

# Cobalt up to 0.87% from drilling at Olary Project

ASX: RNU

## ASX RELEASE

November 27, 2017

## Renascor Resources Ltd

ABN 90 135 531 341

## HEAD OFFICE

36 North Terrace  
Kent Town, SA 5067  
Australia

## CONTACT

T: +61 8 8363 6989  
F: +61 8 8363 4989  
info@renascor.com.au  
www.renascor.com.au

## ASX CODE

RNU

Developing  
Australia's largest  
graphite deposit



- Renascor has completed a review of historical cobalt results in its Olary Project following unsolicited interest in respect of cobalt prospectivity within its tenement portfolio; this review has identified prospective cobalt targets within the Bulloo Creek and Shorts Dam areas
- Historical drilling within the Olary Project includes several strong cobalt intervals, including:
  - **2m @ 0.87% Co** from 46m (drillhole RC033) (Bulloo Creek)
  - 2m @ 0.14% Co from 2m (drillhole RC028) (Bulloo Creek)
  - **15m @ 0.14% Co**, 0.07% Cu from 19m (drillhole SP04) (Shorts Dam)
  - 11m @ 0.02% Co, 0.14% Cu from 56m (drillhole SP12) (Shorts Dam)
- Renascor's 100%-owned Olary Project is located in South Australia in close proximity to Havilah's (ASX: HAV) Mulooroo copper-cobalt deposit and Cobalt Blue's (ASX: COB) Thackaringa cobalt deposit near the Barrier Highway between Adelaide and Broken Hill (see Figure 1)
- Renascor's review suggests the Olary Project area contains several prospective cobalt targets that are supported both by the historical drilling as well as surface geochemistry and elevated magnetics
- In light of the recent heightened interest in cobalt and the robust outlook for the cobalt price, Renascor has commenced steps to further evaluate the cobalt potential of its tenements and consider strategic options
- Next step exploration programs are expected to include gossan mapping and geochemical sampling to prioritise drill targets
- Renascor's core focus continues to be the development of its Siviour Graphite Project, where current activities include the Siviour Pre-Feasibility Study, as well as a spherical graphite scoping study and preparation of the Siviour mineral lease application



Figure 1. Renascor's Bulloo Creek and Shorts Dam cobalt prospects and nearby cobalt and copper deposits

Renascor Resources (ASX: RNU) wishes to advise that it has completed a review of historical cobalt results in its Olary Project following unsolicited interest in respect of the cobalt prospectivity within its tenement portfolio. This review has identified prospective cobalt targets within the Bulloo Creek and Shorts Dam areas.

### **The Olary Project**

Renascor's 100%-owned Olary Project is located in eastern South Australia, approximately 100km west of Broken Hill. The project tenements are located within approximately 5km of the White Dam gold mine, owned by Exco Resources Limited, and the immediate area includes numerous small copper and copper-gold occurrences, including the Queen Bee and Dome Rock prospects. See Figure 1.

Havilah's (ASX: HAV) Kalkaroo copper-moly-gold project lies approximately 50km to the north.

Two notable cobalt deposits, Havilah's Mutooroo copper-cobalt deposit and Cobalt Blue's (ASX: COB) Tharkaringa cobalt deposit are located within the Olary region. See Figure 1.

In 2011, Renascor undertook extensive multi-element geochemical sampling over areas of major interpreted structures within the project area. Renascor followed this with a program of reverse circulation drilling over several gold targets.

Renascor's recent review of this data, as well as previous exploration data within the project area, has identified multiple prospective cobalt targets within the Bulloo Creek and Shorts Dam areas.

### ***Bulloo Creek***

Renascor's Bulloo Creek prospect was identified as a gold-in-soil anomaly coincident with a moderate amplitude linear east-west magnetic trend. Two reverse circulation drill traverses were sited to test the centre of the soil anomaly for gold mineraliation (drillholes RC27-30) and the peak of the magnetic anomaly (drillholes RC31-33). See Figure 2.

Subsequent review of cobalt geochemistry from the original soil sampling has outlined a cobalt anomaly coincident with the tested gold anomaly, as well as a more extensive cobalt anomaly coincident with the main magnetic zone, extending over 2km of strike to the east of the drill sections. Anomalous results for cobalt in the existing drillholes are summarized below and in Figure 2 (next page):

- 2m @ 0.87% Co from 46m (drillhole RC033),
- 14m @ 0.04% Co from 0m, including 2m @ 0.14% Co from 6m (drillhole RC028), and
- 6m @ 0.03% Co from 35m (to end of hole) (drillhole RC027).

Further details on drill results are included in Appendix 1.

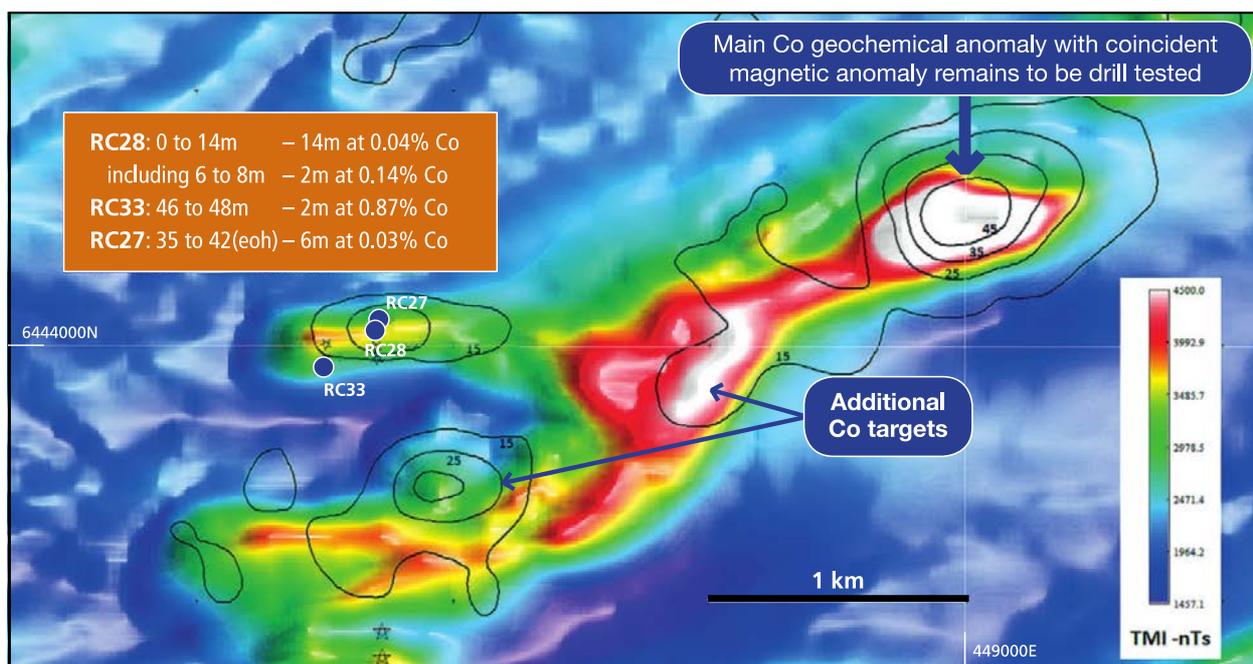


Figure 2. Bulloo Creek contours for soil Co (10ppm contour interval) geochemistry, on magnetic (TMI) image

Renascor views the extent and level of the soil and magnetic anomalies to be indicative of a much more significant cobalt mineralised zone than that tested by the existing reverse circulation drillholes, offering strong potential as cobalt exploration targets.

### Shorts Dam

Renascor's review of historical cobalt results for the Bulloo Creek area has also identified a cobalt prospective zone within the Shorts Dam area, to the northeast of Bulloo Creek. See Figure 1. Previous drilling at Shorts Dam includes:

- 15m @ 0.14% Co, 0.07% Cu from 19m (drillhole SP04), and
- 11m @ 0.02% Co, 0.14% Cu from 56m (drillhole SP12).

The results for these holes are quoted from Esso Australia Ltd Open File Report No.3448, South Australia Mines Department.

These holes were drilled in 1979 by Esso Australia Limited (Esso), with SP4 terminated at 45m depth, and re-drilled by SP12 to 87m depth, to test beneath an extensive gossan zone (the Bimba unit). See Figure 3 (next page).

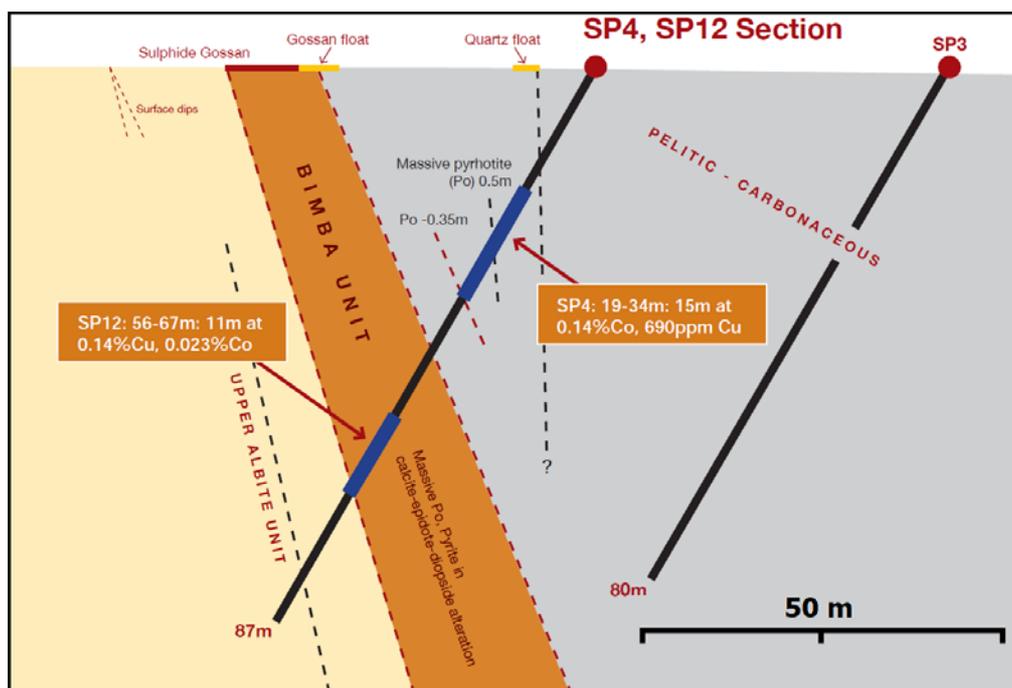


Figure 3. Shorts Dam historical drill section SP4-SP12-SP3 (Source: Esso, 1979)

Esso's drilling program followed an extensive mapping and gossan sampling and assaying program in the area, which is summarized below in Figure 4.

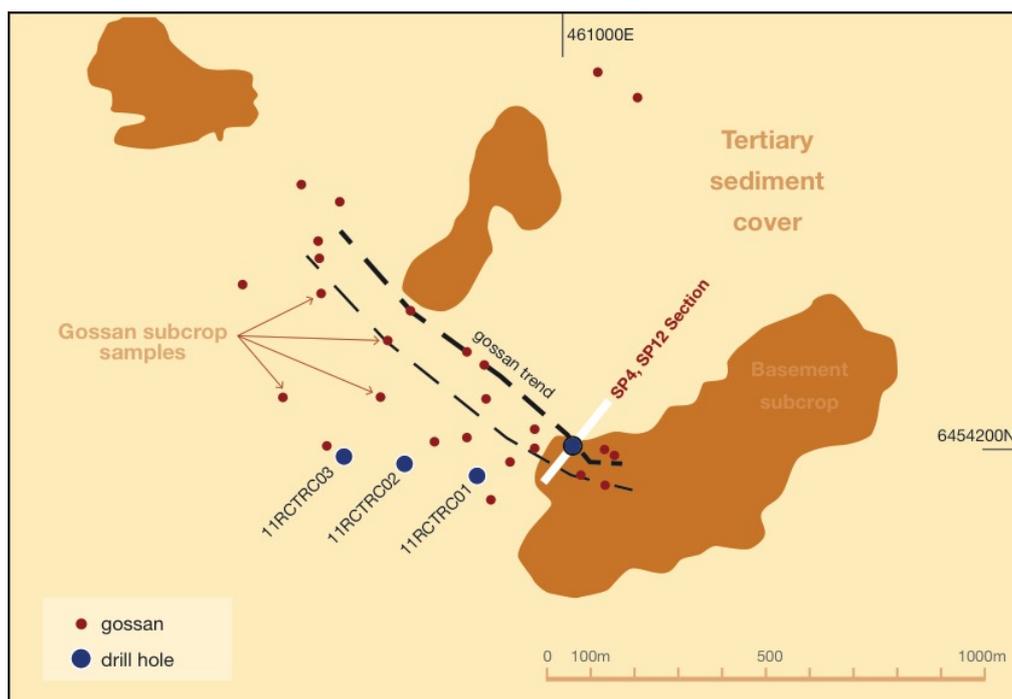


Figure 4. Shorts Dam historical sub-crop mapping and gossan sampling (Source: Esso, 1979)

The Bimba gossan unit is inferred from float and sub-crop distribution to extend for up to 800m to the northwest from drillhole SP4. Drillholes 11RCTRC01-03 were drilled by Renascor in 2011,

testing a reconnaissance soil copper geochemical anomaly and are inferred to lie approximately 200m south of the cobalt mineralized gossan horizon.

Renascor considers that the drilling results and surface gossan occurrences present a compelling exploration case for significant cobalt-copper mineralization.

### **Next steps**

In light of this recent heightened interest in cobalt and the robust outlook for the cobalt price, Renascor has commenced steps to further evaluate the cobalt potential of its Olary Project, as well as its other tenements and consider strategic options. Next step exploration programs at Olary are expected to include gossan mapping and geochemical sampling to prioritise drill targets.

While Renascor's core focus continues to be the development of its Siviour Graphite Project, where current activities include the Siviour Pre-Feasibility Study, as well as a spherical graphite scoping study and preparation of the Siviour mineral lease application, Renascor is committed to obtaining maximum shareholder value from the Olary Project and the rest of its non-core exploration portfolio.

*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.*

### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

**David Christensen**  
Managing Director

+61 8 8363 6989

[info@renascor.com.au](mailto:info@renascor.com.au)

**Angelo Gaudio**  
Company Secretary

## Appendix 1

Hole	Tenement	Drill Type	MGAE	MGAN	Az	Dip	Depth (Metres)	Interval (Metres)	From (Metres)	To (Metres)	Co ppm
11RCTRC01	EL 5585	RC	720550	6360650	90	-60	66		0	66	
11RCTRC02	EL 5585	RC	460744	6454194	90	-60	80		0	80	
11RCTRC03	EL 5585	RC	460646	6454210	90	-60	80		0	108	
11RCTRC27	EL 5585	RC	446700	6444094	0	-60	42		0	35	
								6	36	42	290
11RCTRC28	EL 5585	RC	446700	6444051	0	-60	48	14	0	14	414
								incl 2	6	8	1,390
									14	48	
11RCTRC33	EL 5585	RC	446501	6443921	0	-60	52		0	46	
								2	46	48	8,700

**Table 1. Drill results from Bulloo Creek**

Hole ID	Tenement	Prospect	Type	Grid	MGAE	MGAN	Total Depth	Collar Azimuth	Dip	RL(m)
11RCTRC01	EL5585	Shorts Dam	RC	MGA94_54	460862	6454175	66	90	-60	210
11RCTRC02	EL5585	Shorts Dam	RC	MGA94_54	460744	6454194	80	90	-60	208
11RCTRC03	EL5585	Shorts Dam	RC	MGA94_54	460646	6454210	80	90	-60	206
11RCTRC27	EL5585	Bulloo Creek	RC	MGA94_54	446700	6444094	42	0	-60	261
11RCTRC28	EL5585	Bulloo Creek	RC	MGA94_54	446700	6444051	48	0	-60	261
11RCTRC33	EL5585	Bulloo Creek	RC	MGA94_54	446501	6443921	52	0	-60	265

**Table 2. Bulloo Creek drill hole parameters<sup>1</sup>**

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

**Appendix 2**  
**JORC Table – Checklist of Assessment and Reporting Criteria**

<b>Section 1: Sampling Techniques and Data</b>	
<b>(criteria in this group apply to all succeeding groups)</b>	
<b>Criteria</b>	<b>Explanation</b>
Sampling techniques	For RNU drilling: RC <ul style="list-style-type: none"> <li>• Drill samples were collected at one-metre intervals.</li> <li>• Face sampling RC hammer diameter approximately 150mm.</li> <li>• Samples were sent to ALS laboratory in Adelaide for preparation and analyses using Au-TL43 and ME-MS41 techniques..</li> <li>• Sampling was guided by Renascor Resources Limited's protocols and QA/QC procedures</li> </ul> For Esso 1979 drilling: <ul style="list-style-type: none"> <li>• One metre sampling of Percussion drill samples.</li> <li>• Samples were sent to ALS laboratory Brisbane</li> </ul>
Drilling techniques.	<ul style="list-style-type: none"> <li>• The Renascor targets were sampled by reverse circulation (RC) holes and the Esso targets by percussion drilling.</li> </ul>
Drill sample recovery.	<ul style="list-style-type: none"> <li>• One-metre drill chip samples were collected throughout the drill program in sequentially numbered bags.</li> <li>• Every interval drilled is represented in an industry standard chip tray that provides a check for sample continuity down hole.</li> </ul>
Logging.	<ul style="list-style-type: none"> <li>• Primary data was captured into spreadsheet format by the supervising geologist, and subsequently loaded into the Renascor Resources Limited's database.</li> <li>• No adjustments have been made to any assay data.</li> </ul>
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> <li>• All of the samples were marked with unique sequential numbering as a check against sample loss or omission.</li> <li>• Sample is split to less than 3kg through linear splitter and excess retained.</li> <li>• Pulverising was completed using LM5, 90% passing 75µm in preparation for analysis using the Bureau Veritas network.</li> </ul>
Quality of assay data and laboratory tests.	<ul style="list-style-type: none"> <li>• RNU Duplicate analysis was completed and no issues identified with sampling reliability.</li> <li>• Esso – no data</li> </ul>
Verification of sampling and assaying.	For RNU <ul style="list-style-type: none"> <li>• Duplicate analysis was completed and no issues identified with sampling representatively.</li> <li>• There were no twinned holes.</li> <li>• Field duplicates, and laboratory duplicates were collectively inserted at a rate of 10% and QAQC data analysis was completed to industry standards.</li> <li>• Field duplicates results are good</li> <li>• Excellent correlation of assayed sample results against industry standards.</li> </ul>

<b>Section 1: Sampling Techniques and Data (Continued)</b>	
<b>(criteria in this group apply to all succeeding groups)</b>	
<b>Explanation</b>	
Location of data points.	<ul style="list-style-type: none"> <li>All Renascor dill hole collars were pegged to the plan collar location using a hand held GPS.</li> <li>The degree of accuracy of drill hole collar location was estimated to be within a 5m error level in Easting and Northing.</li> <li>The grid system for the project was Geoscentric Datum of Australia (GDA) 94, Zone 54.</li> <li>Esso data is estimated from historic maps approximately 50m accuracy</li> </ul>
Data spacing and distribution.	<ul style="list-style-type: none"> <li>Drilling was on approximately 100m spacing on separate sections.</li> </ul>
Orientation of data in relation to geological structure.	<ul style="list-style-type: none"> <li>Interpretation of the relationship between the drilling orientation and the orientation of key mineralised structures could not be undertaken with Reverse Circulation drilling</li> </ul>
Audits or reviews.	<ul style="list-style-type: none"> <li>All RNU data collected was subject to internal review.</li> </ul>
<b>Section 2: Reporting of Exploration Results</b>	
<b>(criteria listed in the preceding group apply also to this group)</b>	
<b>Criteria</b>	<b>Explanation</b>
Mineral tenement and land tenure status.	<ul style="list-style-type: none"> <li>All drilling was entirely within Exploration Licence EL 5585 (formerly EL4394) granted on 10 December 2014 and expiring in 2018. EL 5585 is 100% owned by Astra Resources Pty Ltd and in good standing with no known impediments. Astra Resources Pty Ltd is a wholly owned subsidiary of Renascor Resources Ltd.</li> </ul>
Exploration done by other parties.	<ul style="list-style-type: none"> <li>Historic exploration has been carried out by several companies over many years with ESSO providing 1979 data presented in this document</li> </ul>
Geology.	<ul style="list-style-type: none"> <li>Meso-proterozoic sediments and granites of the Willyama Inlier</li> </ul>
Data aggregation	<ul style="list-style-type: none"> <li>Exploration laboratory assay results have been reported using weighted average techniques.</li> </ul>
Relationship between mineralisation widths and	<ul style="list-style-type: none"> <li>The mineralized widths are down-hole drilled intercepts. True width is unknown.</li> <li>The geometry of the mineralisation with respect to the drill hole angle is speculative at this time.</li> </ul>
Diagrams.	<ul style="list-style-type: none"> <li>Scaled maps and geophysical section are included in the body of this report.</li> </ul>
Balanced reporting.	<ul style="list-style-type: none"> <li>The reporting is considered to be balanced. All material was assayed.</li> </ul>
Other substantive	<ul style="list-style-type: none"> <li>Nothing material to report.</li> </ul>
Further work.	<ul style="list-style-type: none"> <li>Follow-up drill RC and diamond core drill testing to further confirm extensions of mineralization.</li> </ul>