

**RENASCOR RESOURCES LIMITED  
AND SUBSIDIARIES**

**A.B.N. 90 135 531 341**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

## RENASCOR RESOURCES LIMITED

### CORPORATE DIRECTORY

#### DIRECTORS

Richard Keevers  
David Christensen  
Geoff McConachy  
Stephen Bizzell  
Chris Anderson  
Andrew Martin (Resigned 20 November 2017)

#### 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](http://www.renascor.com.au)

#### SHARE REGISTRY

Link Market Services Limited  
ANZ Building  
Level 21, 10 Eagle Street  
Brisbane Qld 4000  
Phone: +61 2 8280 7454  
Fax: +61 2 92870303

#### SOLICITORS

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

#### 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

#### 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.

The information in this document that relates to metallurgical test work results is based on information compiled and reviewed by Mr Simon Hall, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hall is a consultant to the Company. Mr Hall has sufficient experience relevant to the mineralogy and type of deposit under consideration and the typical beneficiation thereof 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 Hall consents to the inclusion in the report of the matters based on the reviewed 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 2017.

#### 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  
David Christensen  
Geoff McConachy  
Stephen Bizzell  
Chris Anderson  
Andrew Martin (Resigned 20 November 2017)

#### Company Secretary

Angelo Gaudio

#### Review of Operations

For the half-year ended 31 December 2017, the loss for the consolidated entity after providing for income tax was \$2,736,887 (2016: \$352,847). The loss includes a write down of capitalised exploration and evaluation expenditure of \$2,288,298 and relinquishment of eleven tenements during the period and one further tenement subsequent to the year ended 31 December 2017. The twelve tenements include four tenements from South Australia, six tenements from Western Australia and two tenements from the Northern Territory.

Operational activities and highlights for the half-year ended 31 December 2017 are listed as follows:

- During the half-year ended 31 December 2017, 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 prefeasibility study. Key work programs completed during the half-year include advances in mineral processing, advanced product testing, resource enhancement, community engagement and environmental and regulatory planning. During October 2017 Renascor completed a staged development study indicating that, in addition to offering impressive returns as a large-scale operation, Siviour offers a competitive pathway to production through a low start-up capital, staged development (see Renascor ASX release dated 27 October 2017). The prefeasibility study assessing production of graphite concentrates was completed subsequent to the half year ended 31 December 2017, showing compelling project economics and highlighting Renascor's potential to become a highly profitable, long-term graphite producer in Australia (see Renascor ASX release dated 14 March 2018).
- During the half-year ended 31 December 2017 Renascor commissioned a scoping study to assess the potential viability of building a downstream processing facility in South Australia to produce spherical graphite using graphite concentrates produced at the site of the Siviour Graphite Project. This scoping study was completed subsequent to the half year ended 31 December, with positive results confirming the opportunity to unlock further value from Siviour through the production of spherical graphite in Australia (see Renascor ASX release dated 8 February 2017).

## RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

### DIRECTORS' REPORT

- During the half-year ended 31 December 2017, Renascor completed interpretation of an airborne electromagnetic (EM) survey over areas within and adjacent to the Siviour Indicated Resource. Analysis of the EM data has confirmed the general shallow, flat-lying orientation of the Siviour mineralised body, as well as identifying significant near-surface, horizontal extensions along strike (see Renascor ASX release dated 11 July 2017).
- During November 2017 a China-focused commodity marketing advisor, Mastermines was appointed by Renascor, to assist in the development of strategic commercial relationships with potential offtake partners in China and other Asian countries for Renascor's Siviour Graphite Project. The appointment of Mastermines is intended to further advance Siviour through the development of strategic relationships in China, as well as other Asian countries where graphite demand is strong (see Renascor ASX release dated 29 November 2017).
- During August 2017 Renascor and Ausmin Development Pty Ltd agreed to amend the terms of the agreement which grants Renascor the option to acquire the Siviour Graphite Project. Previously, the option vested upon the completion of a definitive feasibility study in relation to the commercial development of graphite on the project tenements. Pursuant to the amendment, the feasibility study condition is now replaced with an alternative vesting provision that permits the exercise of the option upon the incurrence of \$2.5 million in expenditure on the project. Expenditure is to be calculated from 1 July 2017. The amended option agreement creates a clear standard for meeting the vesting conditions to acquire the Siviour Graphite Project (see Renascor ASX release dated 29 August 2017).
- During the half-year ended 31 December 2017, Renascor undertook a portfolio-wide review of cobalt potential within its projects. The review resulted in the identification of significant cobalt from previous drilling at Renascor's Olary Project in South Australia and Munglinup Project in Western Australia. At its 100%-owned Olary Project in South Australia, Renascor identified multiple prospective cobalt targets within the Bulloo Creek and Shorts Dam areas and at its 100%-owned Munglinup Project located in Western Australia, Renascor identified strong potential for cobalt and nickel (see Renascor ASX release dated 27 November 2017).
- During the half-year ended 31 December 2017, Renascor completed a capital raising through a placement (the "Placement") to professional and sophisticated investors to raise approximately \$3 million (before costs) to advance the Siviour Graphite Project. The Placement consisted of the issue of up to approximately 179.5 million fully paid ordinary shares in the Company at a price of \$0.017 per share, in two tranches:
  - Tranche 1 was completed on 27 September 2017 with the issue of 120,698,060 ordinary shares raising \$2.05 million.
  - Tranche 2, approved by shareholders at the Annual General Meeting held on 20 November 2017 (AGM), was completed on 24 November 2017 with the issue of 58,824,140 ordinary shares to raise \$1.0 million.

## RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

### DIRECTORS' REPORT

- All shares issued under the capital raising were issued at a price of \$0.017 per share and included one attaching listed option for every two new shares subscribed exercisable at \$0.03 any time prior to 31 October 2019. Following approval by shareholders at the AGM, Renascor issued a total of 89,761,096 of such listed options to the subscribers of the Placement. On 28 November 2017 25,000,000 additional listed options were issued (on the same terms) to nominees of Bizzell Capital Partners (an entity associated with Stephen Bizzell, a director of the Renascor) and Hartleys Limited as consideration for services provided as Joint Lead Managers to the Placement. The above listed options were issued following the approval of shareholders at the AGM and were offered pursuant to a prospectus lodged with ASIC on 21 November 2017.
- On 20 November 2017, Renascor announced the resignation of non-executive director Andrew Martin, effective after the Annual General Meeting held the same day.
- As of 31 December 2017, Renascor had approximately \$2.923 million cash on hand.

#### 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: 16 March 2018.

**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 2017, 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, 16 March 2018

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	<i>Note</i>	Consolidated Entity Half-Year Ended	
		31 December 2017	31 December 2016
		\$	\$
Revenue	3	13,205	25,290
Other income		3,667	-
Administration and consulting expenses		(123,713)	(124,595)
Depreciation and amortisation expenses		(1,235)	(1,771)
Employee benefits expense		(172,538)	(171,928)
Legal fees		(4,859)	(10,162)
Office accommodation		(15,298)	(15,298)
Impairment of exploration costs	3, 7	(2,288,298)	-
Other expenses		(147,818)	(54,383)
		<hr/>	<hr/>
Loss before income tax expense		(2,736,887)	(352,847)
Income tax expense		-	-
		<hr/>	<hr/>
<b>Loss for the half-year attributable to the owners of Renascor Resources Limited</b>		<b>(2,736,887)</b>	<b>(352,847)</b>
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of Renascor Resources Limited		(2,736,887)	(352,847)
		<hr/> <hr/>	<hr/> <hr/>
Earnings/(loss) per share for loss attributable to owners of Renascor Resources Limited:		Cents	Cents
Basic earnings/(loss) per share		(0.49)	(0.09)
Diluted earnings/(loss) per share		(0.49)	(0.09)

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 2017

	<i>Note</i>	Consolidated Entity	
		31 December 2017	30 June 2017
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,922,703	1,230,213
Trade and other receivables		77,528	39,076
Other		21,459	10,963
<b>Total Current Assets</b>		<u>3,021,690</u>	<u>1,280,252</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		4,864	4,287
Exploration and evaluation	7	6,018,973	7,333,025
Other		20,000	20,000
<b>Total Non-Current Assets</b>		<u>6,043,837</u>	<u>7,357,312</u>
<b>TOTAL ASSETS</b>		<u>9,065,527</u>	<u>8,637,564</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		482,640	284,225
Provisions		257,568	136,811
<b>Total Current Liabilities</b>		<u>740,208</u>	<u>421,036</u>
<b>Non-Current Liabilities</b>			
Provisions		-	98,082
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>98,082</u>
<b>TOTAL LIABILITIES</b>		<u>740,208</u>	<u>519,118</u>
<b>NET ASSETS</b>		<u>8,325,319</u>	<u>8,118,446</u>
<b>EQUITY</b>			
Contributed equity	4	21,324,987	18,628,616
Reserves		230,228	(17,161)
Accumulated losses		(13,229,896)	(10,493,009)
<b>TOTAL EQUITY</b>		<u>8,325,319</u>	<u>8,118,446</u>
<b>Non-controlling interests</b>		-	-
<b>TOTAL EQUITY</b>		<u>8,325,319</u>	<u>8,118,446</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 2017

Consolidated	Note	Contributed	Share-	Business	Accumulated	Total	Non-	Total
		equity	based	Combination	losses		controlling	equity
		\$	Payments	Reserve	\$	\$	interest	\$
		\$	Reserve	Reserve	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>		<b>13,235,479</b>	<b>1,041,506</b>	-	<b>(9,407,517)</b>	<b>4,869,468</b>	<b>1,600,000</b>	<b>6,469,468</b>
Loss for the half-year		-	-	-	(352,847)	(352,847)	-	(352,847)
<b>Total comprehensive income</b>			-	-	(352,847)	(352,847)	-	(352,847)
<b>Transactions with owners in their capacity as owners:</b>								
Contributions of equity net of transaction costs		2,734,470	-	-	-	2,734,470	-	2,734,470
Acquisition of non-controlling interest of Eyre Peninsula Minerals Pty Ltd		2,658,667	359,123	(1,417,790)	-	1,600,000	(1,600,000)	-
		5,393,137	359,123	(1,417,790)	-	4,334,470	(1,600,000)	2,734,470
<b>Balance at 31 December 2016</b>		<b>18,628,616</b>	<b>1,400,629</b>	<b>(1,417,790)</b>	<b>(9,760,364)</b>	<b>8,851,091</b>	-	<b>8,851,091</b>
<b>Balance at 1 July 2017</b>		<b>18,628,616</b>	<b>1,400,629</b>	<b>(1,417,790)</b>	<b>(10,493,009)</b>	<b>8,118,446</b>	-	<b>8,118,446</b>
Loss for the half-year		-	-	-	(2,736,887)	(2,736,887)	-	(2,736,887)
<b>Total comprehensive income</b>		-	-	-	(2,736,887)	(2,736,887)	-	(2,736,887)
<b>Transactions with owners in their capacity as owners:</b>								
Contributions of equity, net of transaction costs	4	2,696,371	-	-	-	2,696,371	-	2,696,371
Share-based payments	8		247,389	-	-	247,389	-	247,389
		2,696,371	247,389	-	-	2,943,760	-	2,943,760
<b>Balance at 31 December 2017</b>		<b>21,324,987</b>	<b>1,648,018</b>	<b>(1,417,790)</b>	<b>(13,229,896)</b>	<b>8,325,319</b>	-	<b>8,325,319</b>

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 2017

	<i>Note</i>	Consolidated Entity Half-Year Ended	
		31 December 2017	31 December 2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for Goods & Services Tax paid		57,724	60,142
Payments to suppliers and employees (including payments of Goods & Services Tax)		(508,156)	(572,697)
Interest received		13,205	25,418
Research and Development tax offset refund		-	121,356
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(437,227)</u>	<u>(365,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire property, plant & equipment		(1,812)	(1,849)
Payments for exploration & evaluation		(675,639)	(841,350)
Payments made for tenement security bonds		-	(20,000)
<b>Net cash (outflow)/inflow from investing activities</b>		<u>(677,451)</u>	<u>(863,199)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of share issue expenses		(244,708)	(186,290)
Proceeds from issue of shares		3,051,877	2,920,760
<b>Net cash (outflow)/inflow from financing activities</b>		<u>2,807,169</u>	<u>2,734,470</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		1,692,490	1,505,490
Net cash at beginning of period		1,230,213	862,488
<b>NET CASH AT END OF PERIOD</b>		<u>2,922,703</u>	<u>2,367,978</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 2017

1. BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2017 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 2017 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 2017

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 \$6,018,973 (30 June 2017: \$7,333,025).

The consolidated entity has incurred a net loss after tax for the half-year ended 31 December 2017 of \$2,736,887 (31 December 2016: \$352,847) and operations were funded by a net cash inflow of \$1,692,490 (31 December 2016: \$1,505,490). At 31 December 2017, the consolidated entity had net current assets of \$2,281,482 (30 June 2017: net current assets of \$859,216).

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
2017	2016
\$	\$

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

(a) Revenue

Interest Income	13,205	25,290
-----------------	--------	--------

(b) Expenses

Exploration costs expensed	2,288,298	-
----------------------------	-----------	---

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Consolidated Entity Half-Year Ended		Consolidated Entity Half-Year Ended	
	31 December 2017 Number of shares	31 December 2016 Number of shares	31 December 2017 \$	31 December 2016 \$
<b>4. ISSUED CAPITAL</b>				
<b>(a) Ordinary shares</b>				
At 1 July	482,793,861	284,466,527	18,628,616	13,235,479
Shares issued during the half-year ended 31 December:				
(1) Consideration shares on acquisition of EPM.	-	80,735,351	-	2,650,307
(2) Exercise of Performance Rights.	-	600,001	-	-
(3) Conditional placement to Directors, associates & investors.	-	39,266,668	-	550,001
(4) Exercise of listed options.	-	64,391,981	-	1,815,913
(5) Optional placement pursuant to underwriter's agreement.		13,333,333		376,916
(6) Placement to investors.	120,698,060		1,804,478	
(7) NEDSP shares	2,574,404		54,754	
(8) Conditional placement to Directors, associates & investors.	58,824,140		757,139	
(9) Mastermines shares	2,500,000		80,000	
<b>Shares issued (net of costs) during the half-year</b>	<b>184,596,604</b>	<b>198,327,334</b>	<b>2,696,371</b>	<b>5,393,137</b>
<b>Total as at 31 December</b>	<b>667,390,465</b>	<b>482,793,861</b>	<b>21,324,987</b>	<b>18,628,616</b>

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 13,333,333 shares were issued as part of an optional placement pursuant to the underwriter's agreement.
- (6) On 27 September 2017, 120,698,060 shares were issued to professional and sophisticated investors per tranche #1 of capital raising announced on 20 September 2017.
- (7) On 3 October 2017, 2,574,404 shares were issued to Non-Executive Directors pursuant to the NEDSP.
- (8) On 24 November 2017 58,824,140 shares were issued to directors, associates and sophisticated and professional investors pursuant to a conditional placement approved by shareholders at the annual general meeting held on 20 November 2017.
- (9) On 22 December 2017, 2,500,000 shares were issued to Mastermines as consideration pursuant to an agreement for the provision of marketing services.

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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 2017	31 December 2016
Movements in exploration and evaluation assets	\$	\$
Cost brought forward at 1 July	7,333,025	5,977,606
Expenditure incurred during the period	974,246	838,415
Impairment losses	(2,288,298)	-
Balance at 31 December	6,018,973	6,816,021

RENASCOR RESOURCES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

8. SHARE BASED PAYMENTS

On 28 November 2017 the consolidated entity issued 25,000,000 listed options exercisable at \$0.03 any time prior to 31 October 2019 to nominees of Bizzell Capital Partners (an entity associated with Stephen Bizzell, a director of the Company) and Hartleys Limited as consideration for services provided as Joint Lead Managers to the Placement. The issue of the above listed options, as approved by shareholders at the AGM, was offered pursuant to a prospectus lodged with ASIC on 21 November 2017.

No options were exercised into ordinary shares during the half year ended 31 December 2017.

The weighted average remaining contractual life of listed share options outstanding at the end of the period was 1.83 years (2016: not applicable) and the weighted average life of unlisted share options outstanding at the end of the period was 1.93 years (2016: 2.93 years).

(i) Fair value of options granted:

The assessed fair value at grant date of options is allotted equally over the period from grant date to vesting date. The fair value was independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria (if applicable), the impact of dilution, the non-tradable nature of the option (if applicable), the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option (refer to table below for inputs used).

The amount of the equity settled share-based payment in respect of the options issued above is \$247,389 (2016: \$359,123) and has been included as Share Issue Cost within the Issued Capital in the Statement of Financial Position as at 31 December 2017.

The following table lists the inputs to the models used for the half-year ended 31 December 2017 and 2016:

<b>Black Scholes Model inputs</b>	<b>2017</b>	<b>2016</b>
Weighted average exercise price	\$0.03	\$0.05
Weighted average life of the options	2.11 years	3.00 years
Weighted average underlying share price	\$0.022	\$0.032
Expected share price volatility	96.141%	144.39%
Weighted average risk free interest rate	1.975%	2.70%
Number of listed options issued	25,000,000	-
Number of unlisted options issued	-	15,000,000
Value (Black-Scholes) per option	\$0.010	\$0.024
Total value of options issued	\$247,388	\$359,123

Historical volatility of a group of comparable companies has been the basis of determining expected share price volatility, as it is assumed that this is indicative of future movements. No adjustment has been made to the life of the option based on no past history regarding any expected early exercise or any variation of the expiry date. Accordingly, the expected life of the options has been taken to the full period of time from grant date to expiry date, which may fail to eventuate in the future

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 2017 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: 16 March 2018



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

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the half-year financial report of Renascor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### **Emphasis of matter - Material uncertainty relating to going concern**

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 Group's ability to continue as a going concern and therefore the Group 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.

#### **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 Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations*



*Regulations 2001*. As the auditor of the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 16 March 2018