

ASX Release

April 30, 2018

Renascor Resources Ltd
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ASX CODE

RNU

Developing Australia's Largest Graphite Deposit



Placement to Raise \$6.5 Million Funds Renascor's Low Cost Siviour Graphite Project to Decision to Mine

- Firm commitments received for a placement to raise \$6.5 million
- Placement will fully fund completion of Renascor's Definitive Feasibility Study in respect of its Siviour Graphite Project, expected to be completed by Q1 2019
- Shareholders to be offered new shares at the same price as the Placement via a Share Purchase Plan for up to \$2 million
- Renascor now fully funded until Decision to Mine at its world-class Siviour Graphite Project
- In parallel with the push towards development of the graphite concentrate operation at Siviour, the Company will continue to advance development of spherical graphite and other value-added downstream graphite markets
- Strengthened balance sheet will allow Renascor to also drill test its Shorts Dam cobalt prospect, and advance other priority cobalt targets within its Olary Project
 - Will follow up previous best intersection of 15m @ 0.14% Co and 0.07% Cu from 19m (drill hole SP04)
 - Drilling expected to commence later this year

Renascor Resources Limited (ASX: RNU) (Renascor or the Company) is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise \$6.5 million (before expenses) at 2.7 cents per share to fund the next important milestones in advancing the Siviour Graphite Project towards production (Placement).

Commenting on the capital raising, Renascor Managing Director, David Christensen, stated:

"We are gaining strong momentum in our push to advance Siviour into production by 2020.

In recent weeks our Siviour Project has been materially derisked and improved through delivery of a robust PFS, receipt of highly encouraging spherical and expandable graphite testwork that demonstrates strong potential for Siviour concentrate to produce these value-added products, signing of an initial non-binding MOU for graphite off-take with China's Qingdao Chenyang Graphite last week, and now this very well-supported share placement to ensure we are fully funded to deliver a Definitive Feasibility Study.

On completion of the Placement, and assuming a fully subscribed SPP, we expect to have approximately \$10 million in cash reserves, which will ensure we can continue to advance Siviour at a rapid pace, and also provide scope to explore our highly prospective cobalt portfolio.

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Given the continuing strength in the cobalt price, and based on the strength of prior high grade cobalt drill results at our Olary Project, investors in the placement have endorsed Renascor's strategy to undertake a focused drill programme and geophysical studies at Olary to better understand the cobalt potential. Our exploration team is excited about progressing this work programme in the months ahead".

Hartleys Limited and Bizzell Capital Partners Pty Ltd ("BCP") are Joint Lead Managers to the Placement. BCP is an entity associated with Stephen Bizzell, who is a non-executive director of Renascor.

The funds raised by the Placement will primarily be applied to:

- Completion of the Definitive Feasibility Study in respect of the Siviour Graphite concentrate operation;
- Submission of the Mining Lease Application in respect of the Siviour Project;
- Further technical assessment of the downstream options which may be available to enhance the financial returns available from the Siviour Project;
- Advancing marketing and off take discussions;
- Exploration activities at the Olary Cobalt Project, including geophysical studies and drilling of priority targets; and
- Working capital.

Placement

The Placement will be completed by the issue up of to 240,740,750 fully paid ordinary shares in the Company at a price of 2.7 cents per share, in two tranches:

- Tranche 1: 159,302,080 shares to raise approximately \$4.3 million will be completed without shareholder approval, utilising the Company's capacity provided by Listing Rule 7.1 and 7.1A. 92,581,253 shares will be issued pursuant Listing Rule 7.1 and 66,720,827 shares will be issued pursuant to Listing Rule 7.1A.
- Tranche 2: Up to approximately 81,438,670 shares will be issued to raise up to approximately \$2.2 million, subject to shareholder approval at a general meeting of shareholders expected to be held in early June 2018.

Directors of Renascor have committed to participate in the capital raising on the same terms as the Placement, subject to necessary shareholder approval.

Share Purchase Plan

In order to ensure retail shareholders are able to participate, the Company is pleased to announce a Share Purchase Plan for all eligible shareholders to raise up to \$2 million at the same issue price as the Placement (SPP).

If total demand for the SPP exceeds \$2 million, the Company reserves the right to close the SPP early and will scale back applications in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company will take into account a number of factors, including the size of an applicant's shareholding, the extent to which eligible shareholders have sold or bought additional shares after the record date and the date an application was made.



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The SPP is only available to Australian and New Zealand shareholders who were registered as Renascor shareholders at 7:00pm (AEST) on 27 April 2018 (Eligible Shareholders). Full details of the SPP Offer will be contained in a booklet which is anticipated to be dispatched to Eligible Shareholders in early May 2018.

For further information, please contact:

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