

ASX Release

October 31, 2018

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ASX CODE

RNU

**Developing
Australia's Largest
Graphite Deposit****Successful Pilot Plant Concentrate Production**

- **Pilot plant production at independent Chinese production facility produces high grade graphite concentrates**
- **200kg per hour pilot plant using mineral processing parameters adopted in Siviour Pre-Feasibility Study (PFS) successfully achieves PFS grade of 95% total graphite carbon (TGC), with improvements in recoveries**
- **Renascor has now replicated initial PFS grade and recovery in increasing scale test programs undertaken by five independent laboratories**
- **Positive results from this pilot plant production support Siviour flowsheet parameters and offer potential process improvements in upcoming test programs to support the Siviour Definitive Feasibility Study (DFS)**
- **The 95% TGC graphite concentrates produced from the pilot production will be used for additional DFS and downstream metallurgical testing and as marketing samples for on-going offtake negotiations**

Renascor Resources Limited (ASX: RNU) is pleased to announce the successful production of high grade graphite concentrates from Siviour ore in a pilot plant production program undertaken at an independent Chinese production facility.

Positive results from this program will support Siviour flowsheet parameters and offer potential process improvements in upcoming test programs to support the Siviour Definitive Feasibility Study

Discussion

To support the Siviour DFS, as well as to produce additional marketing samples and for downstream test programs, Renascor recently commenced a pilot plant production program at a pilot plant located within an operating graphite mine in China¹.

Renascor supplied approximately 18 tonnes of sample ore with an average grade of 8.5% TGC. The ore was collected from reverse circulation drilling chips from drilling undertaken within the Siviour Indicated Resource.

The sample ore was processed through an approximately 200kg per hour through-put capacity pilot plant. Flowsheet parameters were adopted based on previous test work adopted in the Siviour PFS (see Renascor ASX announcement dated 14 March 2018), as well as recent lock-cycle tests (see Renascor ASX announcement dated 31 August 2018).

Prior to undertaking the pilot plant program, Renascor completed batch flotation tests of reverse circulation chips to understand the expected changes in final product particle size distribution. These tests confirmed that the purity of the concentrate would not be affected, but that the concentrate would have an overall reduction in particle size consistent with the nature of the finer sample material. Upcoming variability testing to be performed at batch-scale on diamond core samples obtained from the current drill program (see Renascor ASX

¹ Renascor considers its commercial relationship with the Chinese graphite mine and pilot production facility to offer a commercial advantage, and thus it is not disclosed.

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announcement dated 10 September 2018) will further assess particle size distribution for DFS purposes.

An initial production trial of eight runs was completed with approximately nine tonnes of sample ore blended to simulate typical composite material, with a goal of achieving targeted PFS production parameters of 95% TGC and 91% recovery.

Both of these targets were achieved. Targeted graphite purity of 95% TGC was achieved after the fourth run, with each subsequent run achieving at least 95% TGC. The recovery was in line with expectations from the locked cycle testwork results, as selected cleaner tailings (which were rejected in batch testing) were recycled upstream. The recovery was improved from the adopted PFS parameters of 91%, up to 94.8% in the seventh production run, with an average recovery of 93%.

Additional production runs are on-going, with the program expected to be completed next month.

Significance

Renascor has now replicated initial PFS grade and recovery in increasing scale test programs undertaken by five independent laboratories, including laboratory bench scale tests in Australia, Germany and Canada, lock-cycle tests in Australia, and, with this current program, pilot scale testing in China.

The positive results from this pilot plant production offer strong support for the validity of the flowsheet parameters adopted for the Siviour PFS, as well as suggesting the potential to improve recovery in the DFS.

Next steps

Graphite concentrates produced from pilot production will be used for additional DFS metallurgical testing, as well as downstream testing and marketing samples for on-going offtake negotiations.

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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.

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. It should be noted that 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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