

Siviour Graphite Project Update

ASX: RNU

ASX RELEASE

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Developing
Australia's largest
graphite deposit



- Rapid development of the Siviour Graphite Project remains on schedule, with pre-feasibility study expected to be completed next quarter
- Recently completed work programs have included advances in mineral processing flowsheet design, advanced product testing, resource enhancement, community engagement and environmental and regulatory planning
- Additional work programs underway or expected to commence this quarter include advanced mining, geotechnical, hydrogeological and environmental studies
- Renascor has commenced discussions with potential offtake partners and is in the process of preparing marketing samples for customer testing
- Additional in progress work programs include a spherical graphite scoping study and a small-scale commercial start-up study

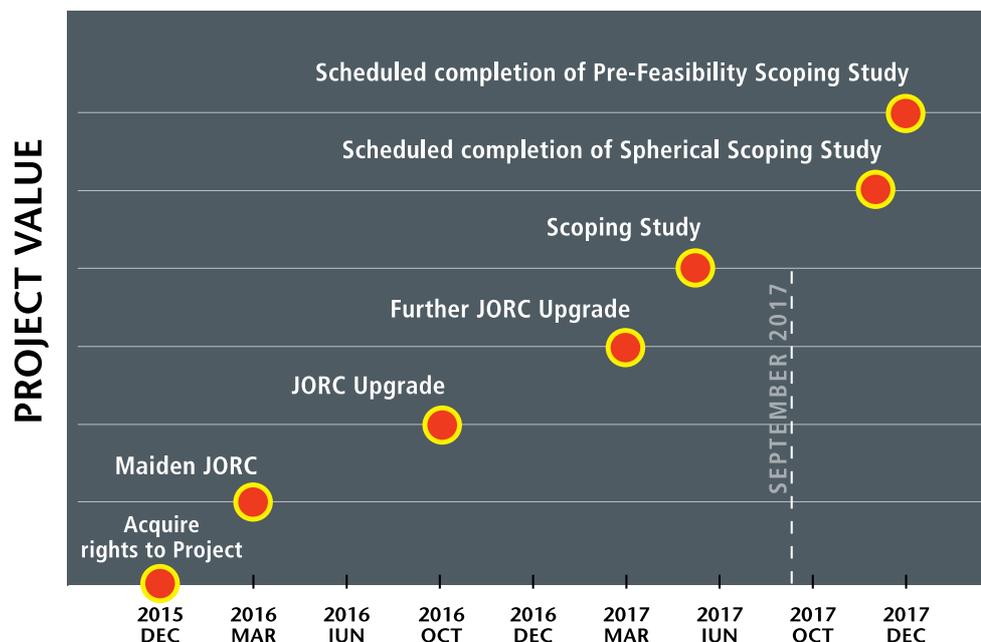


Figure 1. Siviour Graphite Project – Developmental Milestones

Renascor Resources (ASX: RNU) is pleased to provide the following updates on its Siviour Graphite Project located near the coast of South Australia's Eyre Peninsula.

- **Siviour feasibility study.** Feasibility study planning remains on schedule, with a pre-feasibility study expected to be completed next quarter. The pre-feasibility study will build upon the results of the recently completed Siviour Scoping Study (see Renascor ASX release dated 23 May 2017) and will be supported by additional work programs and activities described below. Subject to satisfactory completion of the pre-feasibility study, a definitive feasibility study is expected to be completed in the second or third quarter of next year.

- **Mineral processing.** Renascor has modified the flowsheet design parameters to achieve improved graphite concentrate recoveries. The changes to the improved flow sheet are not expected to materially change the capital and operating cost estimates used in the Siviour Scoping Study. Testwork of six core samples using the modified flowsheet has resulted in similar purity and flake size distribution results as estimated in the Siviour Scoping Study, with corresponding improvements in recovery. Further metallurgical work programs will include additional variability tests using the improved flowsheet design, as well as optimisation tests focused on ore pre-treatment, grinding and flotation to improve overall purities and recovery of coarse graphite concentrates.
- **Advanced products.** Renascor has commenced test programs designed to assess the viability of Siviour concentrates to be further processed for use in advanced graphite products. Preliminary results indicate that Siviour concentrates are within industry-accepted standards for processing into expandable and spherical graphite. Testwork currently in progress includes further spherical graphite characterization and coin cell tests, with results expected next quarter.
- **Resource.** Renascor's geological assessment of the Siviour Mineral Resource suggests that additional drilling will not be necessary to upgrade the status of a majority of the Siviour Indicated Resource to Reserve status pursuant to the Joint Ore Reporting Code, 2012 edition (the JORC Code).
- **Environmental.** Renascor has completed initial environmental reviews and site inspections in respect of climate, geology, ecology, relief and drainage, air, water and noise quality social conditions, infrastructure and Aboriginal and European heritage. No significant impediments to the development of the project have been identified. Renascor has commenced the collection of baseline environmental data and has commenced water monitoring programs.
- **Community engagement.** Renascor has adopted a community engagement plan and has commenced discussions with key stakeholders, including land-owners, local Council and community groups. Recent activities have included presentations to the Eyre Peninsula Mineral & Energy Resources Community Development Taskforce and at the General Maintenance Upper Spencer Gulf Conference. Further community information sessions are planned in September and October.
- **Regulatory.** Renascor has commenced preparation of a mineral lease application for Siviour. Renascor's mineral lease planning contemplates two production scenarios: a smaller-scale start-up operation and the larger production case outlined in the Siviour Scoping Study. Renascor has commenced discussions with the South Australian Department of Premier and Cabinet and local and regional government representatives. Pending a satisfactory conclusion to Renascor's small-scale production study (described below), an initial mineral lease application is expected to be lodged later this year.
- **Marketing.** Following the successful completion of the Siviour Scoping Study, Renascor has had discussions with potential offtake partners primarily in China, Japan, Europe and United States. Renascor is in the process of preparing marketing samples from Siviour concentrates for purposes of testing by potential customers. Renascor expects to meet with potential offtake partners, marketing agents and potential project financiers in China, Japan and the United States later this year.

- **Spherical graphite study.** Renascor has commenced a scoping study to investigate the viability of producing spherical graphite from graphite concentrates to be produced at Siviour. The study will consider options to micronise, spherodise and purify Siviour graphite concentrates for use in lithium-ion battery anodes. Results of the spherical scoping study are expected next quarter.
- **Small-scale study.** Following the award of a \$25,000 business case grant from the State Government of South Australia (See Renascor ASX Release dated 7 August 2017), Renascor has commenced a study to investigate the viability of a small-scale start-up operation for Siviour. The small-scale study will focus on the construction of a small-scale, portable graphite production facility to produce graphite concentrates for sale to potential long-term offtake partners. Additional details will be provided pending the results of the small-scale study.

In addition to the above work programs, later this month, Renascor expects to commence advanced mining, geotechnical, hydrogeological and environmental studies for incorporation in the Siviour pre-feasibility study. Renascor expects to commence detailed engineering after further assessment of market conditions to determine optimised production capacity.

Additional information relating to advances in work programs at Siviour will be released as results become available.

Exploration Results

The information in this document that relates to exploration activities and exploration results is based on information compiled and reviewed by Mr G.W. McConachy who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McConachy 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.

Metallurgical Results

The information in this document that relates to metallurgical test work results is based on information compiled and reviewed by Mr Simon Hall, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hall is a consultant to the Company. Mr Hall has sufficient experience relevant to the mineralogy and type of deposit under consideration and the typical beneficiation thereof 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 Hall consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

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