

DIAMOND DRILLING COMMENCES AT ARNO GRAPHITE PROJECT

- Drilling has recommenced at Renascor's Arno Graphite Project in South Australia's Eyre Peninsula
- A large diameter, diamond core program of up to 400m will focus on obtaining core samples from within the Siviour graphite deposit for further metallurgical test work, including detailed-size fraction analysis and sighter test work to determine the appropriate parameters for flow-sheet determination
- The diamond drilling program will also provide further structural information prior to planned commencement next month of additional reverse circulation drilling focused on expanding the Siviour deposit, which is currently Australia's largest graphite Mineral Resource
- Results of the upcoming metallurgical tests on the Siviour diamond core are expected to assist in preparation of a scoping study next quarter

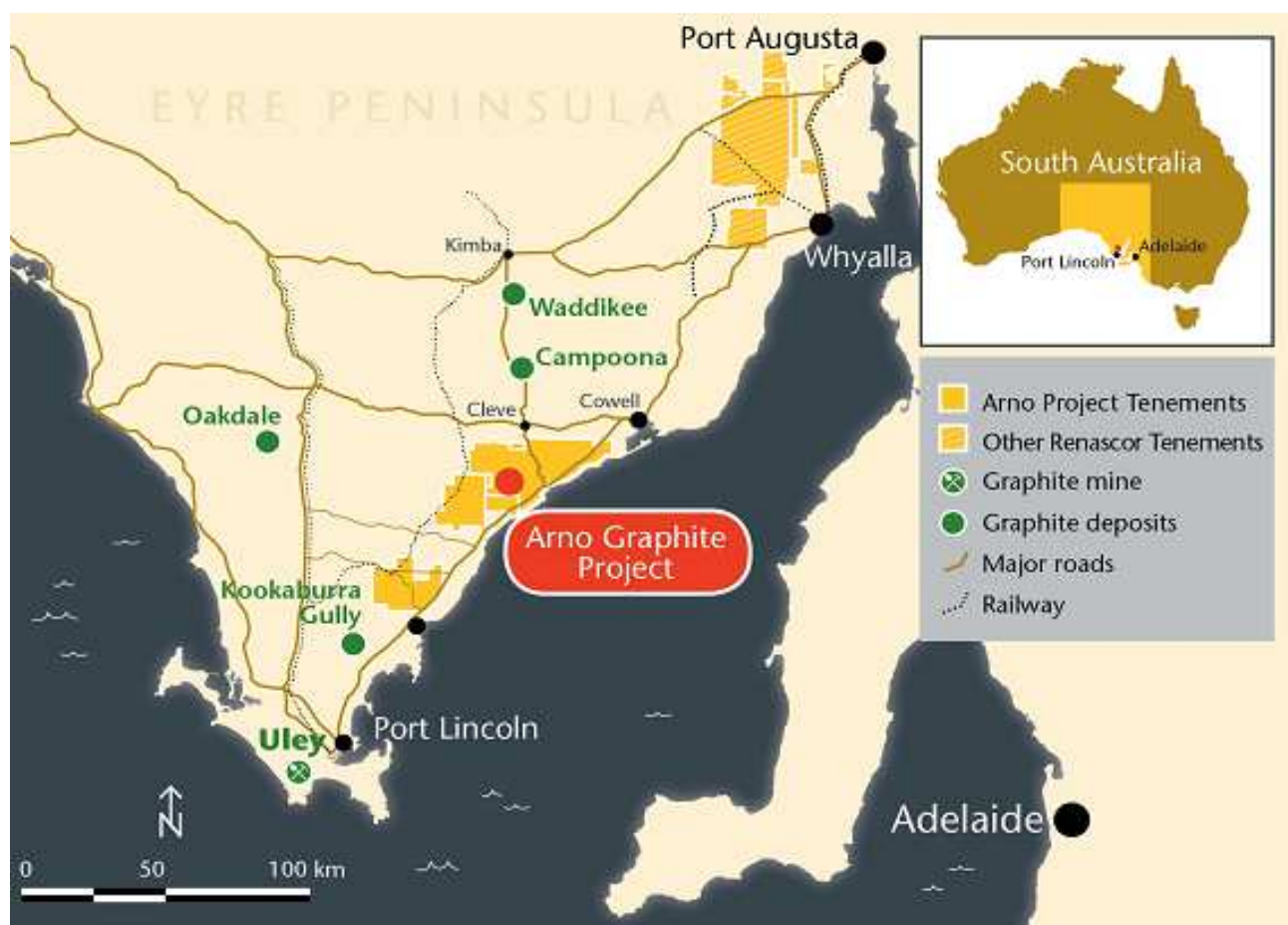


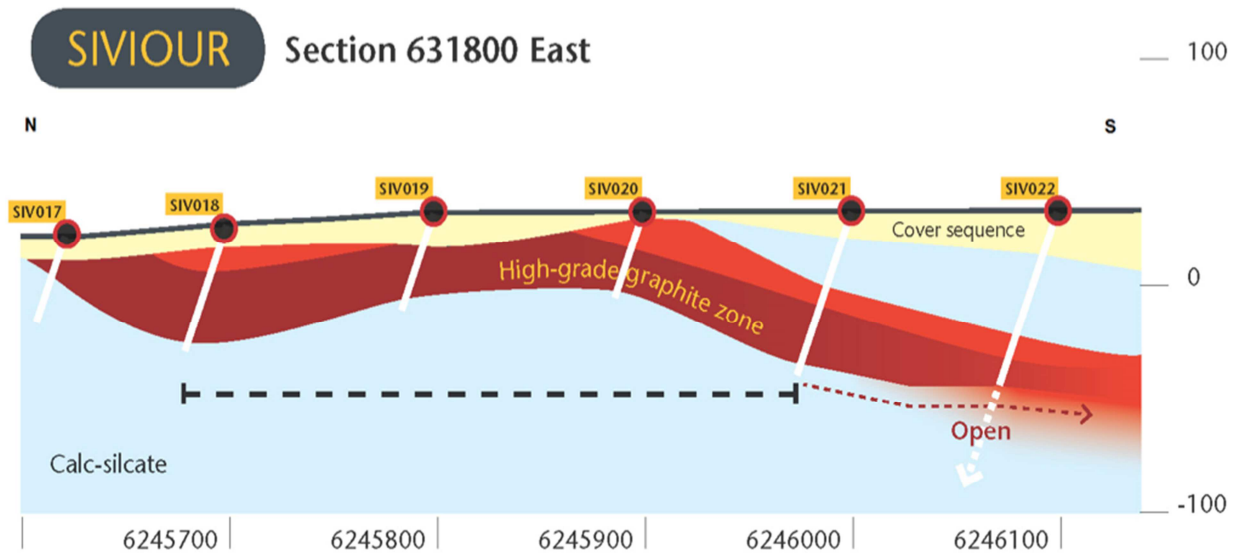
Figure 1. Arno graphite project, showing location and nearby graphite deposits



Renascor Resources (ASX: RNU) is pleased to announce the recommencement of drilling on its Arno Graphite Project in South Australia's Eyre Peninsula. A large diameter, diamond core program of up to 400m has commenced this week on the Siviour graphite deposit.

Discussion

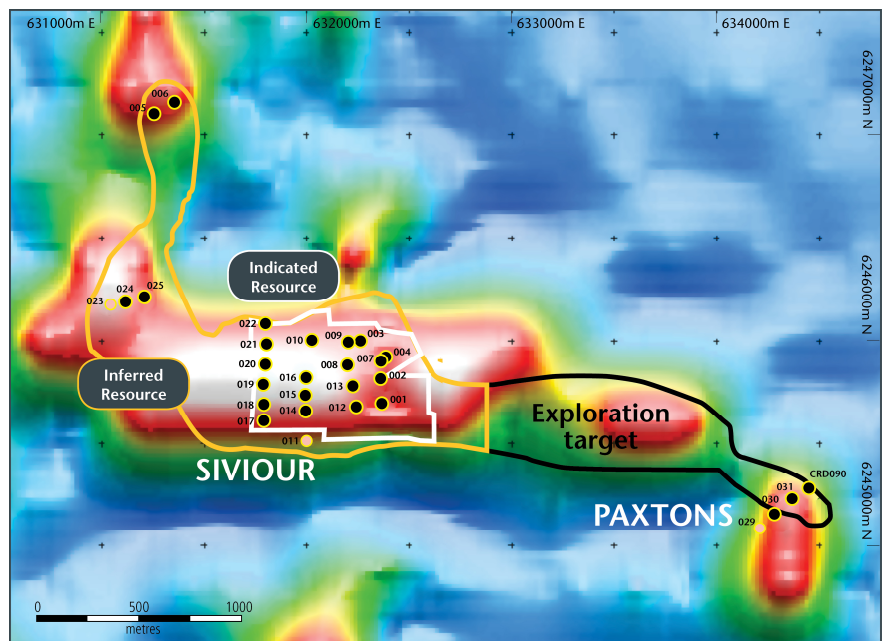
The Siviour graphite deposit is currently the largest reported graphite Mineral Resource in Australia, with a JORC-compliant Mineral Resource estimate of 16.8Mt @ 7.4% TGC for 1,243,200t of contained graphite, including high-grade mineralisation of 5.9Mt @ 10.0% TGC for 590,000t of contained graphite.



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.

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.

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



Current drill program

The current drill program is intended primarily to obtain large diameter core to be used in further mineral processing test work on the Siviour deposit, including detailed size fraction analysis and sighter test work to determine the appropriate parameters for processing flow-sheet determination. The diamond drilling will also provide further structural information prior to planned commencement next month of additional reverse circulation drilling focused on expanding the Siviour deposit.

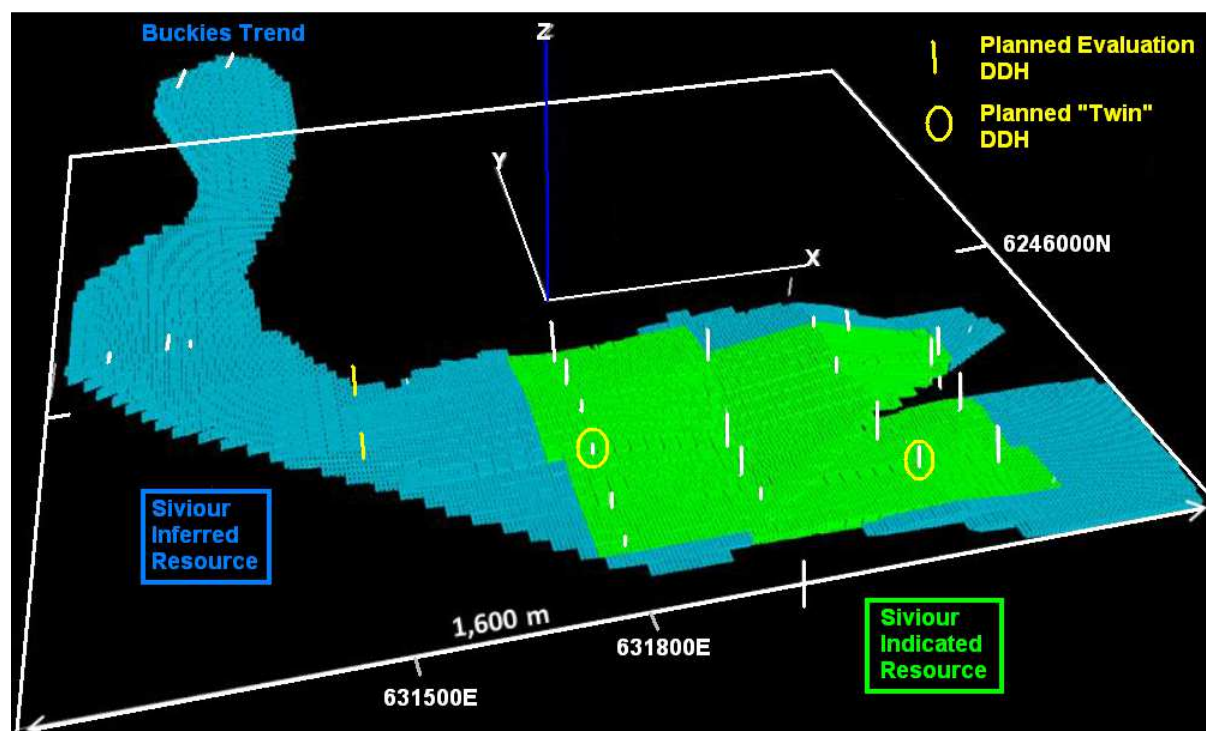


Figure 4. Three dimensional view of Siviour resource, showing distribution of Indicated (green) and Inferred (blue) Mineral Resources and location of planned diamond core holes

The current diamond program is planned to include two "twin" holes over existing reverse circulation holes within the Siviour Indicated Resource. See Figure 4. Assays from reverse circulation drilling over these areas returned long, high-grade intervals of graphite mineralisation at relatively shallow depths. See RNU ASX release dated 17 March 2016. Core obtained from these areas will be used for detailed size fraction analysis and sighter test work, as well as providing a means to validate the assays from the reverse circulation drilling.

Pending final regulatory approval, Renascor is planning two additional holes to the west of the Indicated Resource to assess the reliability of airborne electromagnetic data as a means to delineate further mineralisation. See Figure 4. Dependent on assay results, these holes may validate an upgrade of the existing Inferred Resource in the area between the Siviour Resource and the Buckies trend, in addition to providing co-incident metallurgical sample material.

Renascor expects to complete the current diamond drill within the next two weeks, with assay results expected two to three weeks thereafter.



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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