

ACQUISITION OF MAJOR, HIGH-GRADE GRAPHITE PROJECT

- Renascor secures option from private company over major, advanced graphite project in proven graphite region of South Australia's Eyre Peninsula
- Project offers **large tonnage, high quality graphite** potential from **high-grade, coarse-flake graphite** intersections in all eight holes drilled, with results including:
 - 19m @ 11.14% TGC within 37m @ 7.24% TGC (from 37m) (Siv004), and
 - 20m @ 10.78% TGC within 36m @ 8.48% TGC (from 36m) (Siv005)
- All holes show strong correlation with extensive, well-defined conductivity zones over 5km strike-length
- EM over advanced Siviour prospect outlines a flat-lying, shallow conductive zone extending over 1,200m west of the existing high-grade drill section, with high potential to quickly define a large-tonnage graphite resource from next-stage drilling
- Preliminary metallurgical test work and petrology indicates large proportion of flake-size graphite, with 93% total carbon (TGC) concentrates produced using simple flotation and gravity methods
- The option offers Renascor immediate potential to define a **commercial graphite resource** in the short term
- Renascor to commence exploration immediately, with drilling and further metallurgical test work expected to start later this month



Figure 1. Diamond core drill sample showing graphitic intersection at Siviour prospect (SIVD007, 52.6m to 53.5m @ 9.3% TGC)



Renascor Resources (ASX: RNU) is pleased to announce that it has entered into a binding agreement to secure an option over the Arno graphite project, a major, advanced graphite project in the proven graphite region of South Australia's Eyre Peninsula. The project offers large tonnage, high quality graphite potential, with high-grade, coarse-flake graphite intersections in all eight holes drilled to date within the targeted prospects. All eight holes show a strong correlation with the extensive, well-defined conductivity zones outlined in airborne electromagnetic (EM) data, which extend over a strike-length of 5km. The EM-defined target zone at the advanced Siviour prospect outlines a flat-lying, shallow (<50m) conductive zone and extends at least 1,200m west of the existing high-grade drill section, suggesting high potential to define a large-tonnage graphite resource from next-stage drilling at Siviour.

Preliminary metallurgical test work indicates a large proportion of flake-size graphite, with 93% TGC concentrates produced using simple flotation and gravity methods. Renascor has commenced pre-drilling exploration activities and expects to commence drilling at the advanced Siviour prospect later this month.

Commenting on the project, Renascor Managing Director David Christensen stated:

This Arno graphite project offers outstanding potential for Renascor to quickly define a significant graphite resource within the proven graphite producing-region of South Australia's Eyre Peninsula. Work to date has already established the widespread presence of high-grade, coarse-flake graphite, and the upcoming drill programs provide an immediate opportunity to locate a large and shallow, high quality ore body. The option to acquire the Arno project continues Renascor's strategy of offering low-cost, near-term discovery opportunities and adds to the potential offered by Renascor's neighbouring Eastern Eyre copper project and Munglinup graphite/nickel-sulphide project in Western Australia.

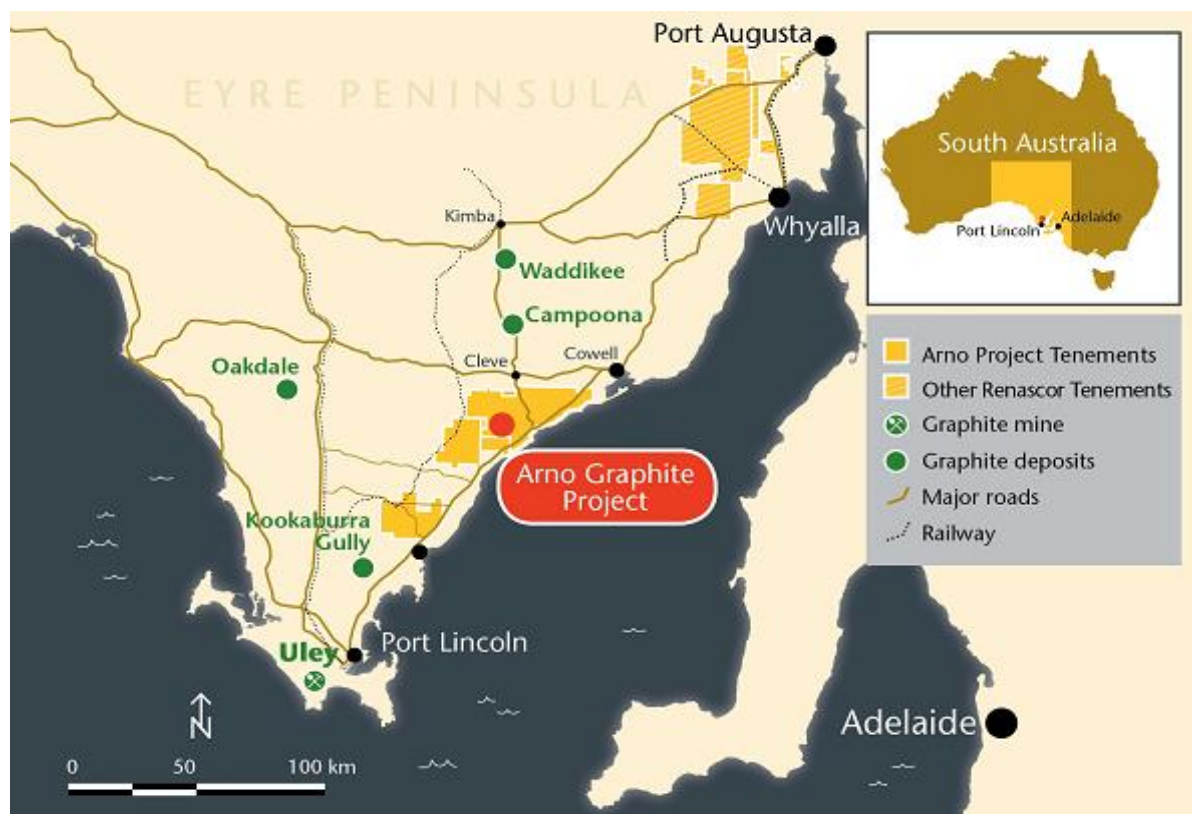


Figure 2. Arno graphite project, showing location and significant nearby graphite deposits



Discussion

Renascor has entered into a binding agreement that grants Renascor an option to acquire 100% of the issued capital of Eyre Peninsula Minerals Pty Ltd (EPM), an unlisted company that has an option to acquire a 78% interest in the Arno graphite project and other exploration licences located in South Australia's Eyre Peninsula.

Project location

The project tenements consist of three granted exploration licences, ELs 5618, 5204 and 5496 and one application, ELA 2015/107, covering 1,372km² in the Eyre Peninsula, a proven, graphite-producing region of South Australia located approximately 500km driving distance from Adelaide. The Uley graphite mine, owned by Valence Industries Limited (ASX: VXL), is located approximately 140km to the south, and the immediate area hosts several additional graphite deposits including Waddikee and Campoona graphite deposits currently being developed by Archer Exploration Limited (ASX: AXE), the Kookaburra Gully graphite deposit being developed by Lincoln Minerals Limited (ASX: LML) and the Oakdale graphite deposit being developed by Oakdale Resources Limited (ASX: OAR). See Figure 2.

The area also benefits from significant infrastructure advantages, including established workforces in the nearby port cities of Whyalla (population 23,000), Port Lincoln (population 15,000) and Port Augusta (13,000), as well as established population centres of Arno Bay, Cleve, Cowell and Tumby Bay. The licences are located within 10km of a major highway and within 20km of an operating railway servicing Port Lincoln. The project area is connected to South Australia's main power grid and is serviced by ports at Port Lincoln and Whyalla.

Arno graphite project

The Arno graphite project currently consists of several well-defined EM conductor anomalies upon which drilling has intersected high-grade, coarse-flake graphite intersections in all eight holes drilled within the targeted anomalies. See Figure 3.

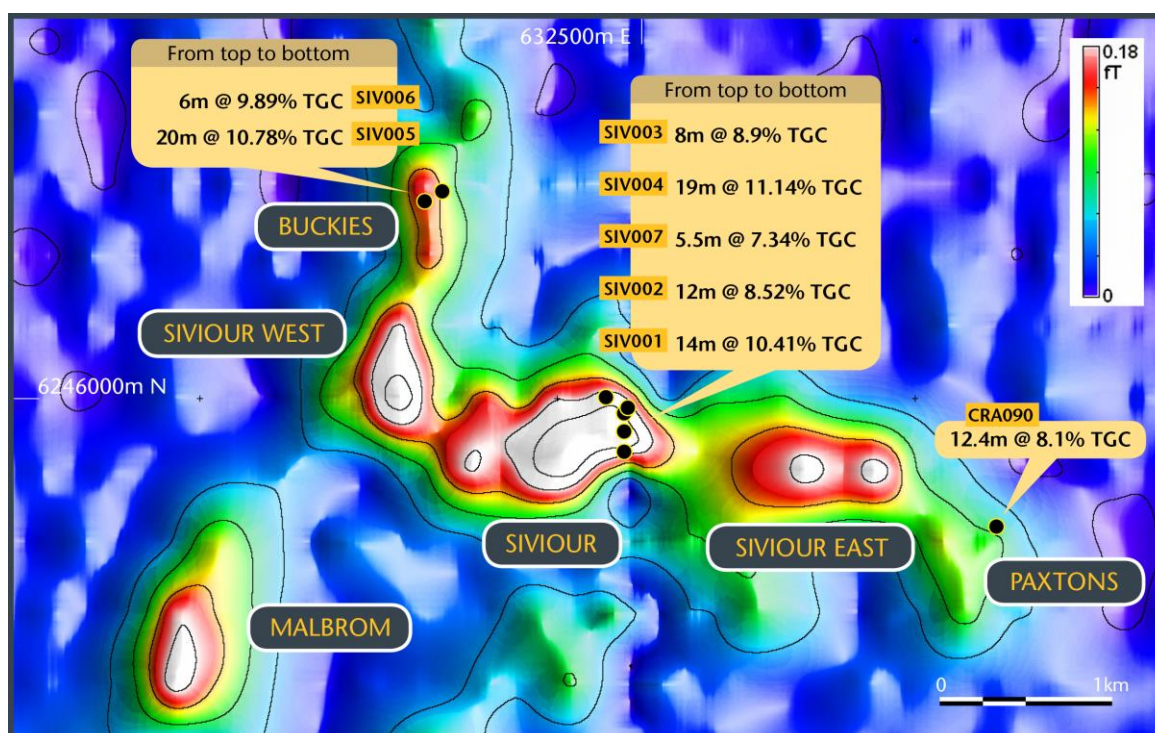


Figure 3. Airborne EM image (Ch15 ZComponent) over Arno graphite project, showing drill results within targeted graphite prospects



As indicated in Table 1, drilling has demonstrated broad, near-surface zones of up to +50m graphitic mineralisation, including intervals of up to 20m of high-grade +10% TGC. Importantly, all eight holes drilled within the targeted prospects show a strong correlation between the presence of high-grade, coarse-flake graphite and conductivity zones. In Renascor's review, additional drilling within the high conductive zones (shown in white and red in Figure 3) offers significant potential to define a large-scale, commercially competitive graphite resource, with additional prospectivity over areas that have not yet been subject to EM surveys.

Hole	Prospect	Collar (MGAE)	Collar (MGAN)	From (metres)	To (metres)	Interval (metres)	TGC %*
SIV001	Siviour	632367	6245703	51	78	27	7.08
			including	60	74	14	10.41**
SIV002	Siviour	632366	6245820	55	109	54	6.11
			including	91	103	12	8.52**
SIV003	Siviour	632261	6246009	26	45	19	5.93
			including	32	40	8	8.9**
SIV004	Siviour	632382	6245935	37	74	37	7.24
			including	55	74	19	11.14**
SIV005	Buckies	631254	6247102	34	70	36	8.48
			including	49	69	20	10.78**
SIV006	Buckies	631354	6247165	27	59	32	5.29
			including	34	40	6	9.89**
			and	68	77	9	3.25
			and	110	118	8	7.62
SIVD007	Siviour	632362	6245912	34.9	58.1	23.2	3.99
			including	52.6	58.1	5.5	7.34**
CRA090	Paxtons	634452	6245284	67.7	80.1	12.4	8.1

* Unless otherwise noted, TGC with no lower cut-off, with maximum 1m internal waste

** TGC based on 7% cut-off, with maximum 1m internal waste

Table 1. Drill results showing significant TGC intervals from Arno project (see Appendix 1 for complete drill hole parameters)



Siviour prospect

The Siviour prospect is the largest and most advanced prospect that has been defined to date within the Arno graphite project. Five holes have been drilled on a north-south oriented section (Section 632340E) within the eastern portion of the EM anomaly, with all holes intersecting significant intervals of high-grade, coarse-flake graphite. See Figure 4 and Table 1.

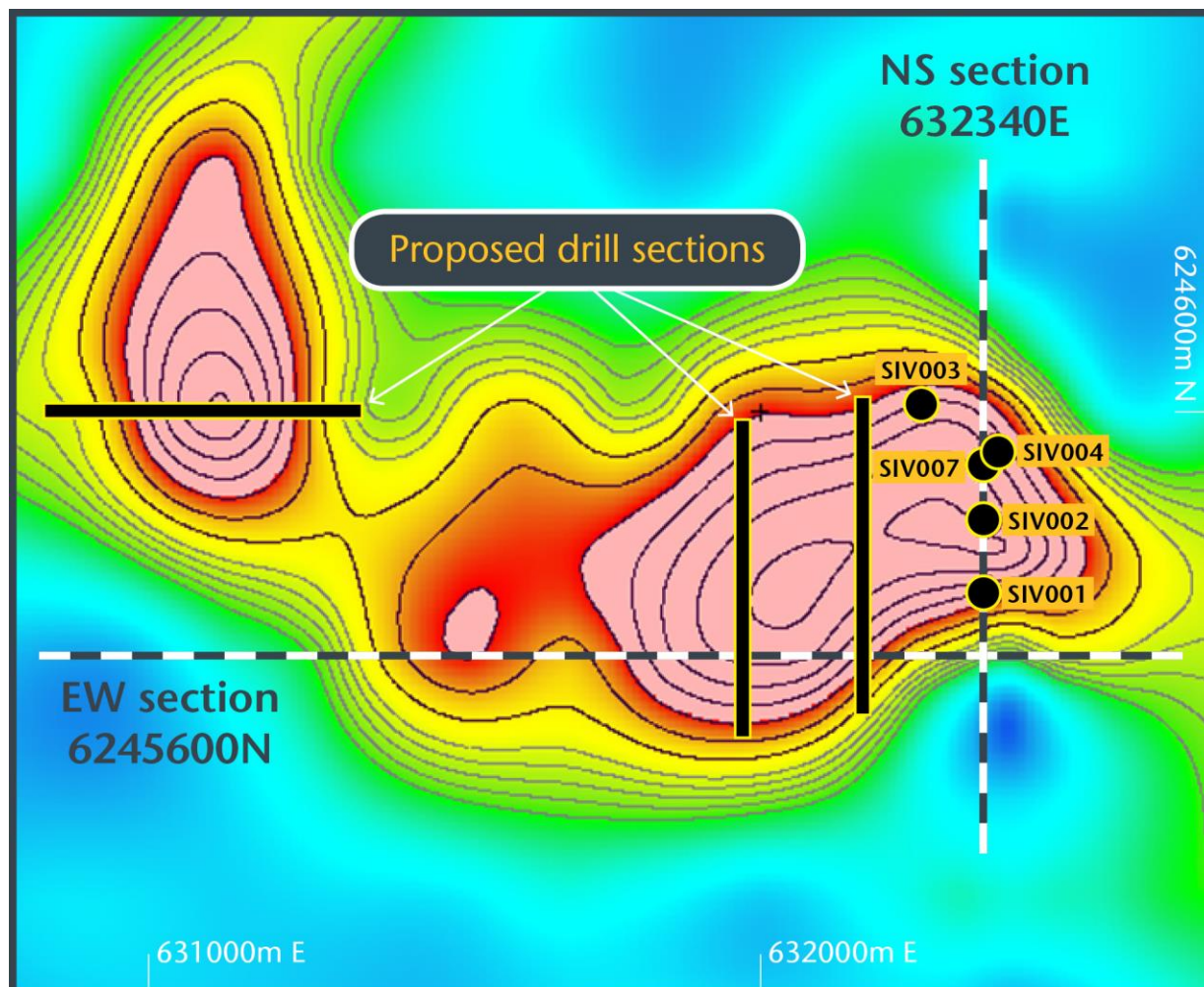


Figure 4. Siviour prospect: EM image (Ch15 Zcomponent) showing locations for conductivity sections and proposed drill sections



As shown in Figure 5, Renascor's interpretation of drilling results and conductivity interpreted from the EM data suggests a flat-lying, shallow conductive zone extending approximately 600m north-south. Broad, graphite intersections across the section show an excellent correlation with the interpreted conductivity section.

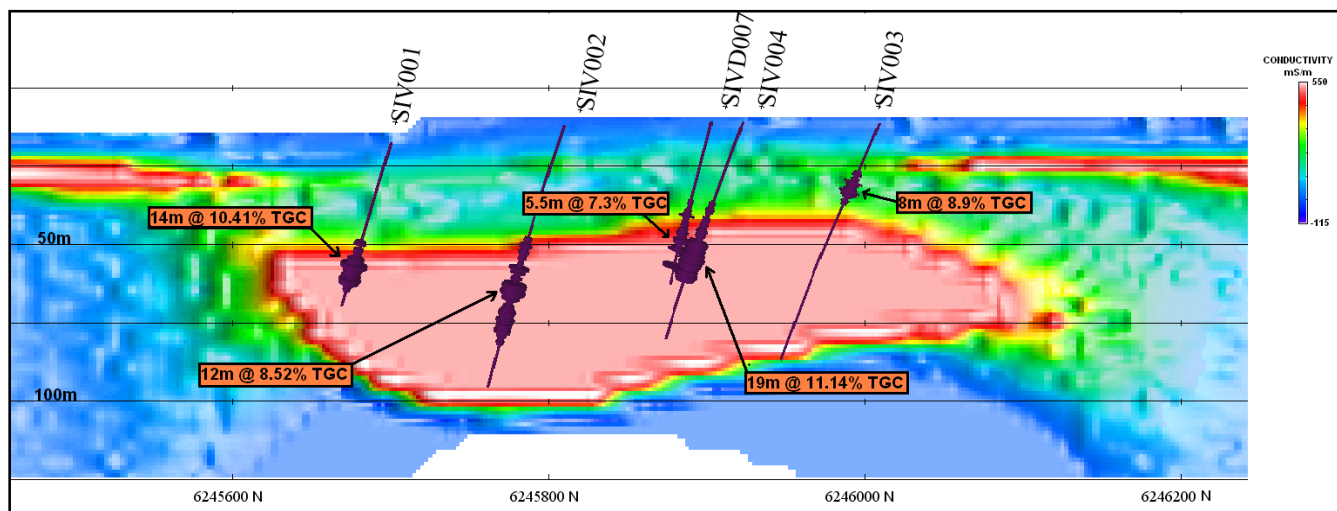


Figure 5. Siviour prospect: EM conductivity depth image for north-south Section 632340E

Drilling to date, however, has not yet included testing to the west of the existing north-south section (Section 6245600N), where the high conductivity zone appears to extend for +1,200m, at a comparable thickness and shallower depth. See Figure 6. Renascor considers the extensive western portion of the Siviour prospect to offer immediate high priority targets for next-stage drilling.

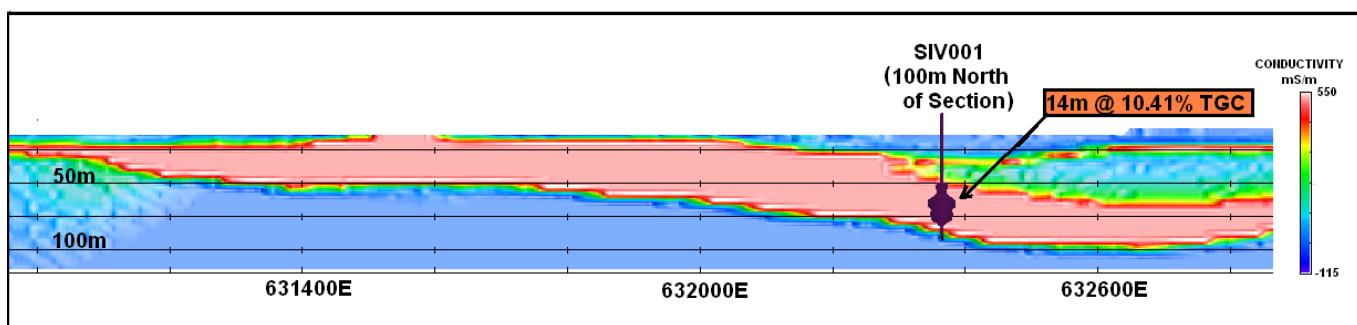


Figure 6. Siviour prospect: EM conductivity depth image for east-west Section 6245600N

Other prospects

In addition to the Siviour prospect, additional nearby conductor prospects offer similar potential to define high-tonnage, coarse-flake graphite resources. As shown in the EM image in Figure 3, there is significant potential for continuity and extension of existing high-grade graphite drill intersections within the Paxtons and Buckies prospects. The apparently excellent correlation between the EM data and these drill intercepts suggests a high probability for further graphite development in the Siviour East, Siviour West and Malbrom prospect areas, where strong conductive zones have been outlined.



Metallurgical and petrology tests

Preliminary metallurgical test work and petrology suggests a large proportion of flake-size graphite within the Arno project area, with favourable graphite recoveries and purity of concentrates. Flotation and gravity tests were performed in 2014 on samples from a historical core hole (CRA090) drilled on the eastern margin of the Paxtons prospect EM conductive zone. The hole, which was drilled to test for uranium and not originally assayed for graphite, intersected 24m of graphitic mineralisation, which subsequent assaying has shown included 12.4m @ 8.34% TGC from 67.7m. See Table 1. ALS Metallurgy performed bench flotation and gravity tests over a 2.5kg core sample from CRA090, obtaining carbon (graphite) recovery of 87% and producing 93% purity of concentrates. Flake size from metallurgical sighter testing returned favourable particle size distribution, with over 40% of the concentrate producing +150µm large flake graphite and 70% producing +75µm flake graphite. See Figure 7.

Petrological testing over samples from drill holes in the wider project area have returned significantly higher proportion of large and jumbo flake graphite. Chip samples of high-grade TGC intervals obtained from the Siviour prospect (SIV003 and SIV004) and the Buckies prospect (SIV005) returned flake size of up to 1,600µm, with average lengths in the jumbo to super jumbo categories, ranging from 400µm to 800µm. While this preliminary petrological testing is not definitive, Renascor considers it to suggest that the higher-grade TGC intersections, which are prevalent in the eight drill holes within the high conductivity zones (see Table 1), likely contain material proportions of more valuable, higher-sized flake graphite.



Figure 7. Super jumbo flakes (>>600µm) from diamond core hole (CRA090) at Paxtons prospect



EPM option to acquire Ausmin

Renascor has entered into an option agreement to acquire EPM, which in turn has an option to acquire Ausmin Development Pty Ltd (Ausmin), the owner of the Arno graphite project. Ausmin is an unlisted company owned by parties related to South Australian geologist and mining entrepreneur, David Clarke. Pursuant to the agreement between EPM and Ausmin, EPM has an option to acquire 100% of the issued capital of Ausmin. The option can be exercised at any time prior to 30 September 2018, and can be extended to December 2019 and to December 2020 by payment of \$150,000 and \$250,000, respectively. To exercise the option, EPM must complete a bankable feasibility study in relation to the commercial development of graphite on the project tenements and issue to the owners of Ausmin a 22% equity interest in a listed vehicle holding the project. After exercise of the option, the Ausmin shareholders are also entitled to an overriding 1% gross royalty on minerals produced from the project tenements. During the option period, EPM has the exclusive right to explore for and develop graphite in the project area, with Ausmin retaining rights to iron ore. Pursuant to its agreement with EPM, Renascor has now secured an option over EPM that gives Renascor the rights to acquire EPM and, in turn, Ausmin and a 78% interest in the Arno graphite project.

Renascor option to acquire EPM

Renascor has entered into a binding agreement with EPM and EPM's shareholders pursuant to which Renascor may acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in Renascor. The agreement is subject to customary conditions precedent, including regulatory approval for the next-stage drill program, which Renascor expects to receive within the next three weeks. As part of this agreement, Renascor has committed to completing \$400,000 in exploration expenditure within six months in exchange for which EPM will issue shares to Renascor representing 20% of the outstanding share capital of EPM. The agreement further grants Renascor two options to acquire the remaining share capital of EPM from EPM's shareholders, exercisable as follows:

- The first option permits Renascor to acquire an additional 29% of the outstanding share capital of EPM (thereby taking Renascor's total interest in EPM to 49%) by issuing 38,666,667 ordinary shares in Renascor. The option is exercisable at any time within 6 months of Renascor being granted regulatory approval to commence drilling.
- A second option grants Renascor the right to acquire the remaining 51% of the outstanding share capital of EPM (thereby taking Renascor's total interest in EPM to 100%) by issuing (i) shares in Renascor to the value of \$2,040,000 as determined by the 20-day volume-weighted average price of Renascor shares at the time of exercise, and (ii) 15,000,000 options exercisable at \$0.05 per option and expiring three years from the date of grant. The option is exercisable at any time within 12 months of Renascor being granted regulatory approval to commence drilling.

The agreement with EPM and its shareholders further provides that Renascor will serve as the project manager during the option periods.

Next steps

Renascor has initiated pre-drilling activities and expects to commence drilling and further metallurgical test work later this month. The initial drilling is expected to include approximately 1,000 metres of reverse circulation drilling primarily over the Siviour prospect within the expansive EM conductive zone to the west of the existing high-grade, coarse-flake graphite intersections. Additional test holes are planned at the Malbrom, Paxtons and Siviour West prospects. In January, Renascor expects to recommence drilling, with an additional 2,000 metres of reverse circulation and diamond core drilling.



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 mineral deposits. Renascor has an extensive tenement portfolio, holding interests in projects in key mineral provinces of South Australia, the Northern Territory and Western Australia.

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Appendix 1

Drill hole parameters¹

Arno Graphite Project - Drill Hole Parameters										
HOLE	TENEMENT	TYPE	GRID ID	MGAE	MGAN	RL	AZIMUTH	DIP	SURVEY TYPE	TOTAL DEPTH (meters)
SIV001	EL5618	RC	MGA94_53	632367	6245703	28	180	-60	GPS	86
SIV002	EL5618	RC	MGA94_53	632366	6245820	36	180	-60	GPS	160
SIV003	EL5618	RC	MGA94_53	632261	6246009	38	170	-60	GPS	144
SIV004	EL5618	RC	MGA94_53	632382	6245935	38	180	-60	GPS	102
SIV005	EL5618	RC	MGA94_53	631254	6247102	52	270	-60	GPS	89
SIV006	EL5618	RC	MGA94_53	631354	6247165	52	270	-60	GPS	170
SIVD007	EL5618	DDH	MGA94_53	632362	6245912	38	180	-70	GPS	74
CRD0090	EL5618	DDH	MGA94_53	634452	6245284	24	270	-65	DGPS	243

¹ Details for sampling techniques and data and other relevant exploration information are included in Appendix 2.



Appendix 2

JORC Table – Checklist of Assessment and Reporting Criteria

Section 1: Sampling Techniques and Data² (criteria in this group apply to all succeeding groups)	
Criteria	Explanation
Sampling techniques.	<ul style="list-style-type: none"> • RC Drill samples were collected at one-metre intervals. • All RC Drill samples for analysis were riffle split using a riffle splitter mounted under the cyclone, RC samples were drilled dry. • Face sampling RC hammer diameter approximately 140mm. • Approximately 65% of samples were not submitted for assay due to the visual non-mineralised nature of the material collected. All other graphitic intervals were submitted for analyses. • DD diamond core samples were collected as cut quarter core samples • All DD samples were sent to ALS laboratory in Adelaide for preparation and forwarded to Brisbane for LECO C-IR18 analyses. • All samples were crushed using LM2 mill to 4mm and pulverised to nominal 80% passing 75µm. • Sampling was guided by “Eyre Peninsula Minerals Pty Ltd” protocols and QA/QC procedures
Drilling techniques.	<ul style="list-style-type: none"> • The “ARNO” tenement EM targets were sampled by reverse circulation (RC) holes and one single diamond (DD) cored hole.
Drill sample recovery.	<ul style="list-style-type: none"> • One-metre drill chip samples were collected throughout the drill program in sequentially numbered bags. • Every interval drilled is represented in an industry standard chip tray that provides a check for sample continuity down hole. • Core recovery percentages were recorded from measurements of core length against driller meterage marks
Logging.	<ul style="list-style-type: none"> • Primary data was captured into spreadsheet format by the supervising geologist, and subsequently loaded into the Eyre Peninsula Minerals Pty Ltd’s database. • No adjustments have been made to any assay data.
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> • All of the samples were marked with unique sequential numbering as a check against sample loss or omission. • At the ALS laboratory sample preparation involved the original sample being dried at 80° for up to 24 hours and weighed on submission to laboratory. • Crushing to nominal 4mm. Sample is split to less than 2kg through linear splitter and excess retained. • Sample splits were weighed at a frequency of 1/20 and entered into the job results file. Pulverising was completed using LM2 mill to 90% passing 75µm and the pulverised residue was shipped to ALS in Brisbane for LECO analysis.
Quality of assay data and laboratory tests.	<ul style="list-style-type: none"> • Duplicate analysis was completed and no issues identified with sampling reliability • A 0.1g sample was leached with dilute hydrochloric acid to remove Inorganic carbon. After filtering, washing and drying, the remaining sample residue was roasted at 425OC to remove organic carbon. The roasted residue was analysed for Carbon (graphitic-Cg%) using high temperature LECO furnace with infrared.
Verification of sampling and assaying.	<ul style="list-style-type: none"> • Duplicate analysis was completed and no issues identified with sampling representatively. • There were no twinned holes. • • Field duplicates, laboratory duplicates and blanks were collectively inserted at a rate of 10% and QAQC data analysis was completed to industry standards. • Field duplicates results are good

² This JORC table has been prepared based on information made available to Renascor Resources Limited by Eyre Peninsula Minerals Pty Ltd.



JORC Table – Checklist of Assessment and Reporting Criteria (Continued)

Section 1: Sampling Techniques and Data (Continued)²	
(criteria in this group apply to all succeeding groups)	
Explanation	
Location of data points.	<ul style="list-style-type: none"> All drill hole collars were pegged to the plan collar location using a hand held GPS. These collar coordinates are entered into the drill hole database. The degree of accuracy of drill hole collar location and RL was estimated to be within a 5-metre error level. The grid system for the project was Geocentric Datum of Australia (GDA) 94, Zone 53.
Data spacing and distribution.	<ul style="list-style-type: none"> Drilling was initial exploration only, with holes at approximately 120m spacing on two widely separated sections.
Orientation of data in relation to geological structure.	<ul style="list-style-type: none"> Drill holes were inclined from the surface and monitored with a down-hole surveying camera. Interpretation of the relationship between the drilling orientation and the orientation of key mineralised structures could not be undertaken with Reverse Circulation drilling Insufficient diamond drilling has been carried out to confirm the orientation of key mineralised structures.
Audits or reviews.	<ul style="list-style-type: none"> All data collected was subject to internal review.
Section 2: Reporting of Exploration Results²	
(criteria listed in the preceding group apply also to this group)	
Criteria	Explanation
Mineral tenement and land tenure status.	<ul style="list-style-type: none"> All drilling was entirely within Exploration Licence EL 5618 (formerly EL4430) granted on 29 January 2015 for a 2 year term expiring in 2017. EL 5618 is 100% owned by Ausmin Development Pty Ltd and in good standing with no known impediments.
Exploration done by other parties.	<ul style="list-style-type: none"> Historic exploration has been carried out by several companies over many years but without any focus on graphite prospectivity. EM data was acquired across the tenement in 2006 and 2007 by Cameco Ltd as part of their uranium exploration program. Cameco drilled hole CRD0090, without testing for graphite.
Geology.	<ul style="list-style-type: none"> Meso-proterozoic sediments of the Hutchison Group
Data aggregation methods.	<ul style="list-style-type: none"> Exploration laboratory assay results have been reported using weighted average techniques.
Relationship between mineralisation widths and intercept lengths.	<ul style="list-style-type: none"> The mineralized widths are down-hole drilled intercepts. True width is unknown. The geometry of the mineralisation with respect to the drill hole angle is speculative at this time.
Diagrams.	<ul style="list-style-type: none"> Scaled maps and geophysical section are included in the body of this report.
Balanced reporting.	<ul style="list-style-type: none"> The reporting is considered to be balanced, material considered to be waste (ie. not containing graphite) was not assayed.
Other substantive exploration data.	<ul style="list-style-type: none"> Nothing material to report.
Further work.	<ul style="list-style-type: none"> Drill testing of EM anomaly for graphite mineralisation utilising RC and diamond drilling techniques.

² This JORC table has been prepared based on information made available to Renascor Resources Limited by Eyre Peninsula Minerals Pty Ltd.

