Amendment to Option Agreement to Acquire Siviour Graphite Project

ASX: RNU

RENASCOR RESOURCES

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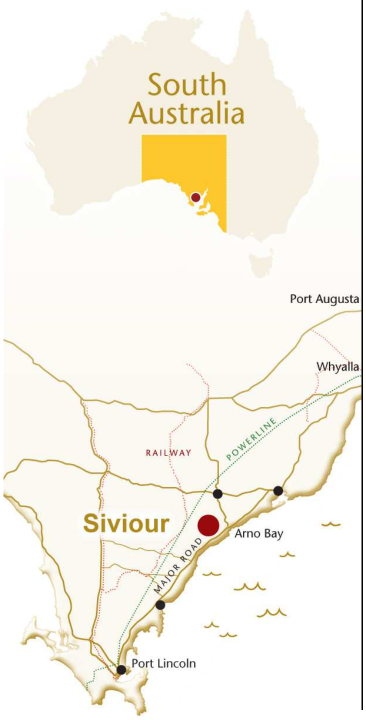

- Renascor and Ausmin Development Pty Ltd have agreed to amend the terms of the agreement which grants Renascor the option to acquire the Siviour Graphite Project
- The terms of the agreement have been amended to condition the exercise of the option upon Renascor incurring $2.5 million in expenditure on the project from 1 July 2017
- Previously, the option exercise was conditioned upon Renascor completing a definitive feasibility study
- The amended option agreement creates a clear standard for meeting the vesting conditions to acquire the Siviour Graphite Project, as well as crediting Renascor for value-added activities that are not directly related to the completion of a feasibility study
- Renascor is currently progressing a feasibility study on Siviour. Additional studies now underway include a spherical graphite scoping study and a small-scale commercial start-up study

Renascor Resources (ASX: RNU) is pleased to announce an amendment to the agreement which grants Renascor the option to acquire the Siviour Graphite Project.

Background

Renascor, through its wholly-owned subsidiary Eyre Peninsula Minerals Pty Ltd (EPM), has an option to acquire 100% of Ausmin Development Pty Ltd (Ausmin), an unlisted company whose sole material assets are the mineral rights to the project tenements that comprise the Arno Project.

The Arno Project tenements include the Siviour Graphite Project. See Figure 1. Renascor recently announced favourable results from its Siviour Scoping Study, which considered the construction of a flake graphite concentrate facility to be located on the project site in Arno Bay, South Australia. See Renascor ASX release dated 23 May 2017.

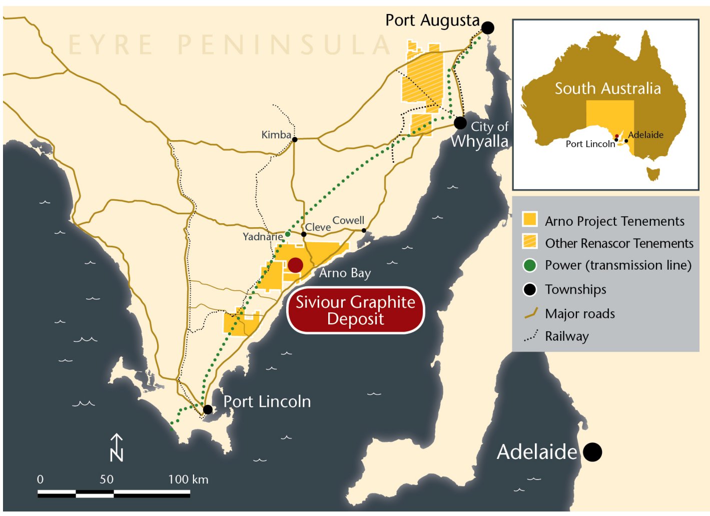

Figure 1. Siviour Graphite Deposit

The option to acquire Ausmin can be exercised after meeting certain vesting conditions (discussed below) in exchange for a 22% equity interest in a listed vehicle holding the project. Subject to meeting the vesting conditions, 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.

Amendment to vesting conditions

Previously, the option vested upon the completion of a definitve feasibility study in relation to the commercial development of graphite on the project tenements.

Pursuant to the amendment announced today, the feasibility study condition is now replaced with an alternative vesting provision that permits the exercise of the option upon the incurrence of $2.5 million in expenditure on the project. Expenditure is to be calculated from 1 July 2017.

The amended option agreement creates a clear standard for meeting the vesting conditions to acquire the Siviour Graphite Project. In addition, as the amended vesting condition applies to all expenditure on the project, it provides added incentive for Renascor to undertake additional value-added activities that are not directly related to the completion of a feasibility study.

Next steps

Renascor has commenced an advanced feasibility study on Siviour. The purpose of this advanced study is to further de-risk the project by building upon the technical and economic conclusions reached in the Siviour Scoping Study, prior to an ultimate decision to mine. Work programs undertaken as part of the feasibility study have or will include:

- More detailed metallurgical testwork on graphite mineralised zones at Siviour (including variability and optimization tests),
- Advanced materials tests to assess the potential of Siviour concentrates to produce spherical graphite and other premium-priced products,
- Preparation of sample concentrates for testing by potential end users,
- Offtake discussions with potential customers,
- Detailed mining, hydrogeological and engineering studies, and
- Continued compliance permitting and community engagement.

In addition, Renascor has recently commenced studies to investigate the production of spherical graphite products in Australia from Siviour concentrates and to progressively scale-up the production of graphite concentrates at Siviour through the construction of a small-scale commercial plant.

Under the terms of the amended option agreement, expenditures incurred in connection with all of the work programs described above will count toward meeting the $2.5 million vesting condition.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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