

Notice of General Meeting and Explanatory Memorandum

Renascor Resources Limited ACN 135 531 341

Date of Meeting: Monday 3 September 2018

Time of Meeting: 10.00am (Adelaide time)

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

Notice is given that a General Meeting of 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 Street, Adelaide, South Australia 5000, on Monday 3 September 2018 at 10.00am (Adelaide time).

Agenda

Ordinary business

1. **Approval of the issue of Shares to the Ausmin Shareholders (or their nominees)**

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

"That, for the purpose of ASX Listing Rule 7.3 and for all other purposes, shareholders approve the issue of

- (a) *17,236,111 Shares at a deemed issue price equivalent to the closing price on the dates of issue, to Pontifex Wines Pty Ltd as trustee of the Clarke Trust (Pontifex) (or its nominee);*
- (b) *172,361,116 Shares at a deemed issue price equivalent to the closing price on the dates of issue, to Kabininge Nominees Pty Ltd as trustee of the Kabininge Super Fund (Kabininge)*

on the terms and conditions set out in the accompanying Explanatory Memorandum."

Voting exclusion statement

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

- any person who may participate in the issue or who might obtain a benefit from the issue (other than a benefit solely in the capacity as a holder of Shares); and
- any associate of those persons.

However, the Company need not disregard a vote if:

- 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
- 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.

2. **Approval of issue of Performance Rights to David Christensen (or his nominee)**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 18,000,000 Performance Rights to David Christensen (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of David Christensen or his nominee and their respective associates.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the Company need not disregard a vote if:

- 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
- 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.

General business

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

By order of the board



Pierre Van Der Merwe
Company Secretary
1 August 2018

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Renascor Resources Limited ACN 135 531 341 (**Company**) to explain the Resolutions to be put to Shareholders at the General Meeting to be held at The Belair Room, BDO, Level 7 BDO Centre, 420 King William Street, Adelaide, South Australia 5000, on Monday 3 September 2018 commencing at 10.00am (Adelaide time).

This Explanatory Memorandum forms part of the Notice of Meeting and has been prepared to assist Shareholders in considering the Resolutions set out in the Notice of Meeting. It is an important document and should be read carefully in its entirety by all Shareholders in conjunction with the Notice of Meeting. Each Director has approved this Explanatory Memorandum and the dispatch of this document to Shareholders.

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 used in this Explanatory Memorandum are defined in Section 4.

2. Resolution 1- Approval of the issue of Shares to the Ausmin Shareholders (or their nominees)

Background:

During April 2018, the Company announced that it had entered in a new agreement (**Option Agreement**) with the Ausmin Shareholders to acquire all of the shares in Ausmin Development Pty Ltd (**Ausmin**), which owns the rights to the Siviour Graphite Project.

The Ausmin Shareholders made an irrevocable offer to sell all of their shares in Ausmin to the Company in consideration for the issue of:

- (a) 17,236,111 Shares to Pontifex (or its nominee); and
- (b) 172,361,116 Shares to Kabininge,

being a total of 189,597,227 Shares (together the **Consideration Shares**).

The Company's right to accept the offer is conditional on the Company obtaining Shareholder approval for issue of the Consideration Shares at a general meeting of Shareholders.

The Company is now seeking the approval of Shareholders to issue the Consideration Shares as required under the Option Agreement and in order to enable the Company to acquire Ausmin and secure rights to the Siviour Graphite Project.

The aggregate amount of the securities to be issued to the Ausmin Shareholders does not exceed the Company's placement capacity pursuant to Listing Rule 7.1 and Listing Rule 7.1A.

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 the 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 189,597,227 Shares under the Option Agreement. The effect of the Resolution will be to allow the Company to issue the Shares under the Option Agreement during the 3 month period after the General Meeting, without using the Company's 15% placement capacity under Listing Rule 7.1 or the 10% placement capacity under Listing Rule 7.1A.

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

a) Number of Shares to be issued

The maximum number of Shares to be issued is 189,597,227 Shares expected to be issued within five days following the General Meeting to be held on 3 September 2018, subject to the approval of Shareholders pursuant to the Resolution.

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b) Issue price

The Shares will be deemed to be issued at a minimum price which is 80% of the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was made.

c) Terms of issue

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

d) Recipients of securities to be issued

The securities will be issued to Pontifex Wines Pty Ltd as trustee of the Clarke Trust (**Pontifex**) (or its nominee) and to Kabininge Nominees Pty Ltd as trustee of the Kabininge Super Fund (**Kabininge**)

e) Use of funds

The Shares will be issued as consideration for acquisition of Ausmin. No funds will be raised from the issue.

The Directors recommend that you vote in favour of the Resolution.

3. Resolution 2 - Approval of issue of Performance Rights to David Christensen (or his nominee)

Background:

As part of the remuneration package for the Company's Managing Director, David Christensen, the Company agrees to issue Mr Christensen (or his nominee) 18,000,000 Performance Rights, subject to the receipt of prior Shareholder approval.

Resolution 2 seeks Shareholder approval for the issue of these Performance Rights.

Chapter 2E of the Corporations Act:

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Christensen is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Christensen) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights because the grant of Performance Rights was agreed on an arm's length basis and is considered by the Board to constitute reasonable remuneration. In forming these views, the Directors (other than Mr Christensen) considered equity incentives of Managing Directors of peer group companies and also has regard to the recent history of the Company, the experience of Mr Christensen and the expectation that Mr Christensen can help lead the Company to becoming a mining production company.

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.

Approval pursuant to Listing Rule 7.1 is not required to issue the Performance Rights as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

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Specific information required by Listing Rule 10.13:

Listing Rule 10.13 requires that the following information be provided to Shareholders in relation to the issue of the Performance Rights:

- (a) The Performance Rights are proposed to be issued to David Christensen or his nominee. Mr Christensen is a related party of the Company by virtue of his position as a Director.
- (b) The maximum number of Performance Rights to be issued is 18,000,000.
- (c) The Performance Rights will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Performance Rights will be issued on one date.
- (d) The Performance Rights will have an issue price of nil and no funds will be raised from their issue.
- (e) The terms and conditions of the Performance Rights are in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

Additional information

The Board (excluding Mr Christensen) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 2.

4. Schedule 1 - Definitions

In this Explanatory Memorandum:

ASX means the ASX Limited ABN 98 008 624 691;

Ausmin means Ausmin Development Pty Ltd (ACN 139 008 334);

Ausmin Shareholders means each of Pontifex and Kabinenge;

Board means the board of directors of the Company;

Company means Renascor Resources Limited ACN 135 531 341;

Consideration Shares means a total of 189,597,227 Shares;

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;

Kabinenge means Kabinenge Nominees Pty Ltd (ACN 116 543 778) as trustee of the Kabinenge Super Fund

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

Meeting or **General Meeting** means the General Meeting of Shareholders to be held at The Belair Room, BDO, Level 7 BDO Centre, 420 King William Street, Adelaide, South Australia 5000, on Monday 3 September 2018 commencing at 2.00pm (Adelaide time);

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

Option Agreement means the agreement between the Company and the Ausmin Shareholders dated 19 April 2018 for the acquisition by the Company of all of the shares in Ausmin in consideration for issue of the Consideration Shares;

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

Performance Rights means a performance right issued on the terms and conditions in Schedule 2;

Pontifex means Pontifex Wines Pty Ltd (ACN 621 802 971) as trustee of the Clarke Trust;

Resolution means a resolution to be proposed at the Meeting;

Schedule means a schedule to the Notice;

Shareholder means a holder of Shares in the Company;

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

5. Schedule 2 – Terms and Conditions of Performance Rights

The following terms and conditions apply to the Performance Rights:

1. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

2. Vesting Conditions

The Performance Rights will vest subject to the terms set out below. The number of Performance Rights that will vest will be dependent of the following Vesting Conditions:

- (a) Tranche A Performance Rights. 6,000,000 Performance Rights will vest upon the completion of a positive Definitive Feasibility Study in respect of the production of graphite concentrates.
- (b) Tranche B Performance Rights. 6,000,000 Performance Rights will vest upon the commencement of construction of a commercial graphite concentrate production facility.
- (c) Tranche C Performance Rights. 6,000,000 Performance Rights will vest upon (i) the share price of Renascor ordinary shares having achieved a closing price of in excess of \$0.055 for five consecutive days after the issue date of such Performance Rights, and (ii) the date that is two and one-half years after the issue date of such Performance Rights.

The Board may, at its discretion, by notice to the holder reduce or waive any of the Vesting Conditions in whole or in part subject to obtaining necessary shareholder approval.

3. Change of Control

Upon a Change of Control, to the extent the Performance Rights have not vested due to satisfaction of any of the Vesting Conditions, the Performance Rights automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue in the Company at that time. Performance Rights that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

Change of Control means:

- (a) a takeover bid is declared unconditional and the bidder has received acceptances for greater than 50% of the Company's shares on issue, or

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- (b) a court approves a proposed compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies, or
- (c) in any other case, a person obtains Voting Power (as defined in Section 9 of the Corporations Act) which is sufficient to control the composition of the Board of Directors of the Company.

4. Expiry of Performance Rights

A Performance Right will lapse upon the earlier to occur of:

- (a) the relevant Vesting Conditions becoming incapable of satisfaction due to the cessation of the holder's employment with the Company or related body corporate by reason of the holder's resignation or termination for the holder's termination for cause due to fraudulence, dishonesty, poor performance or breach of obligations; or
- (b) the relevant Vesting Conditions not being satisfied on or before the fourth anniversary of the issue date of such Performance Right.

5. Shares Issued on Exercise

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

6. No cash consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

7. Timing of issue of Shares

- (a) As soon as practicable after the vesting of a Performance Right, the Company shall give written notice of the vesting to the holder.
- (b) Within 15 business days after the later of the following:
 - (i) holder's acceptance of a vested Performance Right; and
 - (ii) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,the Company will:
 - (iii) issue the Shares pursuant to the exercise of the Performance Rights;
 - (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

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8. Quotation

- (a) The Company will not apply for quotation of the Performance Rights on ASX.
- (b) Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Performance Rights.

9. Transferability of Performance Rights

The Performance Rights are not transferable, except with the prior written approval of the Company or upon the holder's death, disability or bankruptcy.

10. Participation in New Issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

11. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

12. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 11 will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.

13. Adjustments for Reorganisation or Reconstruction

If there is any reorganisation or reconstruction of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules to ensure that no disadvantage accrues to the holder as a result of such reorganisation or reconstruction.

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

Pierre Van Der Merwe (Company Secretary)
36 North Terrace,
Kent Town, South Australia 5067
(08) 8363 6989

LODGE YOUR VOTE

By Mail:

36 North Terrace, Kent Town, SA 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 General Meeting of Renascor Resources Limited to be held at The Belair Room, BDO, Level 7 BDO Centre, 420 King William Street, Adelaide, South Australia 5000, on Monday 3 September 2018 at 10.00am (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.

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

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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. Approval of issue of Shares to the Ausmin Shareholders (or their nominee)	☐	☐	☐
2. Approval of issue of Performance Rights to David Christensen (or his nominee)	☐	☐	☐

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)*.

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*.

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 **deposited at, posted to, or sent by facsimile transmission to the address listed below** 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.

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 31 August 2018. 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.