

Final assays from December 2016 drilling confirm extensions to shallow, +10% TGC, high-grade graphite zone; follow-up drilling underway

- Final assays from December 2016 diamond core drilling define a near flat-lying, shallow +10% total graphitic carbon (TGC) zone of approximately 1km strike-length along the southern boundary of the Siviour Indicated Resource
- Thick, shallow intersections of +10% TGC in holes immediately along-strike (Siv063, Siv067 and Siv068) suggest the potential for this shallow, higher-grade zone to extend at least an additional 1km to the east of the current Indicated Resource
- This higher-grade zone occurs under surficial cover, suggesting favourable strip-ratio characteristics and low-cost, free dig mining
- In light of these encouraging results, Renascor has this week commenced a follow-up drill program of up to 2,000 metres
- Renascor is concurrently progressing its mineral processing test program, incorporating core samples from December drilling, and its Scoping Study, with a focus on the higher-grade zone; initial metallurgical results are expected later this quarter

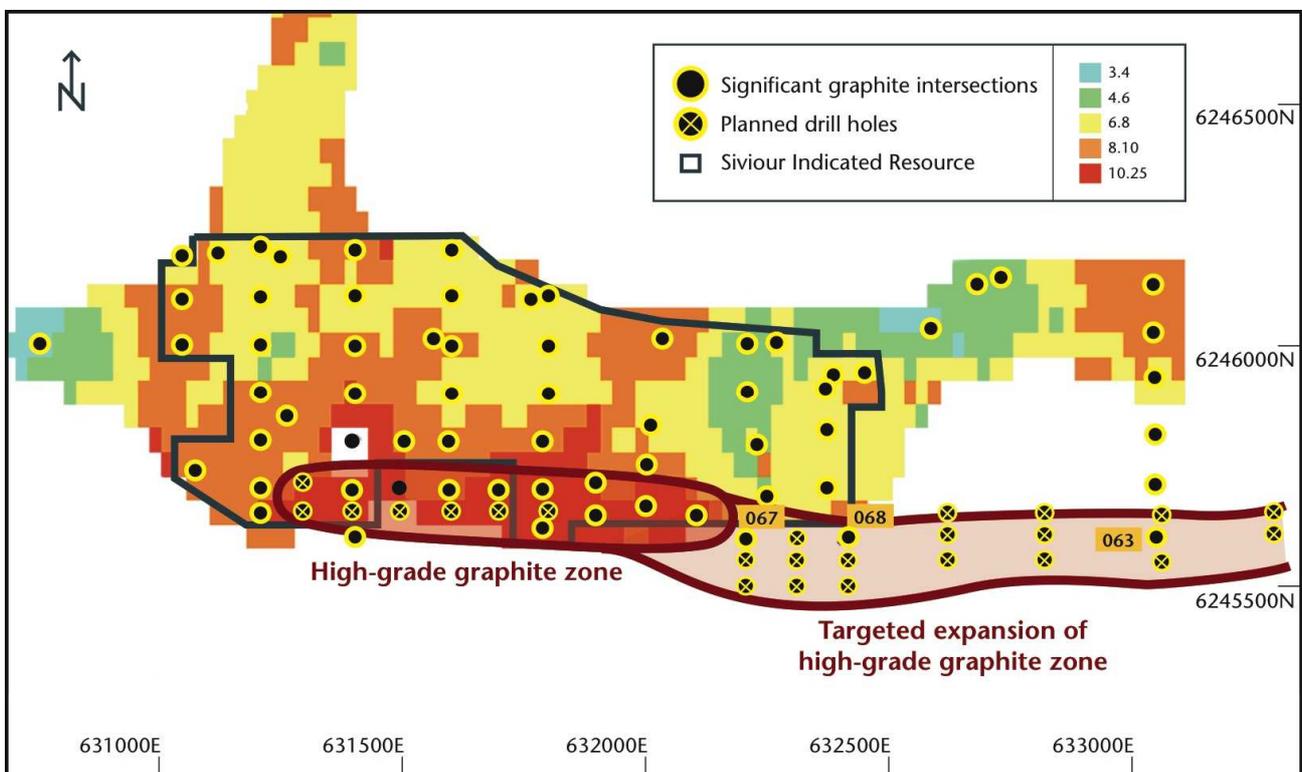


Figure 1. Average TGC% from block model over mineralised horizon of Siviour, showing drill holes within block model and targeted expansion zone and planned drill holes



Renascor Resources (ASX: RNU) is pleased to announce that final drill assays from its recently completed diamond core program at its Siviour Graphite Deposit in South Australia's Eyre Peninsula have defined a near flat-lying, shallow +10% total graphitic carbon (TGC) zone of approximately 1km strike-length along the southern boundary of the Siviour Indicated Resource.

Additional drill assays from holes immediately to the east (Siv063, Siv067 and Siv068 – see Figures 1 and 2 and RNU ASX release dated 23 December 2016) suggest the potential for this shallow, higher-grade zone to extend at least an additional 1km to the east of the current Indicated Resource.

In light of the potential of this expanded higher-grade zone to support a large-scale, commercially competitive mining operation, Renascor has this week commenced a follow-up drill program of up to 2,000 metres.

The in-progress mineral processing test program and Scoping Study have been revised to consider an expanded production case incorporating this higher-grade graphite zone.

Drill results

Renascor completed eleven diamond core holes in December 2016, totalling approximately 500 metres primarily across the southern portion of the Siviour Indicated Resource. 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.

Ten of the eleven holes drilled in the December 2016 program intersected high-grade graphite at shallow depths, with multiple intersections recording significant intervals of greater than 10% TGC.

Complete drill details for all assays from the December drill program are provided in Table 1.

Hole	Prospect	Collar (MGAE)	Collar (MGAN)	From (metres)	To (metres)	Interval (metres)	TGC%*
16SIVDD067	Siviour	632195.4	6245601.2	13	45	32	9.6
				21	43	22	12.6
16SIVDD068	Siviour	632395.5	6245597.4	17	21	4	7.0
				23	37	14	8.4
16SIVDD069	Siviour	632101.7	6245659.4	13	16	3	9.7
				18	36	18	12.3
16SIVDD070	Siviour	631898.8	6245625.0	9	17	8	10.9
				19	24	5	5.7
16SIVDD071	Siviour	631898.8	6245625.9	8	22	14	11.8
16SIVDD072	Siviour	631700.5	6245700.1	12	22	10	15.0
16SIVDD073	Siviour	631598.5	6245699.9	9	18	9	11.1
16SIVDD074	Siviour	631500.7	6245700.5	No significant intersections			
16SIVRC075	Siviour	631398.7	6245698.7	15	22	8	7.3
16SIVDD076	Siviour	631400.9	6245787.2	49	53	4	8.6
16SIVDD077	Siviour	631894.9	6245695.0	19	35	16	12.0
				36	38	2	5.7

* TGC based on a 5% cut-off, with maximum 1m internal waste

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



Shallow, high-grade graphite zone

The results from the recent drill program, together with previous drilling, confirm the existence of a near flat-lying, shallow +10% TGC zone along the southern boundary of the Siviour Indicated Resource. 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 most recent mineral resource statement. See RNU ASX release dated 26 October 2016.

As illustrated in east-west composite section 6245600N (shown below in Figure 2), this higher-grade zone is continuous over a strike length of over 1km along the southern portion of the current Indicated Resource area, with the potential to extend at least an additional 1km along-strike to the east.

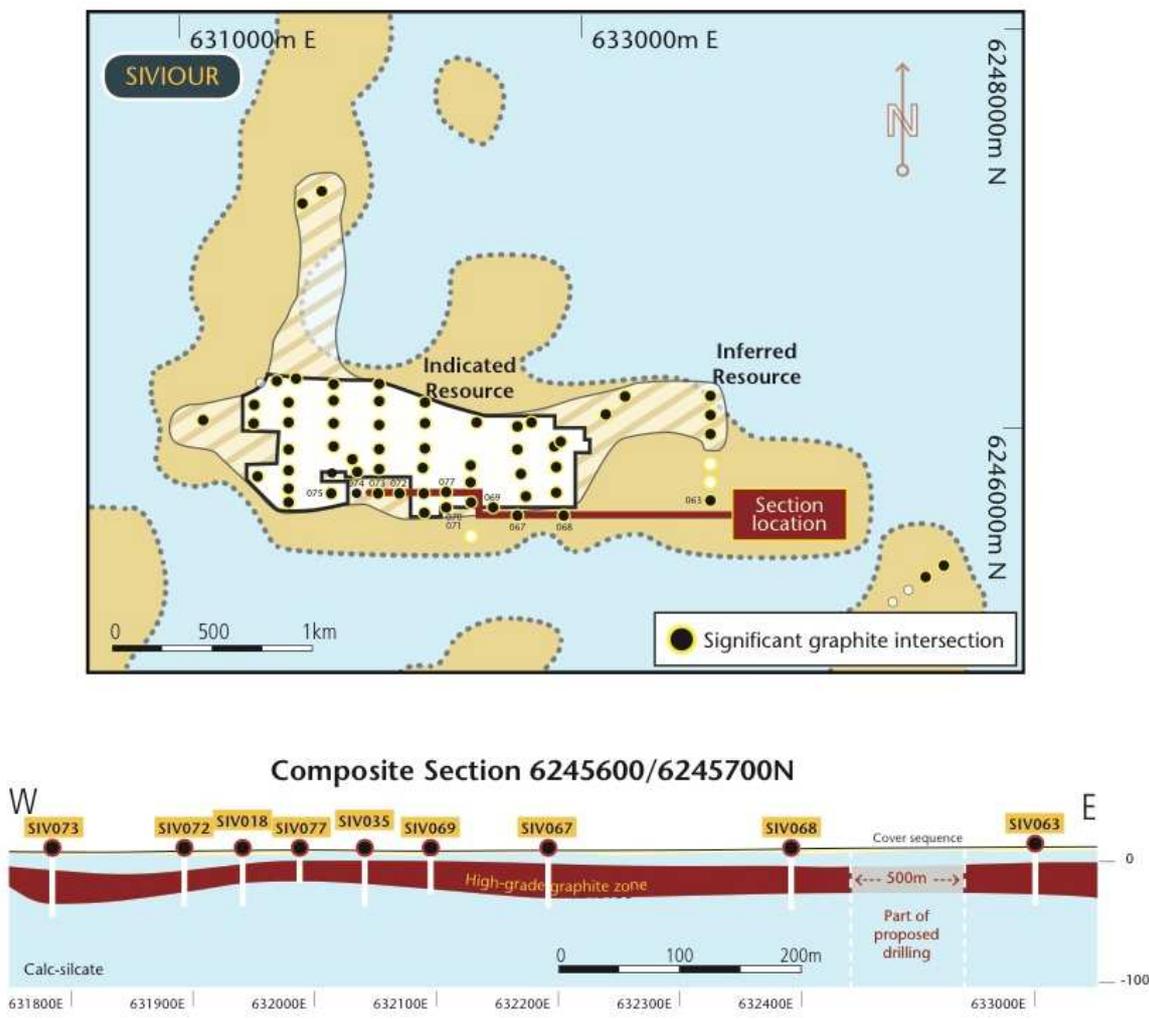


Figure 2. Siviour plan view (top), showing drill holes and resource boundaries over electromagnetic conductive zones and composite east-west section 6245600N/6245700N (bottom), extending across the southern portion of Indicated Resource to SIV063



Eastward extensions to high-grade graphite zone

As shown in Figure 2, the recent drill results suggest that the higher-grade zone defined within the Indicated Resource may prove to be larger than previously indicated. Holes SIV067 and SIV068, which are both located outside of the Indicated Resource, returned significant intervals of shallow, +10% TGC. Ground electromagnetic data indicate that the higher-grade zone may extend for at least a further 1km to the east of the current Indicated Resource to SIV063, which intersected 23 metres @ 9.2% TGC (from 16m).

In light of the potential of this expanded higher-grade zone to support a large-scale, commercially competitive mining operation, Renascor has this week commenced follow-up drilling of up to 2,000 reverse circulation metres, targeting extensions to the east, as well as closer-spaced drilling within the higher-grade zone in the southern portion of the current Indicated Resource.

Mineral process test program and Siviour Scoping Study

Renascor considers that the higher-grade graphite zone, including both the area within the southern portion of the Indicated Resource and the area extending east to SIV063, is likely to offer the potential 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.

It is apparent that a large-scale, commercially competitive mining operation may be practicable based on this higher-grade graphite zone. The current metallurgical test work and Scoping Study parameters have accordingly been redefined to consider and account for the commercial advantages of this possibility.

Next steps

Drilling is expected to continue through the second week of February, with assay results expected approximately two to four weeks thereafter.

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

Pending completion of the mineral processing test program, Renascor intends to continue to advance the in-progress Siviour Scoping Study. 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 3), 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 2. 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.

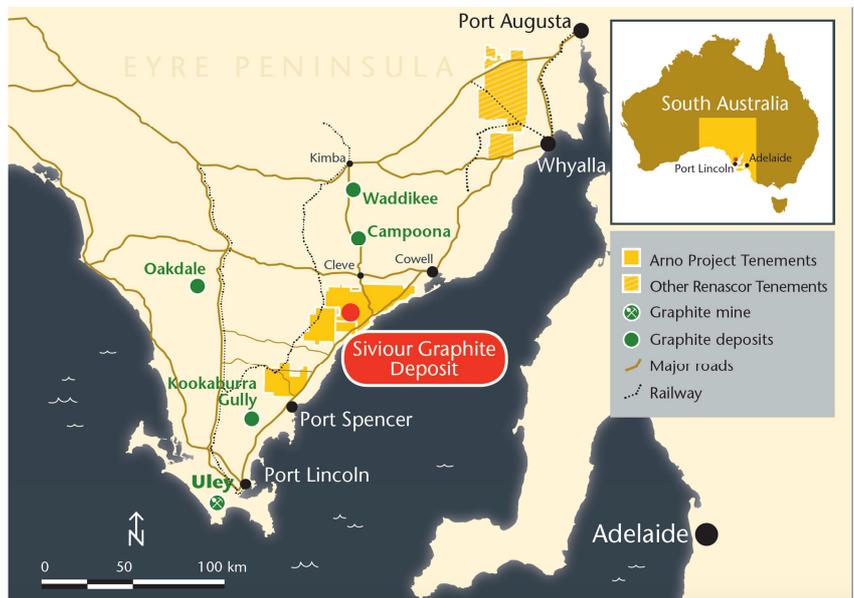


Figure 3. Siviour Graphite Deposit, showing location and significant nearby graphite deposits



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 parameters¹

Hole	Tenement	Prospect	Type	Grid ID	MGAE	MGAN	RL	Azimuth	Dip	Survey type	Total depth (metres)
16SIVDD067	EL5618	Siviour	Diamond	MGA9 4_53	632195.4	6245601.2	22.073	180	-70	DGPS	50.5
16SIVDD068	EL5618	Siviour	Diamond	MGA9 4_53	632395.5	6245597.4	22.252	180	-70	DGPS	51.9
16SIVDD069	EL5618	Siviour	Diamond	MGA9 4_53	632101.7	6245659.4	22.076	180	-70	DGPS	46.6
16SIVDD070	EL5618	Siviour	Diamond	MGA9 4_53	631898.8	6245625.0	21.895	180	-70	DGPS	33.6
16SIVDD071	EL5618	Siviour	Diamond	MGA9 4_53	631898.8	6245625.9	21.921	180	-70	DGPS	28.6
16SIVDD072	EL5618	Siviour	Diamond	MGA9 4_53	631700.5	6245700.1	22.949	180	-70	DGPS	44.2
16SIVDD073	EL5618	Siviour	Diamond	MGA9 4_53	631598.5	6245699.9	22.385	180	-70	DGPS	32.2
16SIVDD074	EL5618	Siviour	Diamond	MGA9 4_53	631500.7	6245700.5	22.455	180	-70	DGPS	50.2
16SIVDD075	EL5618	Siviour	Diamond	MGA9 4_53	631398.7	6245698.7	23.183	180	-70	DGPS	38.2
16SIVDD076	EL5618	Siviour	Diamond	MGA9 4_53	631400.9	6245787.2	22.669	180	-70	DGPS	71.7
16SIVDD077	EL5618	Siviour	Diamond	MGA9 4_53	631894.9	6245695.0	23.172	180	-70	DGPS	50.2

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



Appendix 2

JORC Table 1

<u>Section 1: Sampling Techniques and Data</u>		
(criteria in this section apply to all succeeding sections)		
Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> 	<ul style="list-style-type: none"> Drill samples in this program were collected at geological intervals varying from 0.2m to 2,6m 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°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	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or</i> 	<ul style="list-style-type: none"> 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.



Section 1: Sampling Techniques and Data

(criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
	<p><i>costean, channel, etc) photography.</i></p> <ul style="list-style-type: none"> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Core is photographed wet and dry. • All holes have been geologically logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • 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 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



Section 1: Sampling Techniques and Data

(criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
		camera. • The grid system for the project is Geocentric Datum of Australia (GDA) 94, Zone 53.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Holes were drilled on Sections on either a 100m or 200m spacing
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Mineralisation within Meso-proterozoic sediments of the Hutchison Group. Graphite is hosted by graphitic pelitic schists.
Drillhole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drillhole collar</i> ○ <i>elevation or RL (elevation above sea level in metres) of the drillhole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> 	<ul style="list-style-type: none"> • Please refer to Appendix 1.
Data aggregation methods	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No top cuts have been applied to the results applied in this announcement. • A nominal 5% 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.
Relationship between	<ul style="list-style-type: none"> • <i>If the geometry of the mineralisation with respect to the</i> 	<ul style="list-style-type: none"> • Drill holes intersected mineralisation at near perpendicular to the strike orientation of the



SECTION 2: REPORTING OF EXPLORATION RESULTS

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Criteria	JORC Code explanation	Commentary
<i>mineralisation widths and intercept lengths</i>	<p><i>drillhole angle is known, its nature should be reported.</i></p> <ul style="list-style-type: none"><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect.</i>	host lithologies. Ten of the eleven drill holes were orientated at -70 degrees on a bearing of 180 degrees, one hole was drilled vertically
<i>Diagrams</i>	<ul style="list-style-type: none"><i>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.</i>	<ul style="list-style-type: none">See figures in this release.
<i>Balanced reporting</i>	<ul style="list-style-type: none"><i>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.</i>	<ul style="list-style-type: none">Representative reporting of significant intercepts has effected within this report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"><i>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.</i>	<ul style="list-style-type: none">The company has previously reported a mineral resource in accordance with JORC (2012) guidelines at the Siviour deposit.
<i>Further work</i>	<ul style="list-style-type: none"><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<ul style="list-style-type: none">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.

