RENASCOR RESOURCES

ASX Announcement

23 December 2016

Drilling confirms and extends near-surface, high-grade graphite zone at Siviour

- Initial assays from diamond core drilling return multiple near-surface intersections of high-grade graphite in samples from first three available holes in eleven-hole program
- Available assay results confirm the existence of a shallow, +10% total graphitic carbon (TGC) graphite zone along the southern boundary of the Siviour Indicated Resource. Newly available assays from SIV067 and SIV068 indicate that this higher-grade zone extends to the southeast of the current Indicated Resource and remains open along-strike
- This higher-grade zone occurs beneath approximately eight metres of unconsolidated sediments, suggesting favourable strip-ratio characteristics and low-cost, free dig mining
- Renascor considers this higher-grade zone to offer the potential to support a large-scale, commercially competitive mining operation. The in-progress scoping study has accordingly been expanded to consider a large-scale production case
- Core samples collected from the drill program have been integrated into Renascor's mineral processing test program, with results expected next quarter; remaining assays from recent program will also be available next quarter

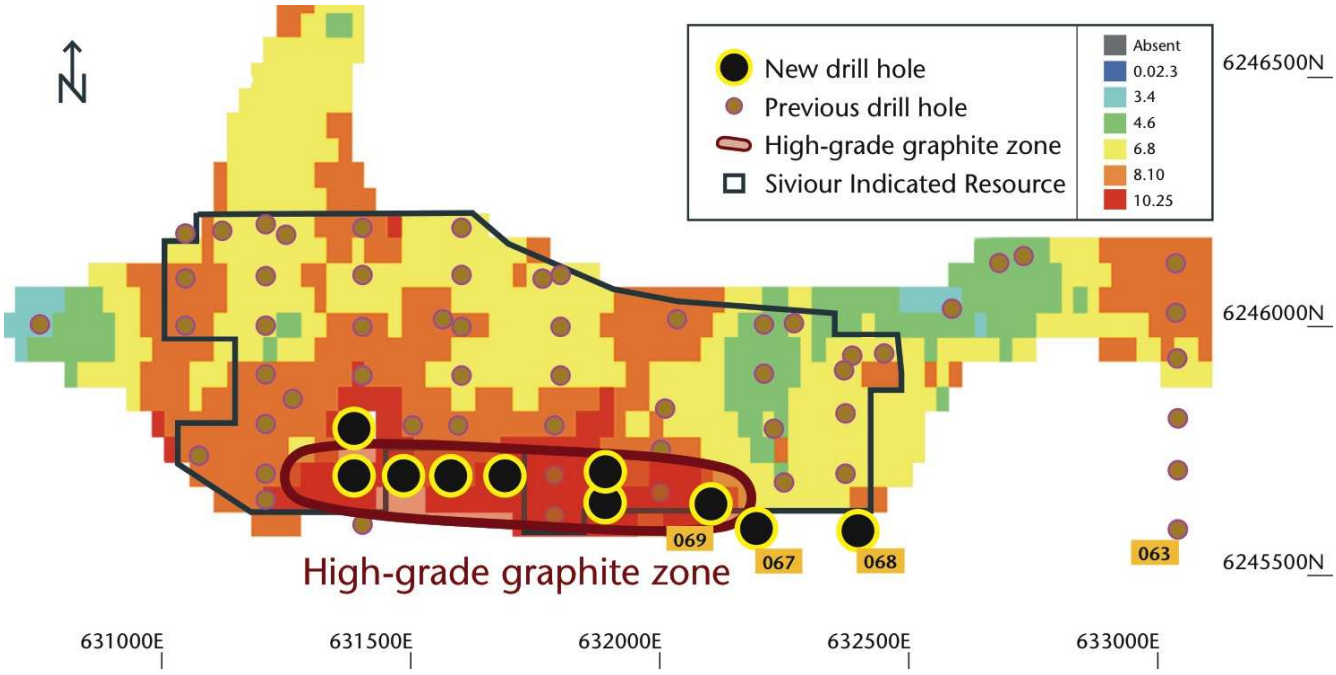

Figure 1. Siviour graphite deposit – average TGC% within the mineralised horizon of the Indicated Resource, showing new and previous drill holes in relation to high-grade graphite zone

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Renascor Resources (ASX: RNU) is pleased to announce that initial assay results from its recently completed diamond core drill program at its Siviour Graphite Deposit in South Australia's Eyre Peninsula have confirmed the existence of, and extended, a shallow, +10% total graphitic carbon (TGC) graphite zone along the southern boundary of the Siviour Indicated Resource.

Drill results

Renascor completed eleven holes totalling approximately 500 metres across this area. The program was primarily designed to obtain additional sample material for metallurgical test purposes over areas considered reasonably representative of what would be mined in Siviour's first ten years of mine life (subject to completion of bankable feasibility studies, access to the requisite development finance and regulatory approvals).

Renascor focused on the southern boundary of the Siviour Indicated Resource due to the high concentration of near-surface higher-grade, +10% TGC material indicated from previous drilling in this area. See Figure 1.

To date, Renascor has received assays from three of the eleven diamond holes in the recently completed drill program, with results confirming near-surface intersections of high-grade graphite. See Table 1.

Hole	Prospect	Collar (MGAE)	Collar (MGAN)	From (metres)	To (metres)	Interval (metres)	TGC%*
16SIVRC067	Siviour	632195.4	6245601.2	13	45	32	9.6
				21	43	22	12.6**
16SIVRC068	Siviour	632395.5	6245597.4	17	21	4	6.97
				23	37	14	8.36**
16SIVRC069	Siviour	632101.7	6245659.4	13	36	23	11.34
				18	36	18	12.26**

* Unless otherwise indicated, TGC based on a 3% cut-off, with maximum 1m internal waste
** TGC based on a 5% cut-off, with maximum 1m of internal waste
*** Reported results for Siv069 include only assays through 38.4, which finished in mineralisation; assays are pending for remainder of hole.

Table 1. Drill results – (see Appendix 1 for drill hole parameters)

Complete drill details for all assays received to date in the current drill program are provided in Table 1.

Visual logs from the remaining holes in the current program suggest that ten of the eleven holes drilled included significant graphite intersections at shallow depths. Renascor expects to report the assay results from the remaining holes next month.

Shallow, high-grade graphite zone

The available results from the recent drill program, together with previous drilling, confirms the existence of a shallow +10% total TGC graphite zone along the southern boundary of the Siviour Indicated Resource. This higher-grade zone occurs beneath approximately eight metres of unconsolidated sediments, suggesting favourable strip-ratio characteristics and low-cost, free dig mining.

Renascor's modeling suggests that this area contains a large portion of the higher-grade (8.5% cut-off) graphite estimate of 22.2 million tonnes @ 10.0% TGC for 2.2 million tonnes of contained graphite, as reported in Renascor's recent mineral resource upgrade. See RNU ASX release dated 26 October 2016.

The recent drill results also suggest this higher-grade area may increase in size. Holes SIV067 and SIV068 are both located to the southeast of the current Indicated Resource, and the mineralised zone remains open along-strike further to the east. Ground electromagnetic data suggest potential to extend this shallow, higher-grade zone at least a further 600 metres to SIV063, which intersected 23 metres @ 9.2% TGC (from 16m). See Figure 1.

Siviour scoping study

This higher-grade zone offers the potential for Renascor to access a significant portion of Siviour's higher-grade graphite inventory, while taking advantage of the zone's favourable strip-ratio characteristics and low-cost, free dig mining. This, in turn, suggests Siviour could support a large-scale, commercially competitive mining operation within the higher-grade graphite zone.

The current metallurgical test work and scoping study parameters have accordingly been expanded to consider the commercial advantages of this possibility.

Next steps

Core samples collected from the drill program have been integrated into Renascor's mineral processing test program, with results expected next quarter.

Pending completion of the mineral processing test program, Renascor intends to continue to advance the in-progress Siviour scoping study, which will now include an expanded production option. Results from the scoping study, which will include product parameters to be defined by the current mineral processing testing, are expected to be available shortly after completion of the mineral processing tests.

Background information

The Siviour Graphite Deposit, located in South Australia's Eyre Peninsula (see Figure 2), is currently Australia's largest reported graphite deposit, with a Mineral Resource estimate of 60.8 million tonnes @ 7.8% TGC for 4.7 million tonnes of contained graphite, including higher-grade mineralisation of 22.2 million tonnes @ 10.0% TGC for 2.2 million tonnes of contained graphite.

Category	Tonnes of mineralisation (millions)	TGC	Tonnes of contained graphite (millions)
Indicated	33.4	8.2%	2.7
Inferred	27.4	7.3%	2.0
Total	60.8	7.8%	4.7

Note: Cut-off grade of 3% TGC

Table 1. Siviour Mineral Resource estimate as of 25 October 2016

Siviour is part of Renascor's Arno Graphite Project. Renascor has the right to acquire the project through an option agreement between its wholly-owned subsidiary Eyre Peninsula Minerals Pty Ltd (EPM) and Ausmin Development Pty Ltd (Ausmin). EPM's option to acquire the project is exercisable upon completing a bankable feasibility study in relation to the commercial development of graphite by issuing to the owners of Ausmin a 22% equity interest in a listed vehicle holding the project.

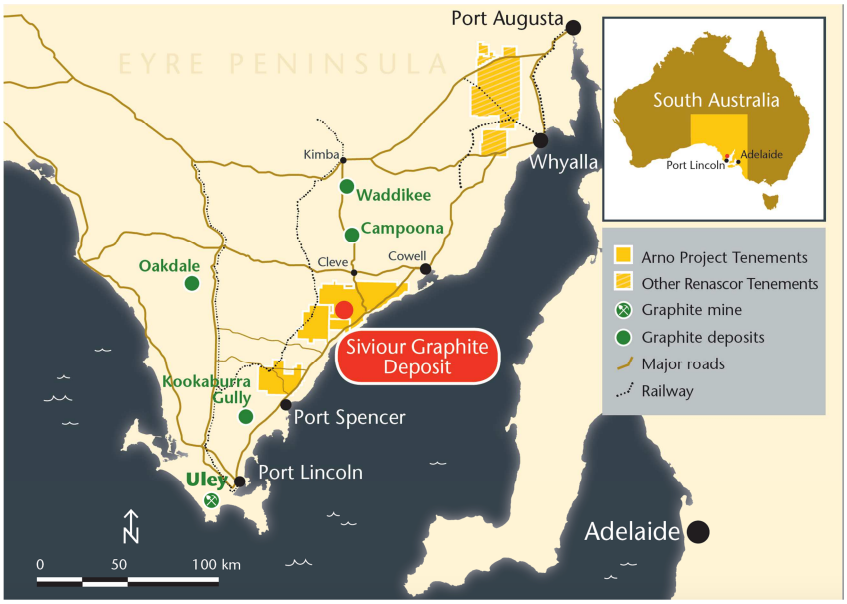

Figure 2. Siviour Graphite Deposit, showing location and significant nearby graphite deposits

Competent Person's Statement – Exploration Results

The *results reported herein, insofar as they relate to exploration activities and 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.*

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Appendix 1

Drill hole parameters[1]

Hole	Tenement	Prospect	Type	Grid ID	MGAE	MGAN	RL	Azimuth	Dip	Survey type	Total depth (metres)
16SIVDD067	EL5618	Siviour	Diamond	MGA94_53	632195.4	6245601.2	22.073	180	-70	DGPS	50.5
16SIVDD068	EL5618	Siviour	Diamond	MGA94_53	632395.5	6245597.4	22.252	180	-70	DGPS	51.9
16SIVDD069	EL5618	Siviour	Diamond	MGA94_53	632101.7	6245659.4	22.076	180	-70	DGPS	46.6

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

Appendix 2

JORC Table 1

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques	• *Nature and quality of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Drill samples in this program were collected at geological intervals varying from 0.2m to 0.6m intervals using 1/4 HQ3 core to be sent for laboratory geochemical analysis at Bureau Veritas, South Australia. • Duplicate samples in this program were collected after each 25 samples and standards were inserted into the sample stream at the end of every hole. • Duplicate analysis was completed and no issues identified with sampling reliability. • A portion of the sample is dissolved in weak acid to liberate carbonate carbon. • The residue is then dried at 420^{O}C driving off organic carbon and then analysed by its sulphur-carbon analyser to give Total Graphitic Carbon (TGC). • Bureau Veritas Minerals has adopted the ISO 9001 Quality Management Systems. All Bureau Veritas laboratories work to documented procedures in accordance with this standard.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• A conventional wire-line core rig was utilized to extract triple tube HQ3 (61mm) diameter core samples in mineralisation. • Core orientations were measured every 3m core run using a Ranger Digital orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The length of recovered core and the core rock quality are logged for each core run. • Core recovery throughout the fresh graphite mineralised zones is very good. • Diamond core is reconstructed into continuous runs on a cradle and marked with bottom of hole orientation lines. • Depths are checked against depths marked on the core blocks and rod counts are routinely performed by the drillers.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Primary data was captured into spreadsheet format by the supervising geologist, and subsequently loaded into the Renascor Resources Limited's database. • Qualitative and quantitative codes and descriptions are used to record geological

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)		
Criteria	**JORC Code explanation**	**Commentary**
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	data such as lithology, mineralisation, alteration and structure prior to sampling. • Core is photographed wet and dry. • All holes have been geologically logged.
Sub-sampling techniques and sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• ½ HQ3 diameter core is cut so as to preserve the orientation mark. • Graphite intervals are sampled using ¼ HQ3 diameter core. • Every twenty five samples a duplicate sample is collected using ¼ HQ3 diameter core and submitted for check analysis. • All the samples are marked with unique sequential numbering as a check against sample loss or omission. • Samples were crushed and pulverised using LM5, 90% passing 75µm in preparation for analysis using the Bureau Veritas network.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were sent to Bureau Veritas laboratory in Adelaide for preparation and for Total Graphitic Carbon (TGC) analyses and multi element analysis using a mixed acid digest. • Sampling was guided by Renascor Resources Limited's protocols and QA/QC procedures. • Duplicate analysis was completed and no issues identified with sampling reliability. • Bureau Veritas Minerals has adopted the ISO 9001 Quality Management Systems. All Bureau Veritas laboratories work to documented procedures in accordance with this standard.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Duplicate samples in this program were collected after each 25 samples and standards were inserted into the sample stream at the end of every hole. • Adjustments have been made to assay interval data so that where core loss exists greater than 0.1 metre a zero graphitic grade is applied to the these core loss intervals.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system*	• Drill hole collars were pegged to the plan collar location using GPS. Following drill completion hole were pick up using a DGPS • These collar coordinates are entered into the drill hole database. • The degree of accuracy of drill hole collar

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)		
Criteria	**JORC Code explanation**	**Commentary**
	used. • *Quality and adequacy of topographic control.*	location and RL is estimated to be within 0.1m for DGPS. • Drill holes are surveyed down-hole, at 30m intervals, using a Ranger Digital survey camera. • •The grid system for the project is Geoscentric Datum of Australia (GDA) 94, Zone 53.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Holes were drilled on Sections on either a 100m or 200m spacing
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Interpretation of the relationship between the drilling orientation and the orientation of key mineralised structures indicates that mineralisation is perpendicular to strike continuity. • The orientation of drilling is not expected to introduce sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Unique sample number was retained during the whole process. • Samples were packaged and stored in secure storage from collection through the chain of custody to the submission to Bureau Veritas Minerals.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• All data collected was subject to internal review.

SECTION 2: REPORTING OF EXPLORATION RESULTS (criteria listed in the preceding section apply also to this section)		
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* •	• All drilling was entirely within Exploration Licence EL5618 (formerly EL4430) granted on 29 January 2015 for a two-year term expiring in 2017. EL5618 is 100% owned by Ausmin Development Pty Ltd and in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Several companies have carried out historic exploration over many years, but without any focus on graphite prospectivity. Cameco Ltd, as part of a uranium exploration programme, acquired EM data across the tenement in 2006 and 2007. Cameco drilled hole CRD0090, without testing for graphite. • During 2014, Eyre Peninsula Minerals Pty Ltd carried graphite-focused exploration and drilled a further 6 RC holes and 1 diamond core hole reporting graphite intersections in all holes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation within Meso-proterozoic sediments of the Hutchison Group. Graphite is hosted by graphitic pelitic schists.

Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
	  ○ *easting and northing of the drillhole collar*
	  ○ *elevation or RL (elevation above sea level in metres) of the drillhole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
		• Please refer to Appendix 1.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• No top cuts have been applied to the results applied in this announcement. • A nominal 3% Graphitic Carbon lower cut-off has been applied in the determination of significant intercepts. • No metal equivalent values are used in this report. • Where core loss greater than 0.1 metre occurs a zero graphitic grade is applied.

SECTION 2: REPORTING OF EXPLORATION RESULTS (criteria listed in the preceding section apply also to this section)		
Criteria	**JORC Code explanation**	**Commentary**
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect.*	• Drill holes intersected mineralisation at near perpendicular to the strike orientation of the host lithologies. Ten of the eleven drill holes were orientated at -70 degrees on a bearing of 180 degrees, one hole was drilled vertically
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See figures in this release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Representative reporting of significant intercepts has effected within this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The company has previously reported a mineral resource in accordance with JORC (2012) guidelines at the Siviour deposit.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Follow-up drill RC and diamond core drill testing to further confirm extensions of graphite mineralisation and establish to mineral recovery and graphite product quality characteristics.