

ARNO GRAPHITE PROJECT UPDATE

- Drilling to commence next week at recently secured high-grade, coarse-flake Arno Graphite Project in proven graphite region of South Australia's Eyre Peninsula
- Up to 3,000m of reverse circulation and diamond core drilling planned in first quarter of 2016
- Previous drilling intersected **high-grade, coarse-flake graphite** intersections in all eight holes drilled over extensive electromagnetic anomaly, 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, suggesting **large tonnage, high quality graphite** potential
- Upcoming drill program will commence with approximately 1,000m of reverse circulation drilling, targeting extensions to high-grade graphite mineralisation over a flat-lying, shallow conductive zone extending over 1,200m west of existing high-grade drill section
- Further first quarter drilling is expected to include additional reverse circulation drilling to establish potential quantity and grade and diamond core drilling to supplement metallurgical test work
- Renascor has received all regulatory approvals for the first-phase drilling and a drill rig has been contracted to commence drilling next week

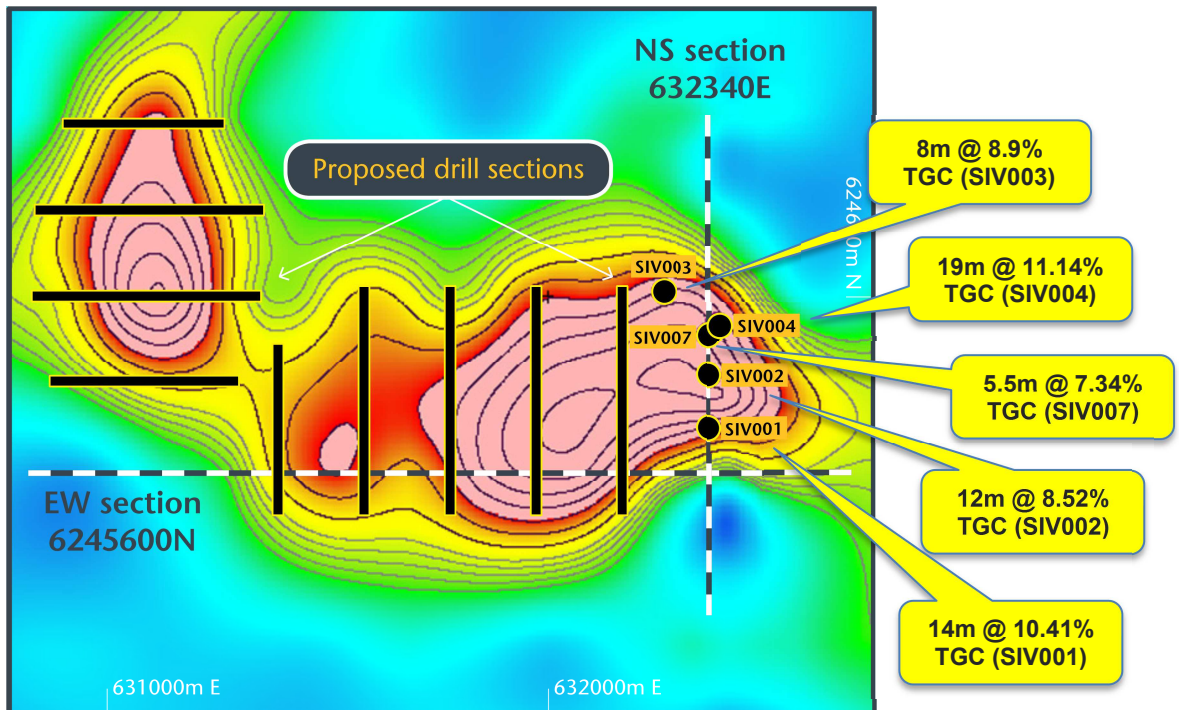


Figure 1. Electromagnetic image (Ch15 Zcomponent) of Siviour prospect within Arno Graphite Project, showing existing drill intersection, conductivity sections and proposed drill sections (black lines)



Renascor Resources (ASX: RNU) is pleased to provide an update on its exploration program over its recently secured high-grade, coarse-flake Arno Graphite Project in the proven graphite region of South Australia's Eyre Peninsula (see Figure 1 for proposed drill locations and Figure 2 for project location). Renascor will commence a program of up to 3,000m of reverse circulation and diamond core drilling. The program will commence with approximately 1,000m of reverse circulation drilling, targeting extensions to high-grade graphite mineralisation associated with a flat-lying, shallow conductive zone extending over 1,200m west of the existing high-grade drill section in which all five holes have intersected high-grade graphite. Further drilling planned for the first quarter is expected to include additional reverse circulation drilling to establish potential quantity and grade and diamond core drilling to supplement metallurgical test work. Renascor has received all regulatory approvals for the first-phase drilling and a drill rig has been contracted to commence drilling next week.



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

Discussion

The Arno Graphite Project currently consists of several well-defined electromagnetic (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 1 and Figure 6). Drilling has demonstrated broad, near-surface zones of +50m graphitic mineralisation, including intervals of up to 20m of high-grade +10% total graphitic carbon (TGC). Preliminary metallurgical test work and petrology suggests a large proportion of flake-size graphite, with favourable graphite recoveries and purity of concentrates from these holes. 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 6) offers significant potential to define a large-scale, commercially competitive graphite resource.



Siviour prospect

The Siviour prospect is the largest and most advanced prospect that has been defined to date and lies centrally within the project area. Five holes have been drilled on a north-south oriented section (Section 632340E) within the eastern portion of the Siviour EM anomaly, with all holes intersecting significant intervals of high-grade, coarse-flake graphite (see Figure 1). As shown in Figure 3, Renascor's interpretation of drilling results and conductivity interpreted from the EM data suggests a flat-lying, shallow conductive zone extending approximately 400m north-south. Broad graphite intersections across the section show an excellent correlation with the interpreted conductivity anomaly.

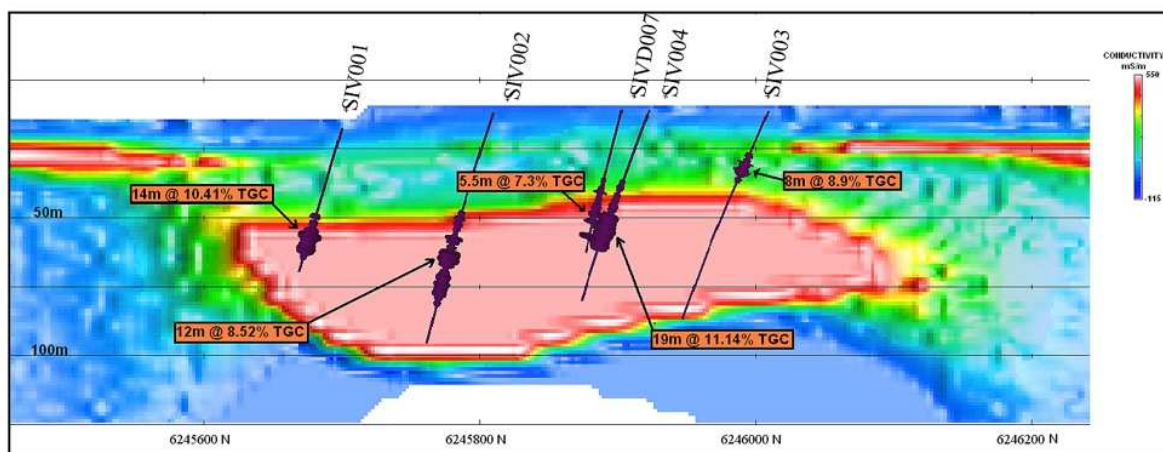


Figure 3. Siviour prospect: EM conductivity depth image for north-south Section 632340E

Drilling to date, however, has not yet included testing to the west of the existing drill section where the high conductivity zone appears to extend for +1,200m, at a comparable thickness and shallower depth (see Section 6245600N, Figure 4). Renascor considers the extensive western portion of the Siviour prospect as an immediate high priority target area. The upcoming drill program will include several holes targeting extensions to the west of previously drilling (Section 632340E).

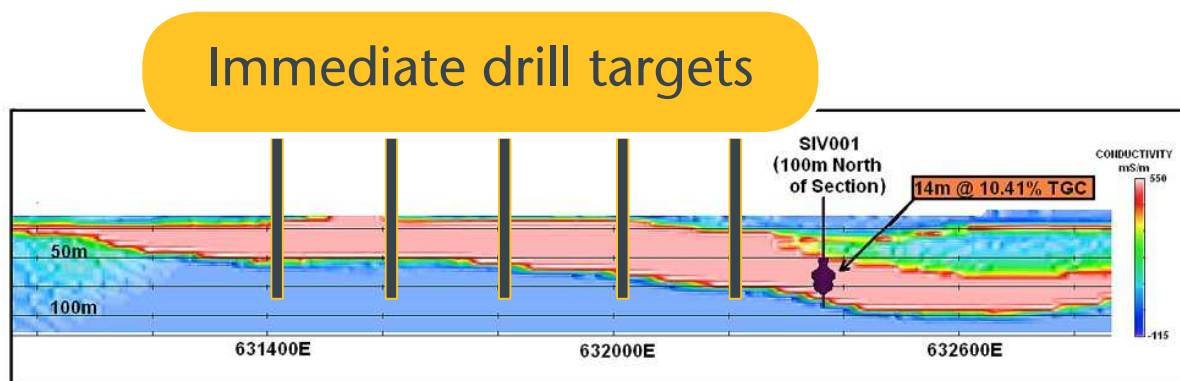


Figure 4. Siviour prospect: EM conductivity depth image for east-west Section 6245600N

Upcoming drill programs

In early January, Renascor will commence a program of up to 3,000m of reverse circulation and diamond core drilling. The program will commence with approximately 1,000m of reverse circulation drilling at the Siviour prospect, targeting extensions to the existing high-grade intersections over the existing north-south drill section. Further drilling planned for the first quarter drilling is expected to include additional reverse circulation drilling to establish potential quantity and grade and diamond core drilling to supplement metallurgical test work. Renascor has received all regulatory approvals for the first-phase drilling and a drill rig has been contracted to commence drilling next week.





Figure 5. Diamond core drill sample showing graphitic intersection at Siviour prospect (SIVD007, 52.6m to 53.5m @ 9.3% TCG)

Other prospects

In addition to the Siviour prospect, additional nearby conductors offer similar potential to define high-tonnage, coarse-flake graphite resources. As shown in the EM image in Figure 6, 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 at Paxtons and Buckies and also in the Siviour East, Siviour West and Malbrom prospect areas, where strong conductive zones have been outlined. The first quarter drill programs will include additional drill holes targeting interpreted shallower conductors at the Siviour West, Buckies, Malbrom and Paxtons prospects.

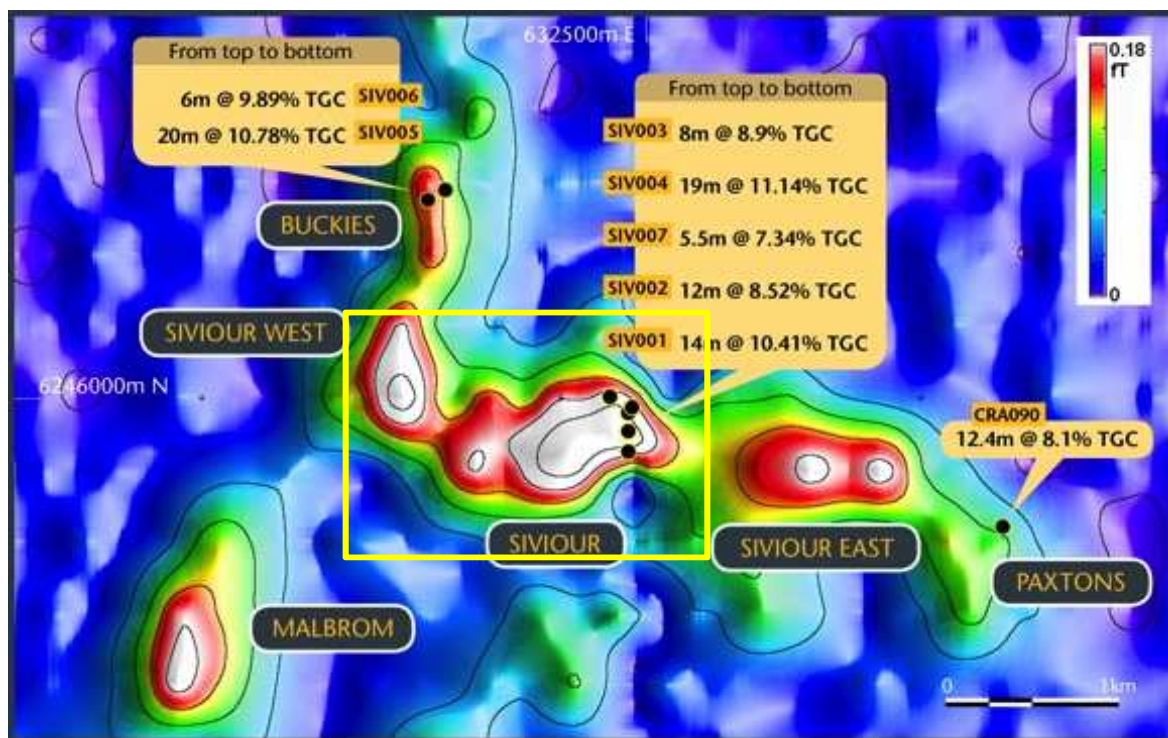


Figure 6. Airborne EM image (Ch15, Z component) over Arno Graphite Project, showing drill results within targeted graphite prospects and location of Figure 1 (yellow outline)



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, including significant graphite projects at Arno, Eyre Peninsula South Australia and at Munglinup, Western Australia.

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