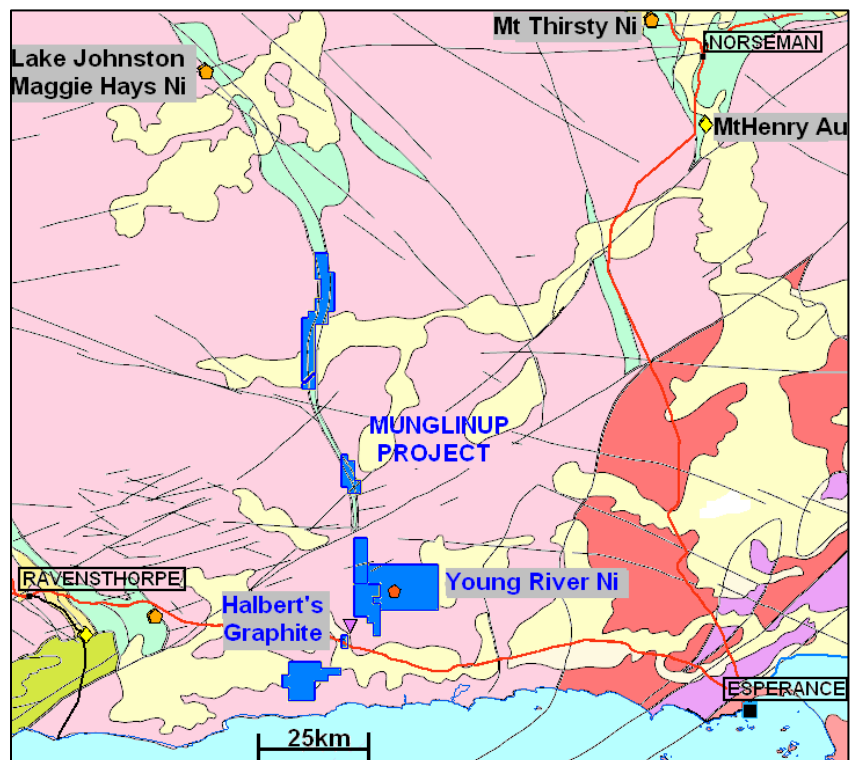


## ACQUISITION OF GRAPHITE/NICKEL SULPHIDE PROJECT IN ALBANY-FRASER RANGE PROVINCE

- Project secured in proven graphite/nickel sulphide region of Albany-Fraser Range province of Western Australia
- Graphite potential highlighted by:
  - Historical drill results of coarse flake graphite of up to 34.9% TGC within a target horizon of over 25km,
  - Project located immediately adjacent to Halbert's graphite deposit (1.47Mt @ 18.2%TGC), and
  - Recently completed electromagnetic survey has defined multiple drill-ready targets along strike from the Halbert's deposit
- Project is also highly prospective for nickel sulphide, situated in Lake Johnston ultra mafic greenstone belt, within 50km of Poseidon Nickel Limited's (ASX: POS) Maggie Hays and Emily Ann nickel sulphide deposits and 40km from First Quantum Mineral Limited's (TSX: FM) Ravensthorpe nickel mine
- Acquisition cost of 8,000,000 Renascor shares, 4,000,000 Renascor options and \$100,000 cash, with Renascor to have the benefit of a \$140,000 co-funded drilling grant
- Renascor's initial focus will be on graphite and nickel-sulphide conductive targets, with drilling expected to commence later this year

Renascor Resources (ASX: RNU) is pleased to announce that it has entered into a binding heads of agreement to secure the Munglinup project, a highly prospective graphite-nickel sulphide tenement position in the Albany-Fraser Range province of Western Australia. The project tenements are located immediately adjacent to the Halbert's graphite deposit (1.47Mt @ 18.2% total contained graphite), currently being developed by unlisted Gold Terrace Pty Ltd, and include intersections of up to 34.9% total graphitic carbon (TGC) within a target horizon of over 25km. Renascor has identified multiple drill-ready targets along-strike from the Halbert's deposit from a recently completed airborne electromagnetic

**Figure 1 (right). Renascor's newly secured Munglinup project (in blue), showing major mineral occurrences and regional structures**



(VTEM) survey. The project is also highly prospective for nickel sulphide, as it is situated in the Lake Johnston ultra mafic greenstone belt, within 50km of Poseidon Nickel Limited's (ASX: POS) Maggie Hays and Emily Ann nickel sulphide deposits and 40km from First Quantum Mineral Limited's (TSX: FM) Ravensthorpe nickel mine. As consideration, Renascor will issue 8,000,000 ordinary shares and 4,000,000 options (exercise price \$0.03, expiry 31 September 2016) and pay \$100,000 in cash. As part of the acquisition, Renascor will accede to and receive the benefit of a \$140,000 co-funded drilling grant. Renascor's initial focus will be on conductive targets for graphite and nickel-sulphide mineralisation, with drilling expected to commence later this year.

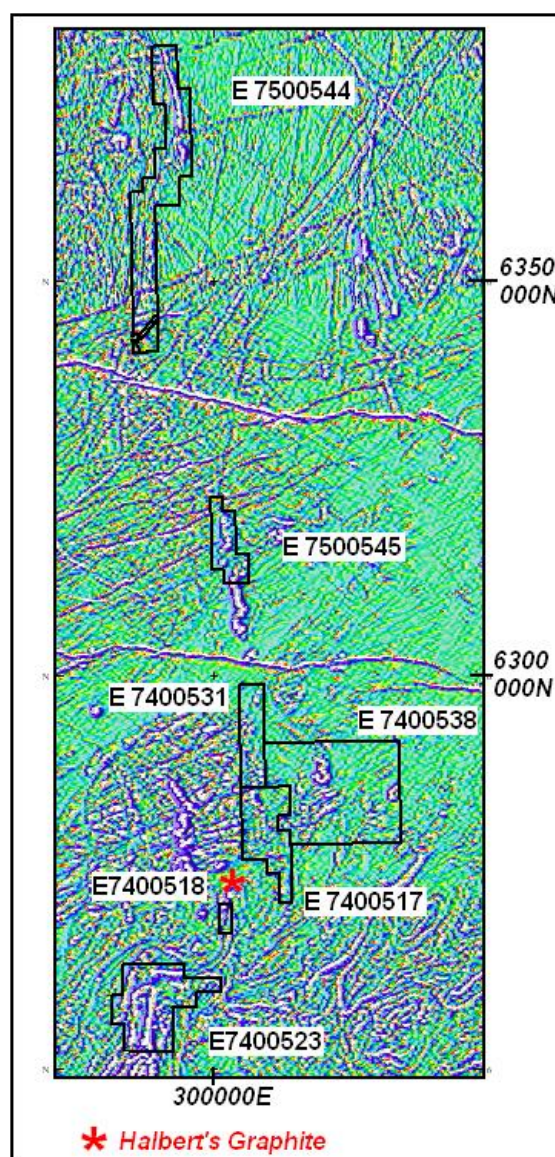
Commenting on the newly acquired project, Renascor Managing Director David Christensen stated

This is a unique, low-cost opportunity to acquire a project with highly prospective, drill-ready targets in a proven mineral province. The recent EM has confirmed the prospectivity of the shear structure along strike from the Halberts deposit, and we expect upcoming groundwork will identify additional targets. The inclusion of the West Australia Government drilling grant is an added incentive, as it will permit Renascor to increase targets under evaluation and significantly reduce drilling costs. We expect to be active within the project area in the immediate future, including extensive drill testing later this year.

## Discussion

The Munglinup project consists of seven tenements, E74/517, E74/518, E74/523, E74/531, E74/538, E74/544 and E74/545, covering 579 km<sup>2</sup> in the Albany-Fraser Range province of Western Australia. See Figure 2. The project tenements are situated between the regional towns of Esperance and Ravensthorpe. There are several significant minerals deposits located adjacent or proximate to the project area, including the Halbert's graphite deposit, a high-grade, coarse flake graphite deposit located along-strike and contiguous to EL74/517 and EL74/518. First Quantum Mineral Limited's nickel mine is located approximately 40km to the west of EL74/518, and Poseidon Nickel Limited's Maggie Hays and Emily Ann nickel sulphide deposits are located approximately 50km north EL74/544. Renascor considers the project area to offer high prospectivity for both graphite and nickel sulphide, and it has identified multiple drill-ready targets for drilling later this year.

**Figure 2 (right). Munglinup project tenements on regional total magnetic intensity gradient image**

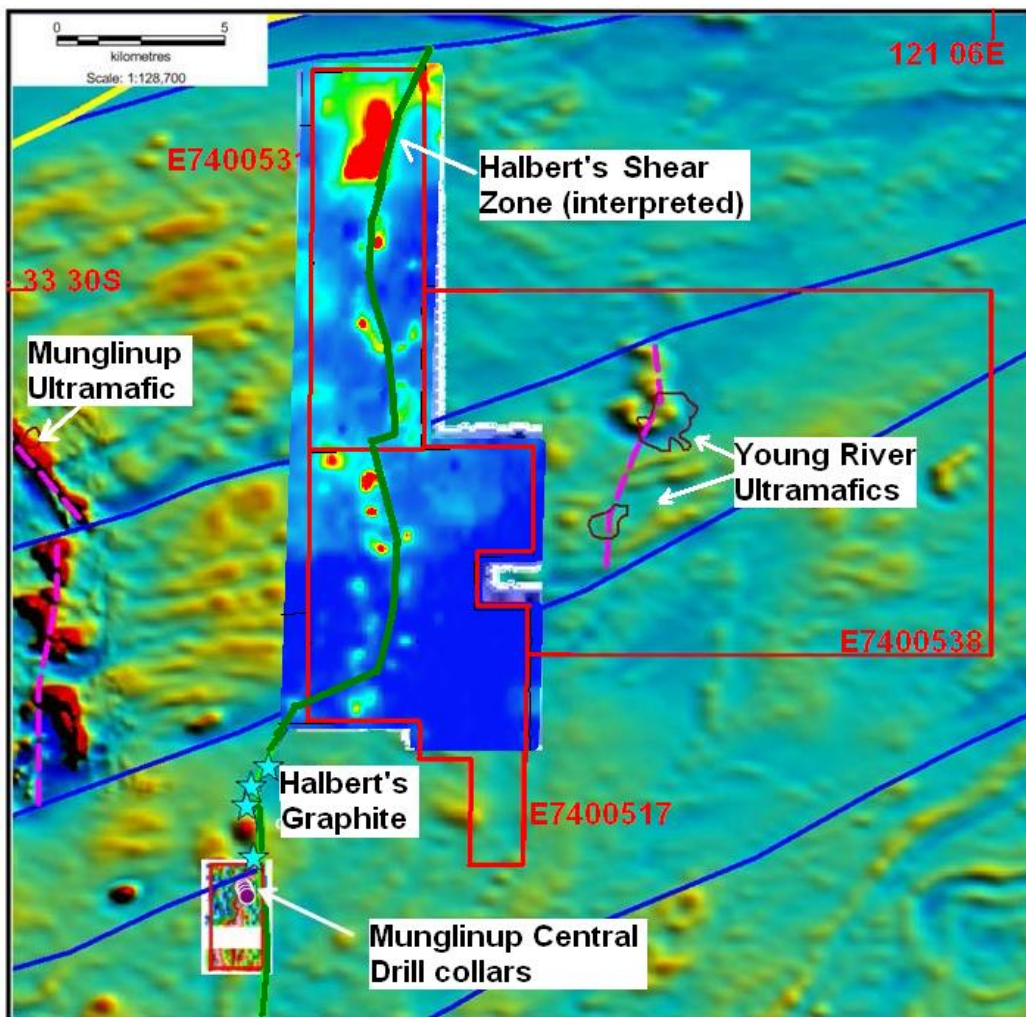




## Graphite prospects

Renascor has identified multiple drill-ready targets for coarse flake, high-grade graphite of the type located within the adjacent Halberts deposit. Halberts is among Australia's highest-grade graphite deposits, with a reported JORC-compliant measured and indicated resource of 1.47 Mt at a fixed carbon content of 18.2%<sup>1</sup>. Sixty-seven percent (67%) of the recoverable graphite from Halberts is reportedly coarse flake (+150 micron), with 35% classified as jumbo flake (+300 micron)<sup>2</sup>. Gold Terrace Pty Ltd, an unlisted company, recently purchased the Halberts deposit for approximately \$2.5 million cash consideration.

The regional structure that hosts the Halberts deposit, the Halberts Shear Zone, extends through Renascor's new project area over approximately 25 kilometres strike extent. See Figure 3. Limited previous drilling within this structure, on E74/518 in Munglinup Central (to the immediate south of the Halberts graphite deposit) intersected high-grade graphite, including narrow graphite zones containing up to 34.9% TGC<sup>3</sup>. To the immediate north of the Halberts deposit, the Halberts Shear Zone extends for approximately 20km to the north on newly acquired E74/517 and E74/531. A recently completed electromagnetic (VTEM) survey over this northern extension has identified several prospective conductive targets that Renascor considers high priority targets for Halberts-style graphite deposits. See Figure 3. Renascor anticipates including these targets in its initial drilling in the project area later this year. In addition, Renascor has identified additional prospective graphite targets on the newly acquired tenements over areas that have not yet been subject to high quality airborne EM. These areas, which include portions over which ground sampling has yielded high-grade graphite at surface<sup>4</sup>, offer additional potential for further graphite targets.

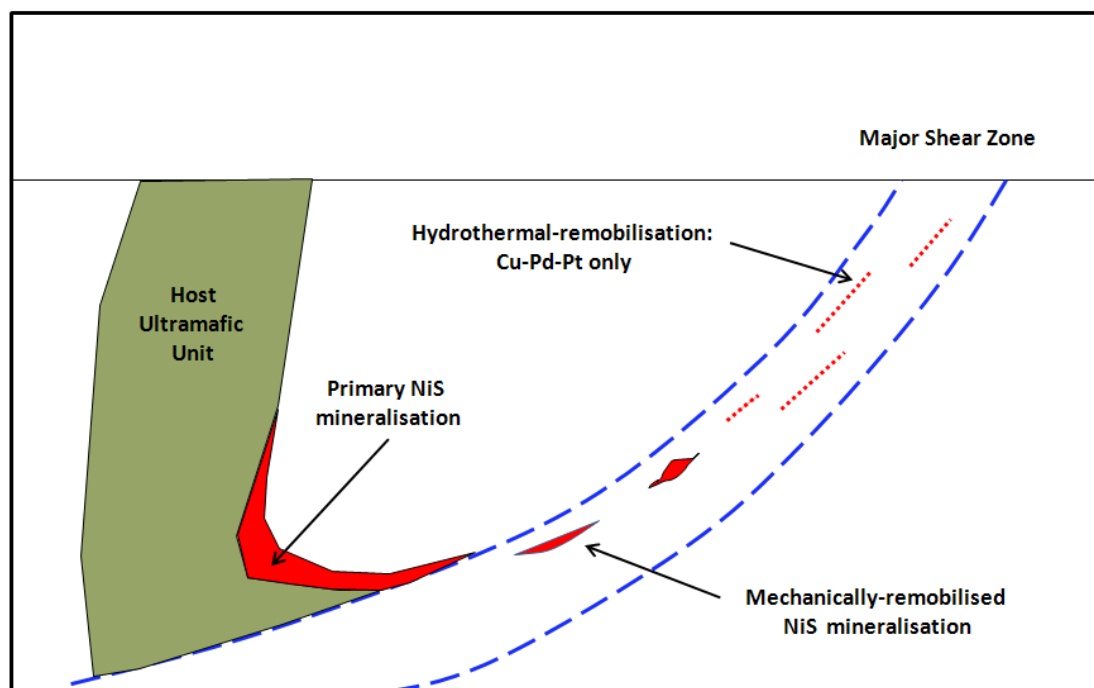


**Figure 3. Munglinup project, showing VTEM and SKYTEM late channel conductivity for central portion, superimposed on a background of magnetics**



## Nickel prospects

In addition to its graphite potential, Renascor considers the project area to offer similarly high-priority nickel-sulphide prospects. The project tenements are situated in an untested area that is considered to be the southern extension of the Lake Johnston Greenstone belt, the structural setting for Poseidon Nickel Limited's Maggie Hays and Emily Ann nickel sulphide deposits, located approximately 50km to the north of E74/544. See Figures 1 and 2. In 2013, Lithex Resources Limited (ASX: LTX) commissioned a review of the project's nickel-sulphide potential by Western Mining Services Pty Ltd. See Lithex Resources ASX release dated 9 September 2013. The Western Mining Services review concluded that, on a regional scale, the Munglinup project tenements host significant strike length of nickel sulphide prospective ultramafic rocks within an underexplored strike extension of the Lake Johnston Greenstone belt, a known nickel sulphide mineralised province. Limited nickel exploration drilling undertaken by Lithex within E74/518 supports the nickel sulphide prospectivity, with four (of four) holes drilled in a reconnaissance, graphite-targeted drill program in 2013 intersecting widespread hydrothermal veining and alteration, with associated low level copper and PGE anomalism. According to Western Mining Services, the anomalous mineralisation from the Lithex drilling is consistent with the distal expression of a nickel sulphide deposit. See Figure 4. Accordingly, Renascor considers that conductive zones within the identified Greenstone belt offer high potential for nickel-sulphides, in addition to graphite.



**Figure 4. Conceptual nickel sulphide mineralisation model (from Western Mining Services)**

The Western Mining Service review also interpreted the likely continuation of the Halbert's Shear to the north and south of Halbert's graphite deposit, and outlined the possibility that this represents the off-set continuation of the Lake Johnston ultra mafics and nickel sulphide belt. From the recently completed EM survey completed over this area, Renascor has identified several conductors that it considers high priority targets for nickel sulphide mineralisation. As part of its upcoming drill program later this year, Renascor expects to include these targets for initial testing. In addition, the wider tenement area, including, in particular E74/538, contains several known occurrences of outcropping ultra mafic rocks and near-surface geochemical anomalies over areas that have not been subject to detailed EM surveys. In particular, E74/538 contains an historical nickel occurrence at Young River (see Figure 1), with extensive ultramafic outcrops. Renascor considers the coincidence of a major shear zone and ultramafic host sequence as necessary pre-cursor for nickel sulphide prospectivity. As part of its forward work program, Renascor expects to conduct follow-up reconnaissance work, including airborne of ground EM surveys, in order to general additional nickel-sulphide targets.



### **Acquisition terms**

Renascor has entered into a binding heads of agreement (HoA) to acquire all of the issued and outstanding shares of Sol Jar Property Pty Ltd (Sol Jar), the owner of the Munglinup project tenements. In addition to the Munglinup project tenements, Sol Jar holds an exploration licence in New South Wales, EL 7915. The HoA is legally binding and requires the parties to negotiate in good faith a formal share purchase agreement. As consideration, subject to shareholder approval and any required regulatory approvals, Renascor will acquire Sol Jar in exchange for 8,000,000 ordinary shares in Renascor, the grant of 4,000,000 options exercisable at \$0.03 per option and expiring 30 September 2016 and \$100,000 in cash.

### **Funding**

As part of the share purchase agreement, Renascor will accede to a \$140,000 co-funded drilling grant awarded by the State of Western Australia acting through the Department of Mines and Petroleum. Renascor expects to utilise the grant in connection with planned upcoming drill programs over graphite and nickel sulphide targets that have been identified through the recently completed EM survey.

### **Next steps**

Subject to the completion of a definite share purchase agreement pursuant to the terms of the HoA, Renascor expects to immediately commence geologic mapping and sampling (with further assaying and petrology) along the conductive sequence defined by the Halberts Shear Zone. Subsequently, Renascor expects to commence initial drill-testing later this year. Additional exploration work is expected to focus on historical geochemical occurrences of graphite and nickel and will include additional geologic mapping and sampling, and possible airborne or ground EM surveys.



The results reported herein, insofar as they relate to exploration results, are based on information provided to and reviewed by Mr G.W. McConachy (Fellow of the Australasian Institute of Mining and Metallurgy) who is a director of the Company. 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 the reviewed information in the form and context in which it appears. This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

## Background information

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

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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**Mr Angelo Gaudio**

Company Secretary

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<sup>1</sup> As reported in Geological Survey of Western Australia (GSWA) Mineral Resources Bulletin 26, in 2015, graphite mineralisation in the Main Halbert's zone has a "resource estimate 3 subsequently upgraded to a JORC compliant measured and indicated resource by Clifford (2009) to 1.47 Mt at a fixed carbon content of 18.2% TC over a strike length of 555 m to an average depth of 55 m. This resource calculation for Halberts Main Zone was based on an in situ ore density of 1.91 t/m<sup>3</sup> with a fixed carbon cutoff of 5% TC, and a minimum true thickness of 1.0 m for tabular graphite bodies."

<sup>2</sup> Mineralisation Report in Support of Application for Mining Lease for M74/24, October 2009.

<sup>3</sup> GSWA Bulletin 26. See also Lithex Resources Limited ASX release dated 5 July 2013.

<sup>4</sup> See Lithex Resources Limited ASX release dated 3 December 2012.

