

26 July 2012

ASX RELEASE

SALE OF FROME EXPLORATION LICENCES

Callabonna Uranium Limited has executed a binding agreement with Renaissance Uranium Limited (ASX: RNU) for the sale of ten exploration licences in the Frome Basin and one exploration licence in the Northern Gawler Craton of South Australia. Completion of the transaction is subject to customary conditions including ministerial consent pursuant to the South Australian Mining Act (1971). The sale value of the transaction is 800,000 ordinary shares in Renaissance Uranium.

See Renaissance Uranium's full release attached.

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Callabonna Uranium Limited - ABN 71 099 247 408

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RENAISSANCE TO ACQUIRE STRATEGIC LAND POSITION IN FROME BASIN

HIGHLIGHTS

- Renaissance to acquire major strategic land position covering approximately 4,000 km² in uranium-rich Frome Basin
- As consideration, Renaissance to issue 800,000 ordinary shares to Frome Uranium Pty Ltd, a subsidiary of Callabonna Uranium Limited
- Tenements prospective for sandstone-hosted uranium, similar in style to nearby Beverley uranium mine (46.3 million pounds @ 0.27% U₃O₈)¹ and recently discovered uranium deposits at Four Mile (70.5 million pounds @ 0.33% U₃O₈)² and Beverley North and Pepegoona (8.8 million pounds @ 0.18% U₃O₈)³
- Initial work program will include using existing airborne geophysical data in conjunction with available drill hole data to define preferred stratigraphic and structural settings consistent with Four Mile and Beverley

Renaissance Uranium Limited (ASX: RNU) is pleased to announce that it has entered into a binding agreement to acquire a major strategic land position covering 4,000 km² in the uranium-rich Frome Basin. The project tenements are to be acquired from Frome Uranium Pty Ltd (Frome Uranium), a subsidiary of Callabonna Uranium Limited (ASX: CUU) in exchange for 800,000 ordinary shares in Renaissance (which will represent approximately 0.7% of Renaissance's issued and outstanding shares). The tenements are prospective for sandstone-hosted uranium, similar in style to the operating Beverley uranium mine, as well as the high-grade uranium deposits at Four Mile, Beverley North and Pepegoona. Renaissance's exploration team has extensive experience in the Frome Basin, including significant roles in the development of the Beverley mine and the discovery of Four Mile, Beverley North and Pepegoona. Renaissance expects to utilise this expertise in an effort to delineate similar sandstone-hosted uranium deposits within the newly acquired project area.

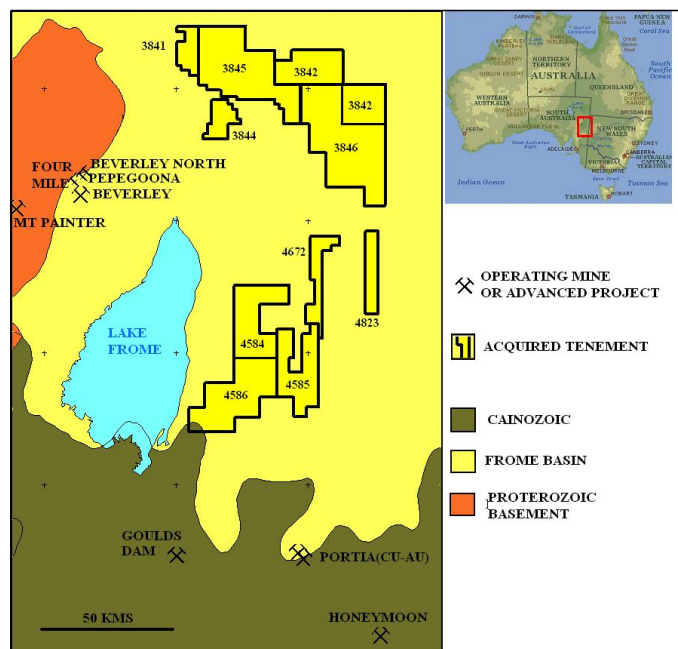


Figure 1. Newly acquired tenements, showing location in relation to nearby uranium deposits



Renaissance's Managing Director David Christensen commented that the newly acquired tenements offer an important exploration opportunity for Renaissance.

"The Frome Basin tenements provide a strategically advantageous exploration project in an area where our team has recent and successful experience in proving up economically competitive uranium deposits. While the uranium market remains stagnant in the aftermath of the nuclear accident at Fukushima, we believe this situation will not persist. The acquisition of this tenement package for a comparatively low price offers our shareholders an excellent low risk opportunity to benefit from potential changes in uranium sentiment."

Exploration Potential

The newly acquired tenements cover an extensive area of 4,000 km² within the uranium-rich Frome Basin. The area hosts several significant uranium deposits within close proximity to the project area. These deposits include the operating Beverley uranium mine (46.3 million pounds @ 0.27% U₃O₈), as well as recently discovered uranium deposits at Four Mile (70.5 million pounds @ 0.33% U₃O₈) and Beverley North and Pepegooona (8.8 million pounds @ 0.18% U₃O₈). The Renaissance team has extensive experience in the Frome Basin and, in particular, the above-mentioned deposits. Managing Director David Christensen previously served as Chief Executive Officer of the deposits' owners Heathgate Resources and Quasar Resources, and Renaissance's Executive Director Geoff McConachy previously served as Managing Director, Exploration at Heathgate and Quasar, during which time he was co-honored with the Prospector of the Year award from the Australian Association of Mining & Exploration Companies for the discovery of Four Mile.

The Frome Basin is a sedimentary basin bound to the west and south by extensive areas of uranium-enriched Proterozoic basement, providing a long-lived influx of uranium into the basin sediments. Renaissance has developed depositional models for the entrapment of this uranium within the sedimentary sequence, controlled by structural depositional control and sedimentary composition. Airborne electromagnetic data (Figure 2) provide an insight into this process and will be utilized to determine initial drill sites.

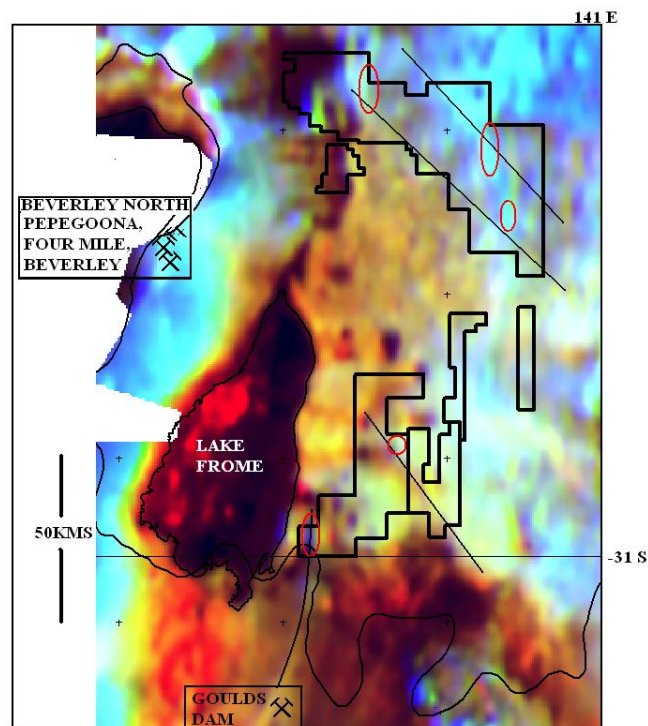


Figure 2. Processed airborne electromagnetic image over Frome Basin, showing major structures and initial target positions within newly acquired tenements

As an initial work program, Renaissance intends to utilise the existing airborne geophysical data in conjunction with available drill hole data to define preferred stratigraphic and structural settings consistent with Four Mile and Beverley.



Agreement with Frome Uranium Pty Ltd

Renaissance's agreement with Frome Uranium requires Renaissance to transfer 800,000 ordinary shares in Renaissance to Frome Uranium in exchange for eleven exploration licences. The acquired tenements include ten exploration licences covering 4,000 km² in the Frome Basin (see Figure 1), as well as a single exploration licence (EL 4640) located in the Northern Gawler Craton of South Australia. Eight of the ten Frome Basin tenements are subject to a residual royalty. In the case of three of the tenements, a 2% net smelter royalty applies to the production of any mineral. In the case of five of the tenements, a sliding scale royalty of between 0.5% to 5% applies to uranium production (at current uranium prices, this sliding scale royalty would amount to approximately 1.25% to 1.5%), and a 2% net smelter royalty applies to the production of any other mineral. The tenement transfer, which is subject to ministerial consent pursuant to the South Australian Mining Act (1971) and other customary conditions, is expected to conclude prior to 12 August 2012, at which time Renaissance will issue 800,000 ordinary shares in Renaissance to Frome Uranium.

COMPETENT PERSON 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 RENAISSANCE. 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 2004 EDITION OF THE AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES (THE JORC CODE, 2004 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.

BACKGROUND INFORMATION

Renaissance Uranium is an Australian-based company focused on the discovery and development of economically viable deposits containing uranium, gold, copper and associated minerals. Renaissance has an extensive tenement portfolio, holding interests in ten projects in the key mineral provinces of South Australia and the Northern Territory.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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¹ Source: South Australia Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), *South Australia's Major Operating Mines and Mineral Development Projects Resource Estimates and Production Statistics*, available on DMITRE website at:

www.pir.sa.gov.au/__data/assets/pdf_file/0005/157793/000_resourcestable_jan12_mines.pdf.

² Source: Alliance Resource Resources Limited (ASX: AGS) Company Presentation dated 10 May 2012.

³ Source: DMITRE.

