purposes the Company has considered that it had effective control over the activities of EPM and consolidated EPM in the Company's Financial reports from 21 June 2016.

On 11 July 2016, the Company exercised its option to acquire an additional 29% of the issued shares of EPM in exchange for the issue of 38,666,667 ordinary shares in Renascor, taking the Company's holding in EPM to 49%.

On 5 December 2016, the Company completed the acquisition of the remaining 51% of EPM, approved by shareholder at the Company's AGM held on 25 November 2016, with the issue of 42,068,684 ordinary shares and 15,000,000 unlisted options exercisable at a price of \$0.05 and expiring on 5 December 2019. The options have been valued at \$359,123 using the Black Scholes method based on a volatility of 144.39%, risk free rate of 2.7% and share price of \$0.032 on the date of issue.

Reconciliation of Business Combination Reserve

The business combination reserve represents the difference between the value of net assets acquired at the date of control, and total consideration provided for the shares of EPM.

Transaction Date	Value of Consideration	% shares acquired	Business Combination Reserve	Non-controlling Interest
Opening Balance	400,000	20%	-	1,600,000
11 July 2016	618,667	29%	(38,667)	(580,000)
5 December 2016	2,399,123	51%	(1,379,123)	(1,020,000)
Closing Balance	3,417,790	100%	1,417,790	-

9. EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any other matter or circumstance that has arisen since the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entity or the state of affairs of the consolidated entity in future periods.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

DECLARATION BY DIRECTORS

The directors of the Company declare that:

1. The financial statements and the notes set out on pages 7 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



David E. Christensen
Director

Adelaide
Date: 14 March 2017

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Renascor Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Renascor Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Renascor Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Renascor Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

A handwritten version of the BDO logo in blue ink, with the letters 'BDO' written in a cursive, stylized font.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', written in a cursive style.

Andrew Tickle
Director

Adelaide, 14 March 2017