RENASCOR RESOURCES

ASX Announcement

21 July 2016

DRILLING RECOMMENCES AT AUSTRALIA'S LARGEST GRAPHITE RESOURCE

- Drilling has recommenced at Renascor's Arno Graphite Project in South Australia's Eyre Peninsula
- A reverse circulation program of up to 3,000m will target shallow, high-grade graphite at the Siviour Graphite Deposit, Australia's largest reported graphite Mineral Resource
- Drilling will include testing of recently identified high conductivity anomalies that display significantly greater conductive response than areas within the Indicated Resource
- The increased conductivity of these newly identified zones suggests high potential to locate higher-grade and thicker zones of graphite and upgrade the grade or contained graphite tonnage of the Siviour Mineral Resource
- Drilling is expected to continue through early August, with assay results available approximately two to three weeks thereafter

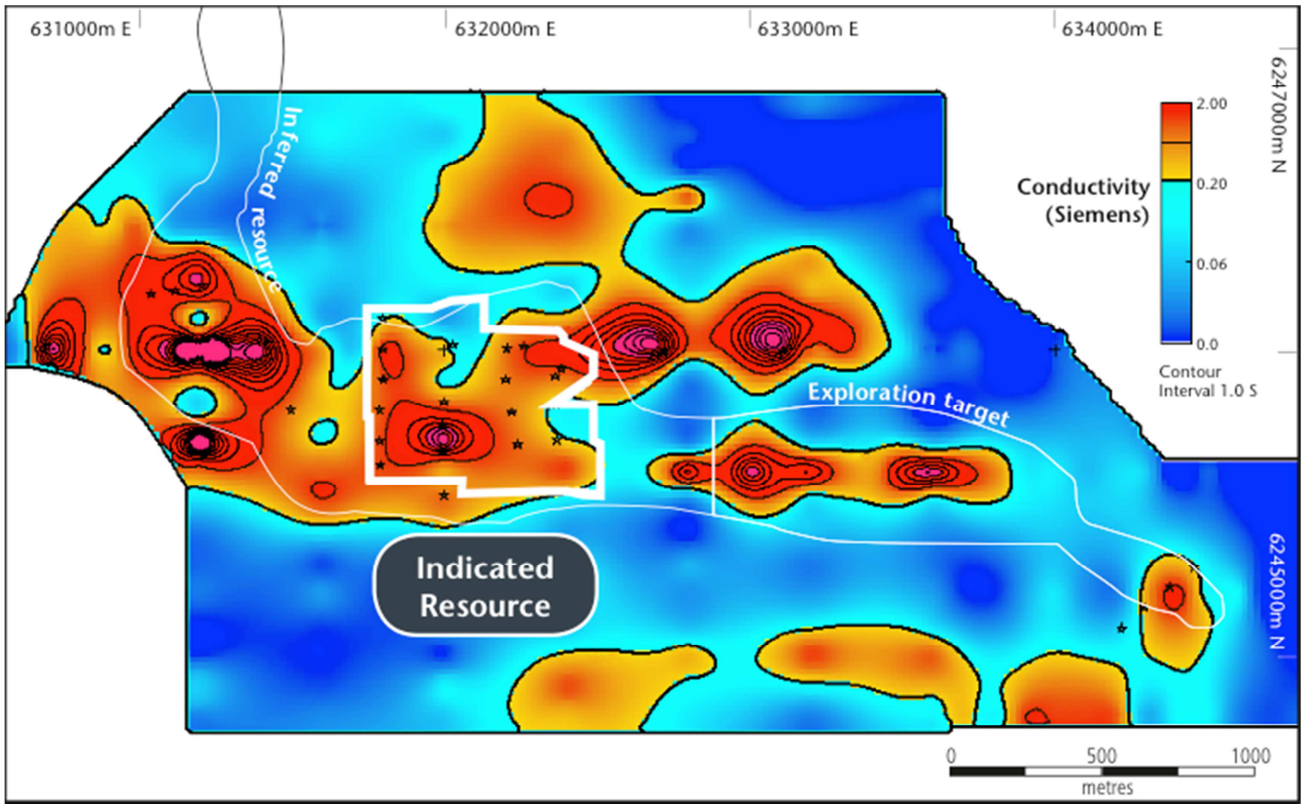

Figure 1. Ground electromagnetic image showing conductivity anomalies within and adjacent to Indicated and Inferred Resources at Siviour

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Renascor Resources (ASX: RNU) is pleased to announce the recommencement of drilling at its Siviour Graphite Deposit. The Siviour Deposit is located within Renascor's Arno Graphite Project in South Australia's Eyre Peninsula. See Figure 2.

Renascor recently defined the largest reported graphite Mineral Resource in Australia at the Siviour Graphite Deposit, with a JORC-compliant Mineral Resource estimate of 16.8Mt @ 7.4% total graphitic carbon (TGC) for 1,243,200t of contained graphite (reported above a cut-off grade of 3% TGC), including high-grade mineralisation of 5.9Mt @ 10.0% TGC for 590,000t of contained graphite (reported above a cut-off grade of 8% TGC). See Table 1 below and RNU ASX release dated 17 March 2016 (the information contained therein has not materially changed since first being reported).

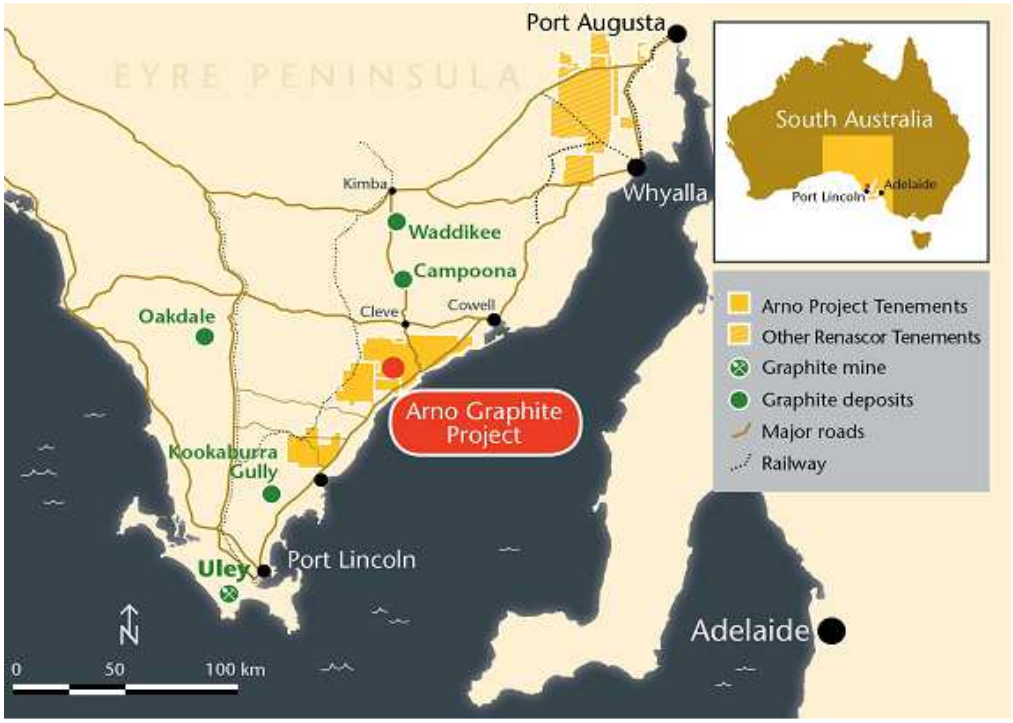

Figure 2. Arno graphite project, showing location and nearby graphite deposits

Category	Tonnes of mineralisation (millions)	TGC	Contained graphite (tonnes)
Indicated	6.8	8.1%	550,800
Inferred	10.0	6.9%	690,000
Total	16.8	7.4%	1,243,2000

Note: cut-off grade of 3% total graphitic carbon

Table 1. Siviour Mineral Resource estimate as of 16 March 2016

The focus of the current drill program will be locating shallow, high-grade graphite within or along-strike from the Indicated and Inferred Resources at Siviour. Drilling will include testing of a recently defined high conductivity target to the west of the Siviour Indicated Resource. See Figure 1 and RNU ASX release dated 18 July 2016 (the information contained therein has not materially changed since first being reported). Additional targets expected to be tested in the current program include recently identified EM anomalies along-strike of the eastern portion of the Indicated Resource.

Western EM anomaly

Initial drilling will target the highly conductive and large western EM anomaly, which is located within the Siviour Inferred Resource. See Figure 1.

High intensity. The western EM anomaly displays a significantly greater conductive response than areas within the Indicated Resource where drilling has intersected long intervals of shallow, high-grade graphite[1]. The increased conductivity response is illustrated in Figure 3. Renascor's analysis of ground EM data suggests the western EM anomaly is approximately ten times more conductive than the anomalies within the Indicated Resource area, suggesting this newly identified anomaly has high potential to host higher-grade or longer intervals of graphite.

Large size. The western EM anomaly has a comparatively large signature, with the central portion alone extending over 700m east-west and over 150m north-south. See Figure 1. In comparison, the anomaly within the Indicated Resource extends over approximately 300m east-west by 150m north-south. Further, this central portion of the western EM anomaly is immediately adjacent to additional conductive anomalies to the north and south of similar dimensions to the conductive zone within the Indicated Resource. See Figure 1. As shown in south-north cross-section 631200E in Figure 4, these newly identified conductive zones display significant relative thickness. Renascor considers the western EM anomaly to offer potential to host increased quantities of contained graphite in comparison to the tonnage reflected in the current Inferred Resource estimate.

Renascor's initial drilling is designed to test the peak zones of conductivity (see Figure 4). Additional drilling, to test width and strike continuity, will be dependent on initial results.

Additional drill targets\

In addition to the western EM anomaly, Renascor plans to conduct initial drill-testing of other high intensity, undrilled conductive anomalies to the immediate east of the Indicated Resource. See Figures 1 and 3. Renascor considers these anomalies to be additional high priority targets for shallow, high-grade graphite in areas along-strike from the existing Siviour Mineral Resources.

While EM targets to be tested in the current drill program are based on EM data that do not discriminate between conductivity and thickness, given the generally high correlation observed to date between conductivity and high-grade graphite within the Indicated Resource area, Renascor considers that there is high potential to locate higher-grade or thicker zones of graphite within the western EM anomaly and to locate additional graphite within the conductivity targets to the east of the Indicated Resource. This would result in a significant upgrade to the grade or contained graphite tonnage of the Siviour Mineral Resource.

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[1]The western EM anomaly is centered approximately 800m to the west of Section 631800E, the westernmost drill section within the Siviour Indicated Resource. See Figure 1. Section 631800E includes some of the highest-grade and thickest intervals of graphite within the Siviour Mineral Resource, with results including:

- 36m @ 10.3% TGC (from 17m), including 27m @ 13.0% TGC (from 23m) (Siv018) and 9m @ 11.7% (from 18m), and
- 12m @ 10.5% TGC (from 29m) and 9m @ 11.7% (from 18m) (Siv019). See RNU ASX release dated 16 February 2016 (the information contained therein has not materially changed since first being reported).

The current drill program will consist of up to 3,000m of reverse circulation drilling. Drilling is expected to continue through early August, with assay results available approximately two to three weeks thereafter.

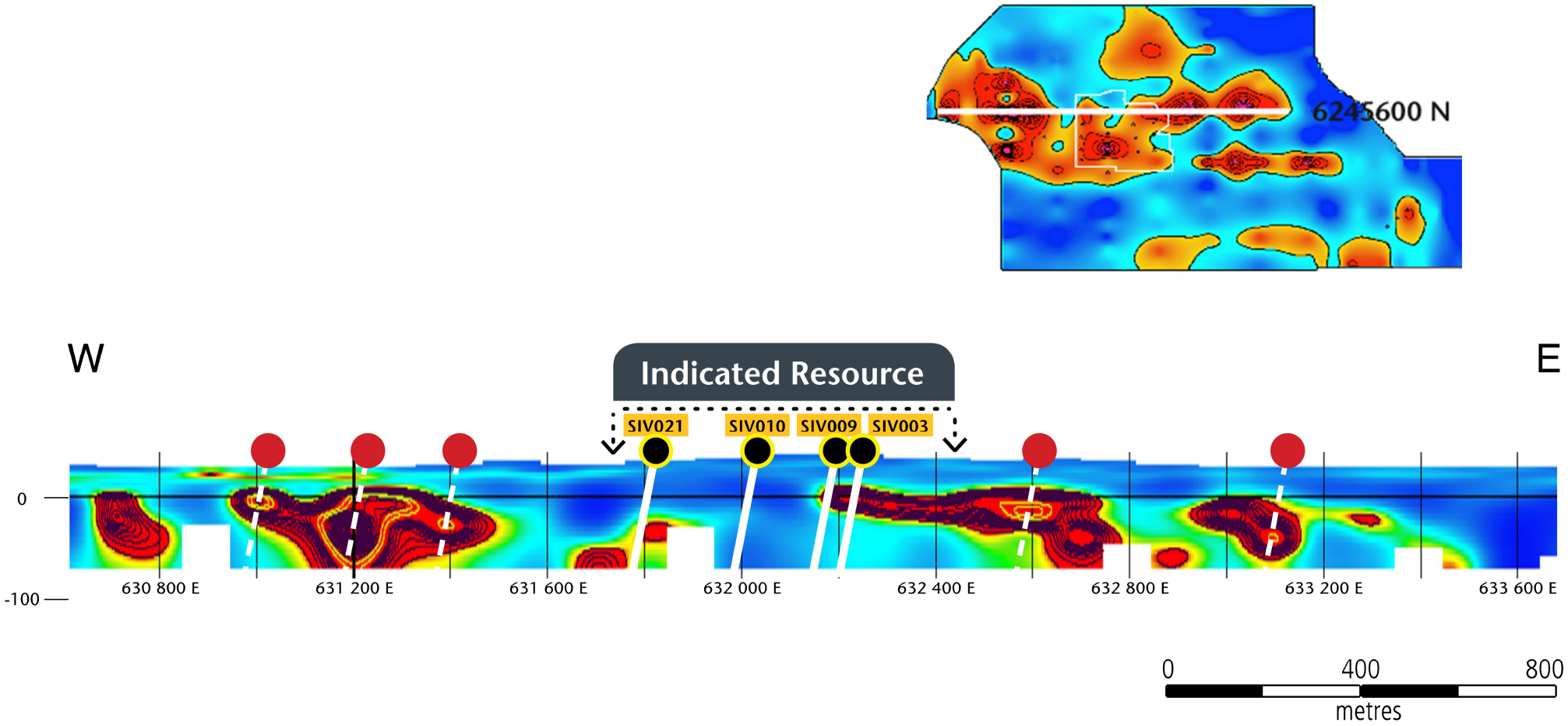

Figure 3. EM cross-section of 6246000N, showing undrilled western EM anomalies, planned drill holes (red dots, dashed traces) and holes SIV021, SIV010 and SIV009 within the Siviour Indicated Resource

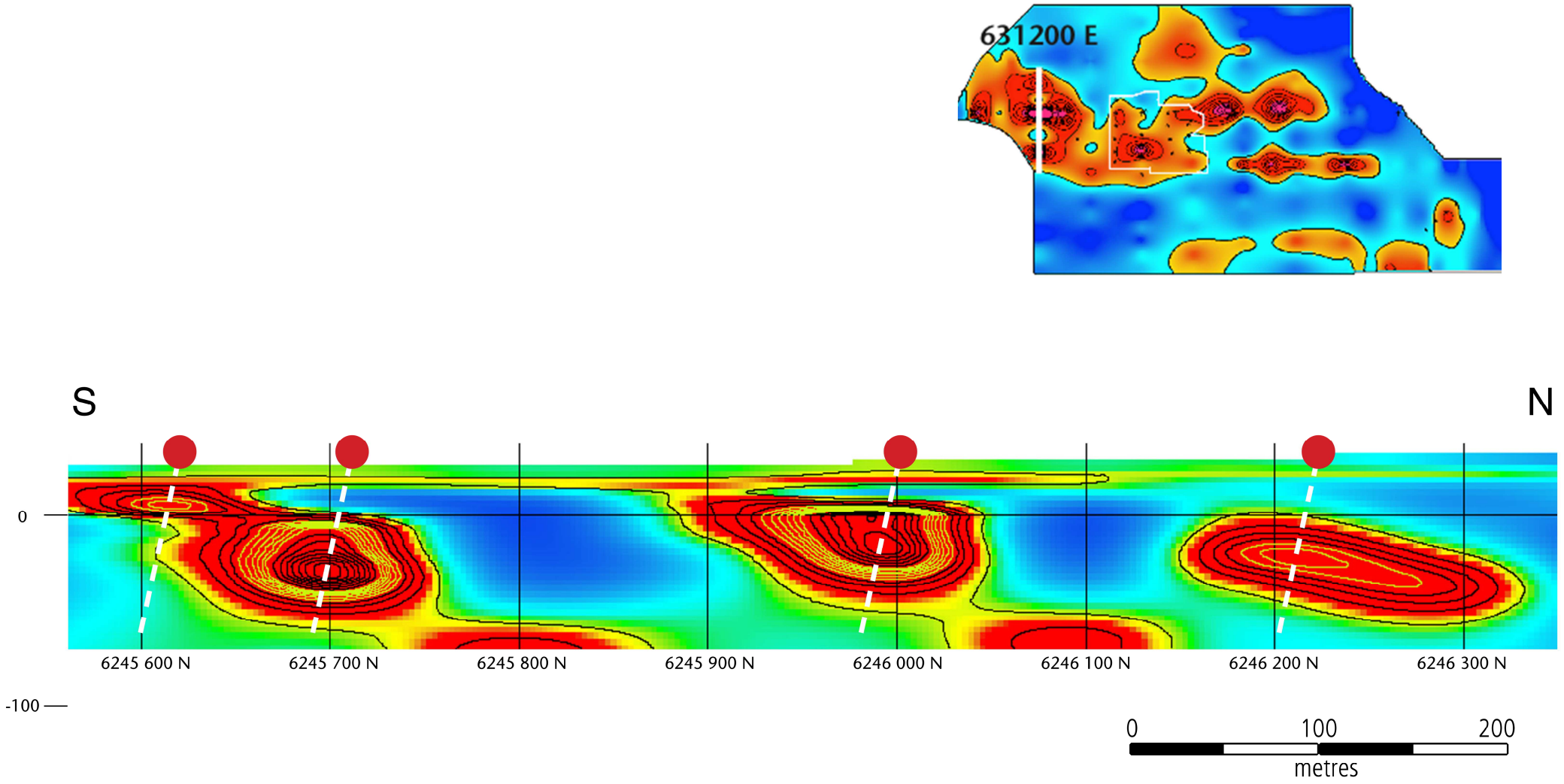

Figure 4. South-north EM cross-section of 631200E, showing northern, central and southern portions of western EM anomaly and planned drill holes (red dots, dashed traces)

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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