RENASCOR RESOURCES

ASX Announcement

14 July 2016

DIAMOND CORE DRILLING CONFIRMS HIGH-GRADE GRAPHITE AT AUSTRALIA'S LARGEST JORC GRAPHITE RESOURCE

- Diamond drilling intersects shallow, high-grade graphite at Renascor's Siviour Graphite Deposit, with assays for total graphitic carbon (TGC) of up to 20.5% (SIV034) and intervals including:
    - 27m @ 13.3% TGC (from11m to 38m) (SIV035),
    - 8m @ 8.2% TGC (from 30m to 38m) and 15m @ 10.2% (from 40m to 55m) (SIV034),
    - 34m @ 5.9% TGC (from 6m to 40m), including 16m @ 8.8% TGC (from 18m to 34m) (SIV033), and
    - 35m @ 6.7% TGC (from 31m to 66m), including 15m @ 10.1% TGC (from 50m to 65m) (SIV032)
- Assay results confirm continuity of high-grade graphite, suggesting the Siviour mineralised body has a shallow, near flat-lying orientation, with substantial true thickness
- Results also include substantial intervals of high-grade graphite within Inferred Resource (SIV034), suggesting the potential to upgrade the resource in grade and volume
- Drilling targeting further shallow, high-grade graphite zones scheduled to commence later this month

Figure 1. Diamond core drill sample showing graphitic intersections at Siviour Graphite Deposit (SIV035 -- 17.8m to 25.3m, including 7m@ 15.8% TGC)

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Renascor Resources (ASX: RNU) is pleased to announce the results from recently completed diamond 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, including high-grade mineralisation of 5.9Mt @ 10.0% TGC for 590,000t of contained graphite. See RNU ASX release dated 17 March 2016 (the information contained therein has not materially changed since first being reported).

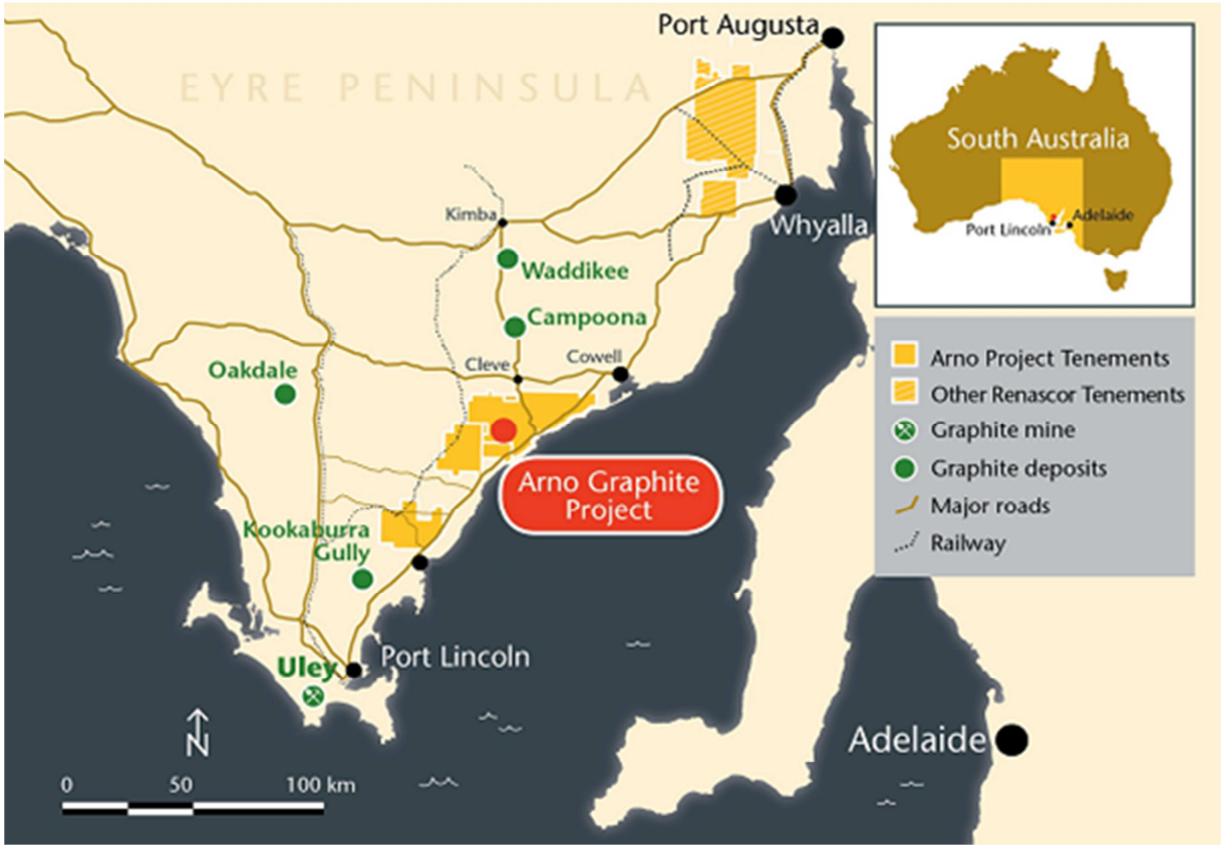

Figure 2. Arno graphite project, showing location and nearby graphite deposits

Discussion

Last month, Renascor completed a diamond core drill program consisting of four holes for approximately 225m within portions of the Indicated and Inferred Resources at the Siviour Graphite Deposit.

The program included three "twin" holes over existing reverse circulation holes within the Siviour Indicated Resource intended to obtain additional structural and geochemical information. See Figure 3. 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 (the information contained therein has not materially changed since first being reported).

Drill assays from the diamond drill program within the Inferred Resource confirm similar extensive shallow, high-grade graphite, with results including:

- 27m @ 13.3% TGC (from11m to 38m) (SIV035),
- 34m @ 5.9% TGC (from 6m to 40m), including 16m @ 8.8% TGC (from 18m to 34m) (SIV033), and
- 35m @ 6.7% TGC (from 31m to 66m), including 15m @ 10.1% TGC (from 50m to 65m) (SIV032)

Complete drill details are provided in Table 1.

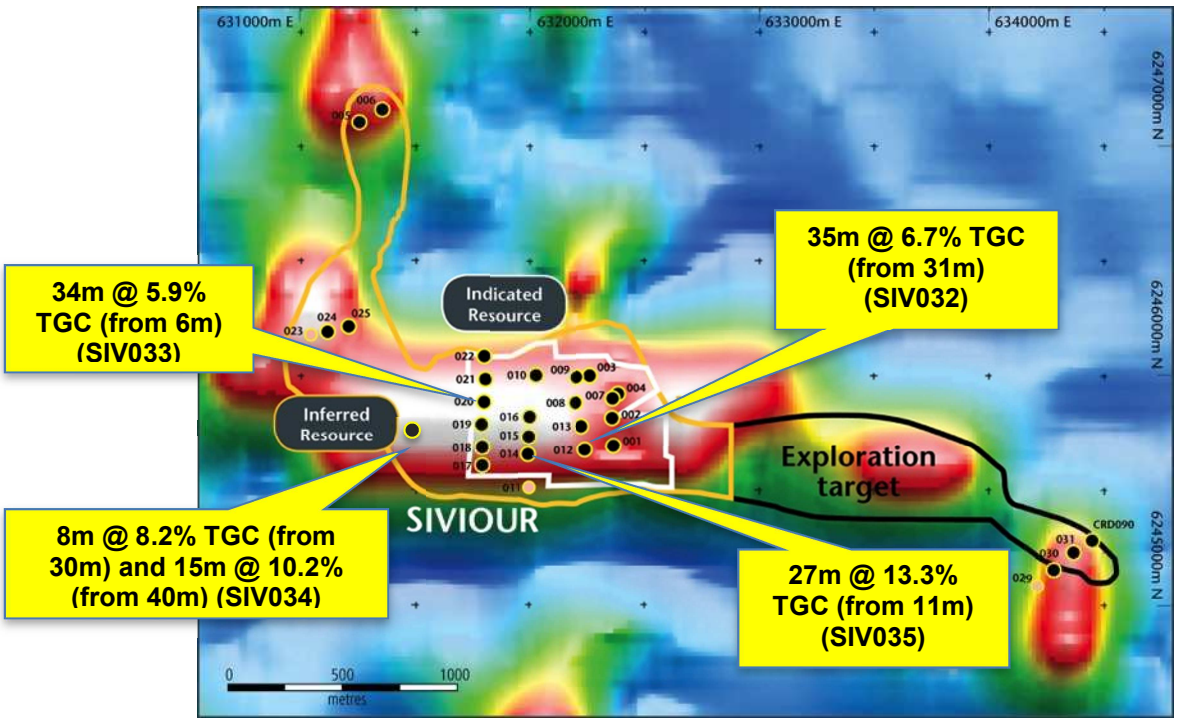

Figure 1. Siviour Graphite Deposit -- Electromagnetic image showing assays from recently completed diamond drill program, Indicated and Inferred Resources and Exploration Target

The results from the core drilling confirm the continuity of high-grade graphite, supporting Renascor's interpretation that the Siviour graphite mineralisation has a shallow, near flat-lying orientation, with substantial true thickness. Renascor considers the style of graphite mineralisation at Siviour to be unique within the Eyre Peninsula, in contrast to other graphite occurrences that are generally more vertical and consist of multiple lenses.

The program also included one diamond hole within the Inferred Resource (SIV034) (see Figure 1) that intersected high-grade graphite mineralisation, with assays significantly greater than the grade currently attributable to the Siviour Inferred Resource. Specifically, SIV034 intersected 8m @ 8.2% TGC (from 30m to 38m) and 15m @ 10.2% (from 40m to 55m). Complete drill details are provided in Table 1. The current Inferred Resource consists of 10Mt and at average grade of 6.9%. See RNU ASX release dated 17 March 2016 (the information contained therein has not materially changed since first being reported). The increased graphite grade within SIV034 suggests the potential to further upgrade the Siviour Inferred Resource in both grade and volume.

Hole	Prospect	Collar (MGAE)	Collar (MGAN)	From (metres)	To (metres)	Interval (metres)	TGC%*
16SIVDD032	Siviour	632239.2	6245687	31	66	35	6.7
			including	50	65	15	10.1
16SIVDD033	Siviour	631801.1	6245901	6	40	34	5.9
			including	18	34	18	8.8
16SIVDD034	Siviour	631500	6245800	30	38	8	8.2
			and	40	55	15	10.2
			including	47	48	1	20.5
16SIVDD035	Siviour	631991.7	6245666	11	38	27	13.3

* TGC based on 3% cut-off

Table 1. Drill results – Renascor June 2016 diamond core drilling (see Appendix 1 for drill hole parameters)

Next steps

Renascor's next-stage work program will include follow-up drilling targeting shallow, high-grade graphite mineralisation. Renascor is currently evaluating recently completed detailed ground electromagnetic surveys at Siviour for the purpose of finalising next-stage drilling targets. Drilling is expected to commence later this month.

In addition, Renascor has commenced metallurgical test work on core samples obtained from the recent drill program. Renascor plans to perform initial sighter test work on the Siviour core, including detailed size-fraction analysis, to be followed by comprehensive mineral process testing to determine appropriate parameters for flow-sheet design.

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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Appendix 1

Drill hole parameters[1]

Hole	Tenement	Prospect	Type	Grid ID	MGAE	MGAN	RL	Azimuth	Dip	Survey type	Total depth (metres)
16SIVDD032	EL5618	Siviour	Diamond	MGA94_53	632239.2	6245687	24.7	180	-70	DGPS	71
16SIVDD033	EL5618	Siviour	Diamond	MGA94_53	632239.2	6245687	31.0	180	-70	DGPS	38
16SIVDD034	EL5618	Siviour	Diamond	MGA94_53	631500	6245800	29.0	180	-70	GPS	64
16SIVDD035	EL5618	Siviour	Diamond	MGA94_53	631991.7	6245666	21.7	180	-70	DGPS	53

[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 1.2m 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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• 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 data such as lithology, mineralisation, alteration and structure prior to sampling. • Core is photographed wet and dry.

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)		
Criteria	**JORC Code explanation**	**Commentary**
	• *The total length and percentage of the relevant intersections logged.*	• 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 analysis was completed and no issues identified with sampling representatively. • Three DD holes were twinned holes of existing RC drill holes. • 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 used.* • *Quality and adequacy of topographic control.*	• Three of the drill hole collars were pegged to the plan collar location using DGPS and one hole collar was pegged using a hand held GPS. • These collar coordinates are entered into the drill hole database. • The degree of accuracy of drill hole collar location and RL is estimated to be within 0.1m for DGPS and 5m error level for the hand held GPS.

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)		
Criteria	**JORC Code explanation**	**Commentary**
		• 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.*	• Three holes were twinned to previous RC holes and one hole was exploration only.
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

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. All drill holes were orientated at -70 degrees on a bearing of 180 degrees
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.