

ARNO GRAPHITE PROJECT UPDATE – FURTHER DRILLING TO COMMENCE

- Large diameter diamond core drill program to commence this month at Renascor's Arno Graphite Project in South Australia's Eyre Peninsula
- Drill program will focus on obtaining large diameter core samples within the Siviour graphite deposit for further metallurgical test work, including detailed-size fraction analysis and bench-scale flotation testing
- Additional drilling will focus on expanding the Siviour deposit, which is currently Australia's largest graphite Mineral Resource, by targeting shallow areas along-strike from high-grade zones drilled earlier this year
- Scoping study expected to be completed next quarter
- Renascor is on-track to meet its initial, earn-in obligations to acquire a 20% interest in Eyre Peninsula Minerals Pty Ltd (EPM), which holds an option over the Arno Graphite Project
- Renascor also expects to take its ownership interest in EPM to 49% next month through the exercise of its option to acquire a further 29% interest by the issuance (subject to shareholder approval) of 38.67 million ordinary shares in Renascor (Renascor retains an option to acquire the remaining 51% of EPM by December 2016 by issuing additional Renascor shares)

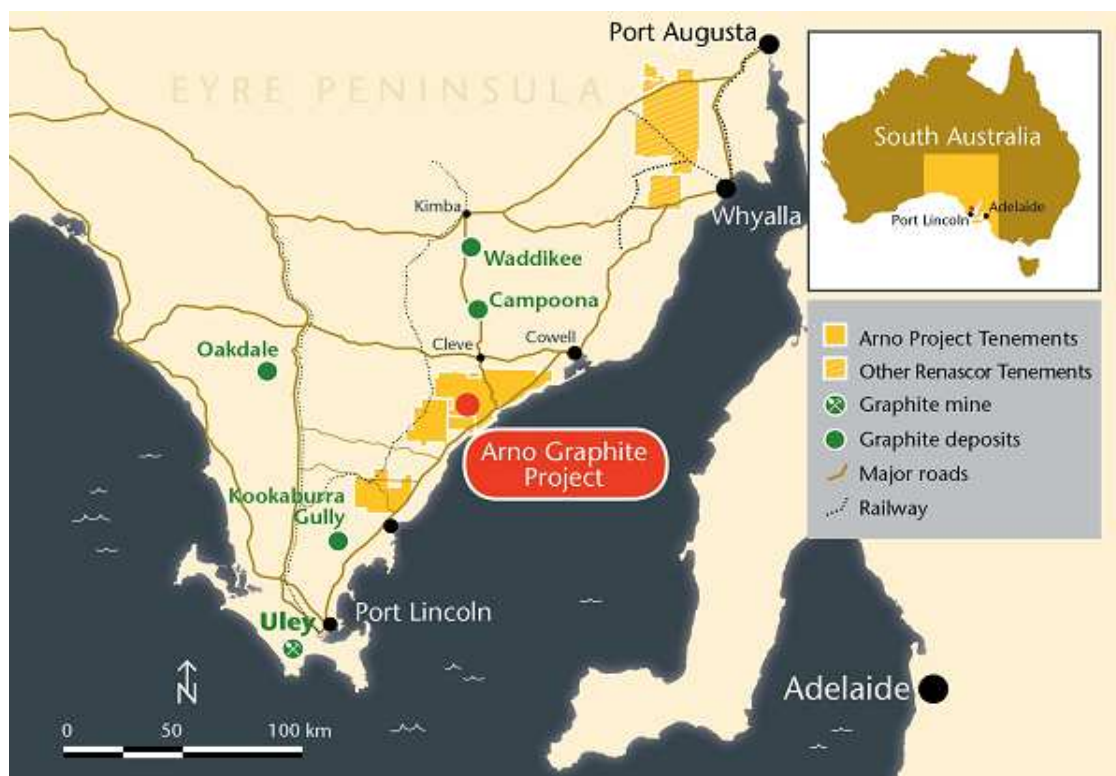


Figure 1. Arno graphite project, showing location and nearby graphite deposits



Renascor Resources (ASX: RNU) is pleased to provide an update on its Arno Graphite Project in South Australia's Eyre Peninsula. Upcoming drill programs, commencing later this month, will focus on accelerating the development of the Siviour graphite deposit by obtaining large diameter core samples and expanding the Siviour Mineral Resource. Renascor expects to complete a scoping study on Siviour next quarter. Renascor is on-track to meet its initial, earn-in obligations to acquire Eyre Peninsula Minerals Pty Ltd (EPM), which holds an option over the Arno Graphite Project. Renascor expects to take its ownership interest in EPM to 49% next month through the issuance (subject to shareholder approval) of 38.67 million ordinary shares in Renascor. Renascor retains an option to acquire the remaining 51% of EPM by December 2016 by issuing additional Renascor shares.

Discussion

The Arno Graphite Project is located in South Australia's Eyre Peninsula, an established graphite region in South Australia approximately 500km driving from Adelaide and 140km from Port Lincoln and Whyalla. See Figure 1. The Siviour graphite deposit, the first prospect drilled by Renascor in the Arno project area, is currently the largest reported graphite Mineral Resource in Australia, with a JORC-compliant Mineral Resource estimate of 16.8Mt @ 7.4% TGC for 1,243,200t of contained graphite, including high-grade mineralisation of 5.9Mt @ 10.0% TGC for 590,000t of contained graphite.

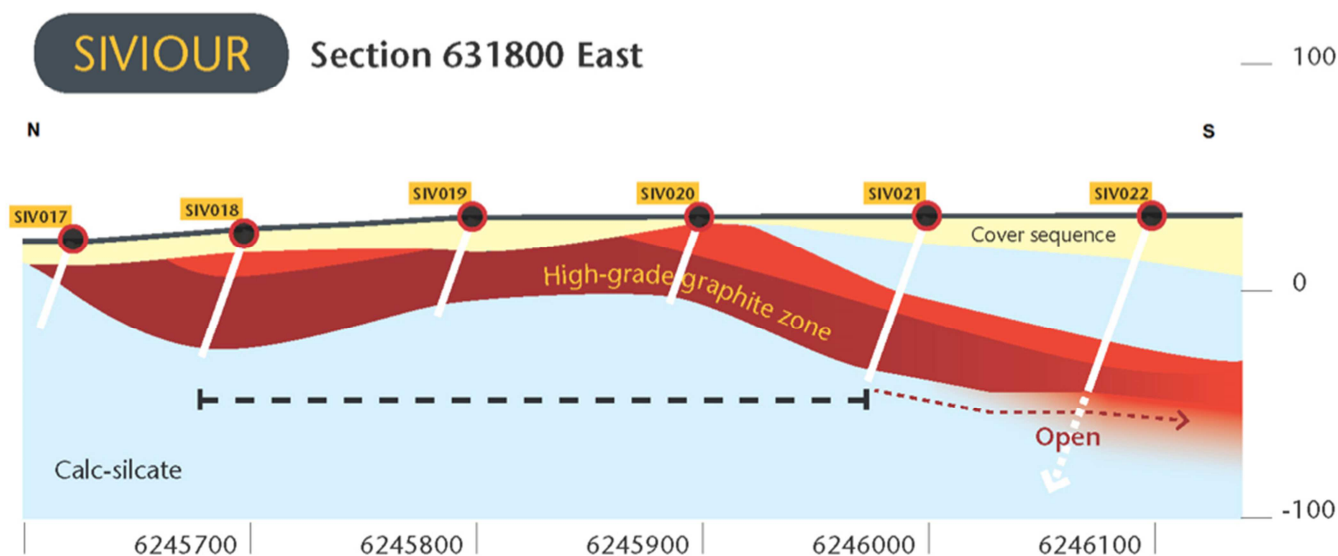


Figure 2. Siviour prospect: Geological cross-section for north-south Section 631800E

The Siviour deposit is shallow, tabular and near flat-lying, with the bulk of graphite mineralisation commencing from 10m to 25m beneath the surface. See Figure 2. The deposit remains open in shallow areas along-strike. The deposit has demonstrated high quality flake graphite, with petrological examination of drill samples returning over 80% in the high-value super-jumbo (+500µm), jumbo (+300µm) and large (+180µm) categories.

Upcoming work programs

Later this month, pending final regulatory approvals, Renascor plans to commence a large diameter diamond core drill program in order to obtain core samples for further metallurgical test work. While mineral processing test work has not yet been undertaken on the high-grade graphite zones at Siviour, ALS Metallurgy performed preliminary bench flotation and gravity tests over a core sample from the adjacent Paxtons prospect (see Figure 3), obtaining carbon (graphite) recovery of 87% and producing 93% purity of concentrates, with super-jumbo flake size of up to 600µm. The large diameter core obtained from the upcoming program will be used for further mineral processing test work, including detailed size fraction analysis and sighter test work to determine the appropriate parameters for flow-sheet determination.



Renascor also plans to conduct additional diamond and reverse circulation drilling at Siviour to expand the existing Mineral Resource by targeting shallow areas along-strike from high-grade zones drilled earlier this year. See Figure 3. Drilling will include coverage of the area immediately east of the existing Mineral Resource, where an Exploration Target has been established of an additional 12Mt to 15Mt at an average grade between 7.0% and 7.5% TGC, equating to between 840,000t to 1,125,000t of contained graphite. Renascor notes that the potential quantity and grade of the Exploration Target is conceptual in nature and there is insufficient data to establish a mineral resource; it is uncertain if further exploration will result in the estimation of a mineral resource over the area covered by the Exploration Target. In addition to the area included in the Exploration Target, Siviour remains largely open, in particular to the north of the Inferred Resource and to the south at Paxtons. Renascor intends to include these areas upcoming resource expansion drilling.

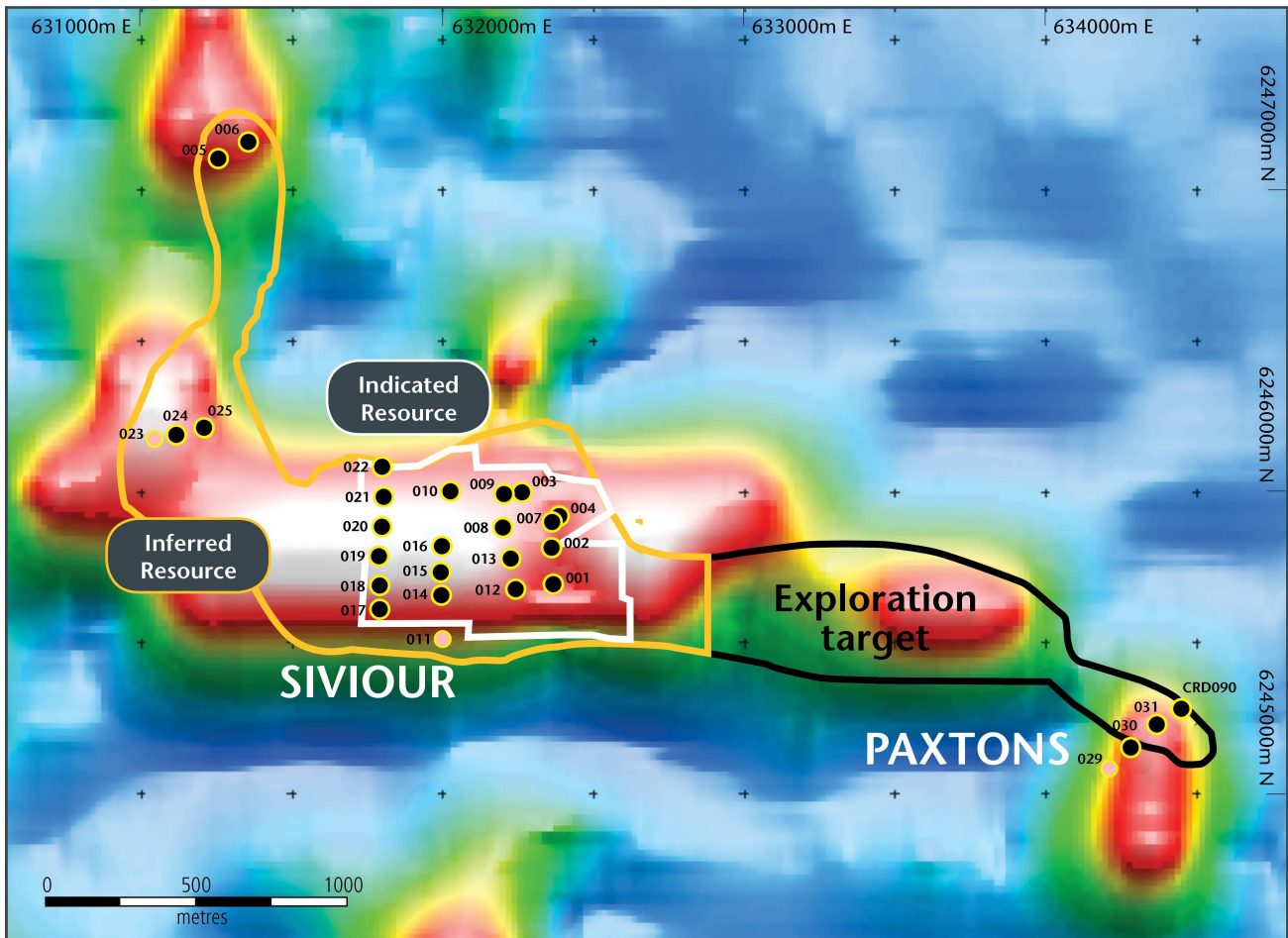


Figure 3. Electromagnetic image showing Indicated and Inferred Resources, Exploration Target and drill hole locations

Renascor expects the upcoming mineral processing test work and resource expansion drilling will provide the parameters for completing a scoping study during the third quarter of this year.



Eyre Peninsula options

Pursuant to its agreement with EPM and EPM's shareholders, Renascor has an option to acquire up to 100% of EPM in exchange for exploration expenditure and shares and options in Renascor. EPM, in turn, has an option to acquire Ausmin Development Pty Ltd (Ausmin), an unlisted company that holds the underlying rights to the Arno graphite project.

EPM – Ausmin option

The option agreement between EPM and Ausmin gives EPM the 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 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.

Renascor – EPM option

As part of its agreement with EPM and EPM shareholders, Renascor committed to completing \$400,000 in exploration expenditure by 21 June 2016 in exchange for shares representing 20% of the outstanding share capital of EPM. With the work completed to date and the planned programs for this month, Renascor is on-track to meet this initial earn-in requirement.

Renascor's agreement with EPM and its shareholders grants Renascor two additional options pursuant to which Renascor can increase its ownership in EPM to 100%. The first option permits Renascor to acquire an additional 29% of the outstanding share capital of EPM by issuing 38,666,667 ordinary shares in Renascor. Renascor can exercise this option at any time prior to 21 June 2016. Subject to obtaining shareholder approval, Renascor expects to exercise this option next month, and therefore take its ownership interest in EPM to 49%.

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 after the exercise of the first option at any time prior to 21 December 2016. Renascor intends to complete additional work on the project tenements prior to committing to exercise this option.



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 near Arno Bay, South Australia and at Munglinup, Western Australia.

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