

## ASX Release

Quarterly report for the period ending 30 September 2018

Renascor Resources Ltd  
ABN 90 135 531 341

## Head Office

36 North Terrace  
Kent Town, SA 5067  
Australia

## CONTACT

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info@renascor.com.au  
www.renascor.com.au

## ASX CODE

RNU

Developing  
Australia's Largest  
Graphite Deposit

## Significant Events

- **Definitive Feasibility Study (DFS) drilling successfully completed at Siviour Graphite Project**
- **Visual interpretation suggests continuity with existing resource model, with all infill holes drilled intersecting graphite mineralisation**
- **Six-cycle continuous circuit tests produce high-grade concentrates with increased graphite recoveries and potential to reduce process plant capital requirement through elimination of a regrind and cleaner flotation stage**
- **Bulk sample concentrate production by independent Canadian laboratory using mineral process parameters adopted in Siviour Pre-Feasibility Study produces high-grade concentrates**
- **Mining Lease Application for Siviour Graphite Project lodged with South Australia Department for Energy and Mining**
- **Renascor entered into agreement with the owners of the property that hosts the Siviour Graphite Project that provides Renascor with access rights and the right to purchase the land**
- **Renascor is funded to completion of the Siviour DFS leading to a Decision to Mine, with approximately \$6.6 million cash on hand as of 30 September 2018**

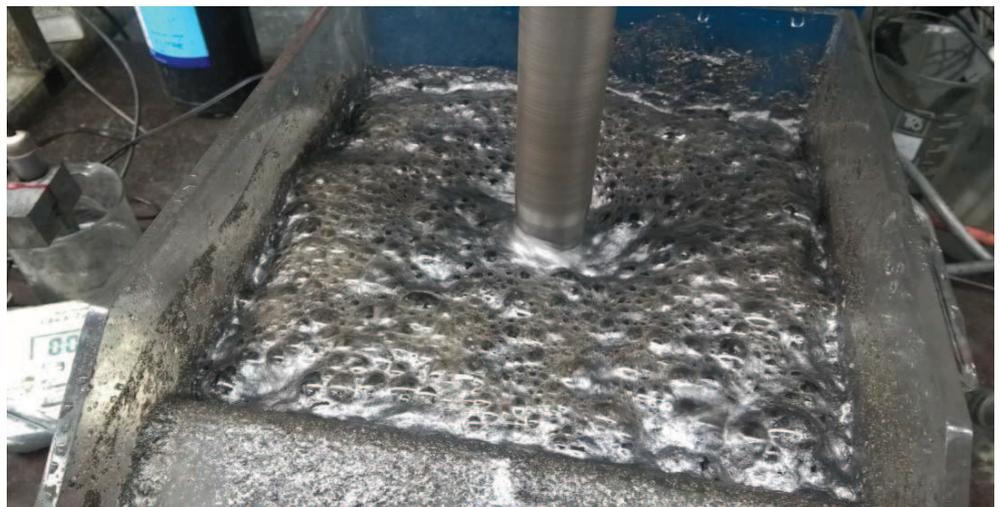
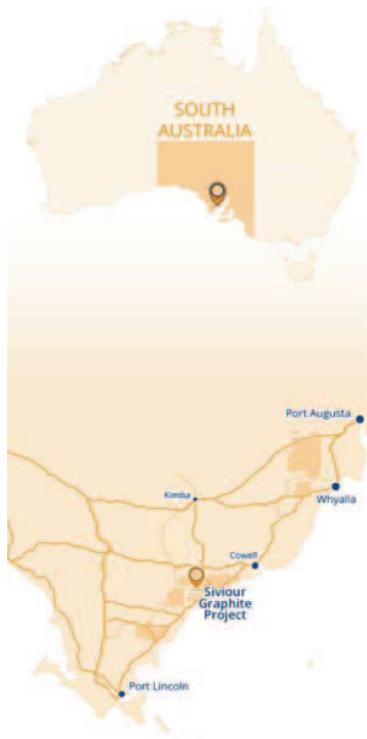


Figure 1. Siviour flotation tests



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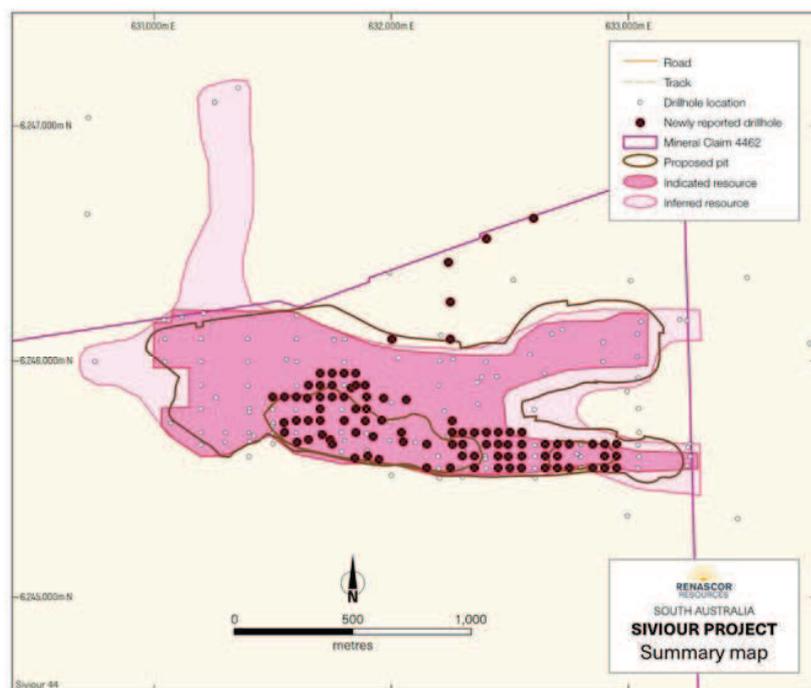
## Siviour Graphite Project

During the recently completed quarter, Renascor's activities were focused primarily on the Siviour Graphite Project, located in South Australia's Eyre Peninsula. Significant activities undertaken on Siviour during the quarter are discussed below.

### Infill Drilling

Renascor completed an infill drilling program, a further step in the completion of the Siviour DFS.

The first phase of the drilling program, consisting of 99 reverse circulation and air core drill holes for 4,631 metres, was successfully completed in mid-October. See Renascor ASX announcement dated 16 October 2018.

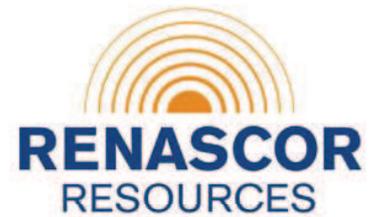


**Figure 2. Siviour Graphite Project, showing recently drilled holes in relation to previously drilled holes, Indicated and Inferred Resource outline and proposed pit design**

The primary aim of this first phase was to confirm the Indicated Resource for the Siviour DFS by undertaking close-spaced drilling to test the continuity of graphite mineralisation within the Indicated Resource area.

Visual interpretation of drill chips suggests strong continuity consistent with the existing resource model, with all infill holes drilled within the Siviour Indicated Resource intersecting graphite mineralisation. See Figure 2. Additional first phase drilling shows potential for extensions to the north of near-surface, high-grade zones within the Pre-Feasibility Study (PFS) Siviour pit design, in particular on the northern boundary of the initial mining pits, with all 13 holes drilled intersecting

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graphite mineralisation.

Further drilling to the north of the initial pit design, targeting an electromagnetic conductivity anomaly, also intersected graphite mineralisation, suggesting potential for extensions outside of the current Siviour Mineral Resource.

A second phase of DFS drilling, consisting of diamond drilling for on-going metallurgical test work and to produce additional customer samples, was completed in late October. Results from the 15 hole, 800-metre program are expected to be available this current quarter.

### **Locked-Cycle Tests**

Renascor completed initial locked-cycle tests on Siviour ore. A locked-cycle test (LCT) is a repetitive batch flotation test conducted to assist process flowsheet design. In an LCT, the flotation tailings from key stages in the circuit are returned to an appropriate stage in the following cycle, thus simulating a continuous flotation circuit on a laboratory scale.

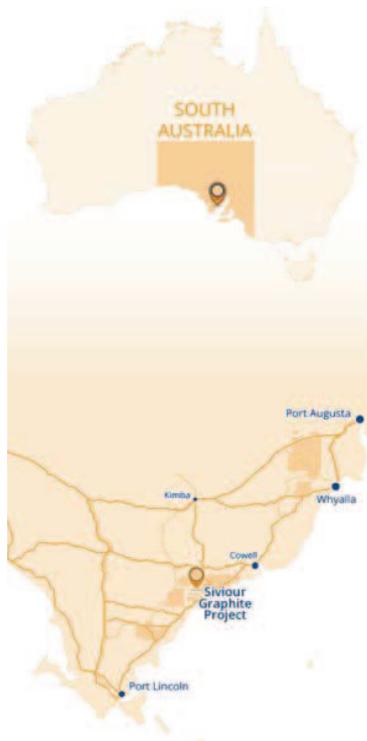
Prior to undertaking the LCT, Renascor had completed several series of batch flotation tests, which formed the basis of the initial processing flowsheet design parameters adopted in the Siviour PFS. See Renascor ASX announcement dated 14 March 2018.

The LCT completed during the quarter built upon the previous batch tests by undertaking six cycles of batch tests in a repeated circuit. In contrast to the previous batch tests, the LCT simulated continuous circuit behaviour by recycling selected flotation tailings from previous stages. This continuous circuit is more representative of actual plant performance and provides a better understanding of the impact of the recycle on final concentrate grade and graphite recovery.

The LCT was performed on a 15kg portion of the main bulk composite sample used for the majority of metallurgical test work to date. This sample had a head grade of approximately 12% Total Carbon and is considered representative of ore expected to be mined in the first five years of Siviour's production.

The LCT produced graphite concentrates with average grade of 95.9% total carbon (TC) and a recovery of 93%, compared to a recovery of 91% from previous batch test results. This improvement in recovery is in line with expectations, as the selected cleaner tailings (which were rejected in batch testing) are recycled upstream in the LCT where they are subject to additional grinding and recovery by flotation.

At the start of the LCT program, a sighter test was conducted which examined modifications to the flowsheet used for the Siviour PFS. Renascor found that by reducing the average size of the flotation feed by approximately 10% and screening an intermediate concentrate at 300 microns instead of 150 microns, one regrind stage and one cleaner flotation stage could be removed from the flowsheet. The modified flowsheet was used for the six cycles of the LCT and suggest a similar



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modification may be adopted for the Siviour DFS.

### **Bulk Sample Production**

Renascor completed a bulk sample production program utilising flowsheet design parameters adopted in the Siviour PFS.

Work was undertaken by SGS Lakefield in Canada, processing a 200 kg bulk sample from Siviour. The bulk sample was a composite of diamond drill core with an approximate head grade of 11% TC (the average head grade adopted in the Siviour PFS for initial three years of small-scale production was 12.8% TC).

While only limited flowsheet development was carried out as part of the bulk flotation test program, the results are consistent with previous test work, and Renascor considers that it further supports the process design criteria adopted for the Siviour PFS.

The combined graphite concentrate that was generated at the end of the bulk test program graded 94.8% TC with a total sample mass of 18.4 kg. The sample prepared from the bulk sample program will be used for evaluation by potential offtake partners and further metallurgical testing.

### **Mineral Lease Application**

Renascor Resources lodged a Mining Lease Application (MLA) for Siviour. South Australian law requires the preparation of a comprehensive Mining Lease Application (MLA), including a supporting Mining Lease Proposal, as a precondition to the granting of a Mining Lease to conduct mining operations and sell minerals in South Australia.

Pursuant to Section 35 of the Mining Act 1971 and Regulation 30 of the Mining Regulations 2011, in addition to describing the existing environment and the nature and method of proposed mining operations, the MLA must include an assessment of environmental impacts and an outline of design measures to manage such impacts. Consultation and engagement across the relevant stakeholder base is also required to ensure that the views of affected parties are understood and that stakeholders are provided with an opportunity to be involved and participate in the process.

Over a two year period, Renascor and its technical and environmental specialists undertook comprehensive environmental impact studies and met with a range of stakeholders to discuss the proposed mine. The results of these studies and consultation were used to develop the proposal to mine Siviour and forms the basis of the MLA lodged with the South Australian Government.

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### Land Agreement

Renascor entered into an agreement with the Siviour family, the owners of the property that hosts the Siviour Graphite Deposit, to facilitate the development of the Siviour Graphite Resource.

The agreement ensures that Renascor will continue to enjoy access rights to the project area for drilling, collecting bulk samples and carrying out other programs related to work Renascor is currently undertaking in furtherance of the Siviour DFS.

The agreement further grants Renascor the right to acquire an option to purchase the land, with the price to be set following an independent appraisal next year.

### Next Steps

The development of Siviour Graphite Project remains on schedule. Upcoming activities are expected to include:

- Completion of geotechnical, mining, hydrogeological, tailings, infrastructure and marketing studies, variability and optimisation mineral process testing, detailed process plant engineering and other DFS work programs
- The completion of a PFS for the downstream production of uncoated spherical graphite from Siviour graphite concentrates,
- Advanced offtake negotiations with potential purchasers of Siviour graphite concentrates and spherical graphite,
- The completion of the Siviour DFS, assessing the commercial viability of producing graphite concentrates from Siviour through a staged development approach, and
- Negotiations regarding the financing a stage-one graphite concentrate facility at Siviour.

### Other Projects

Additional work undertaken during the recently completed quarter included exploration activities at Renascor's 100%-owned Farina and Olary projects in South Australia.

### Farina Project

Renascor's Farina Project is located approximately 100km northeast of BHP's Olympic Dam mine within the Willouran Ranges. The area includes a major intracratonic basin sequence of sediments that has a number of similarities with the Zambian copper belt.

During the recently completed quarter, Renascor undertook reconnaissance rock chip and soil sampling over some of the existing historic copper prospects to assess the association between the Zambian copper belt model and cobalt mineralisation



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associated with the oxidised copper occurrences. Cobalt values up to 130ppm Co were returned from the 98 samples collected. Sampling at the Breaden Hill copper prospect returned gold within the high-grade copper samples, returning a maximum of 4.66ppm Au.

In addition, six composite rock chip samples at 25m spacing, at the Breaden Hill South prospect returned a zone with 0.17% Cu, 0.17% Zn, 0.09% Pb and 150ppm Ag within a ferruginous black shale sequence.

Additional sampling is proposed to assess gold mineralisation at Breaden Hill and the anomalous zone identified at Breaden Hill South.

## Olary Project

Renascor's 100%-owned Olary Project is located in South Australia, approximately 100km west of Broken Hill. The project tenements are located in close proximity to Cobalt Blue's (ASX: COB) Thackaringa cobalt deposit near the Barrier Highway between Adelaide and Broken Hill. Additional nearby deposits include Havilah's (ASX: HAV) Mutooroo copper-cobalt deposit and Kalkaroo copper-cobalt-gold project.

Renascor previously identified multiple cobalt targets within the project area. During the recently completed quarter, Renascor pursued approvals to commence drilling on these targets, which include areas that are currently the subject of a proposed consent determination amongst overlapping Native Title claimant groups. Renascor is currently awaiting finalisation of the consent determination and has been advised by counsel that this is scheduled to occur later this year.

## Corporate Events

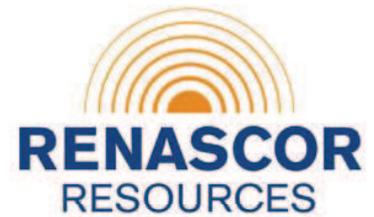
### Shareholder Meeting

At a meeting of shareholders held on 3 September 2018, shareholders approved resolution authorising the issuance of 189,597,227 Renascor shares to the owners of Ausmin Development Pty Ltd (Ausmin), which holds the rights to the Siviour Graphite Project. Renascor expects to issue these shares in the current quarter, after which it will own a 100% interest in Ausmin, and, in turn, the Siviour Graphite Project. Shareholders also approved a resolution authorising the issuance of 18 million Performance Rights to Managing Director David Christensen. The Performance Rights are convertible into Renascor Shares upon the attainment of enumerated performance indicators.

### Board Changes

On 17 October 2018, Renascor announced the resignation of Chris Anderson as a Non-Executive Director and the planned transition of Geoff McConachy to the role of Non-Executive Director. Mr Anderson's resignation had immediate effect. Mr McConachy, who currently serves as Exploration Director, will be transitioning from

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his current Executive Director role to a Non-Executive Director, effective as of the beginning of next year.

### **Competent Person's Statement – Metallurgical Results**

The results reported herein, insofar as they relate to metallurgical test work results, are based on information provided to and reviewed by Mr Simon Hall, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and 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. 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.

### **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.

### **For further information, please contact:**

#### **David Christensen**

Managing Director

+61 8 8363 6989

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



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## Appendix 1

## Summary of tenements for quarter ended 30 September 2018

## (ASX Listing Rule 5.3.3)

Project Name	Tenement	Area km <sup>2</sup>	Registered holder/Applicant	District	Company Interest
Willouran	EL6170	465	Renascor Resources Limited (Renascor)	South Australia	100%
Callanna	EL5586	372	Renascor	South Australia	100%
Wompinie	EL6190	36	Renascor	South Australia	100%
Iron Baron	EL5822	253	Renascor	South Australia	100%
Old Wartaka	EL6191	14	Renascor	South Australia	100%
Kokatha	ELA 2018/113	426	Renascor	South Australia	100%
Carnding	EL5856	92	Renascor	South Australia	100%
Lake Harris	EL5927	132	Renascor	South Australia	100%
Munglinup	E74/538	70	Sol Jar Property Pty Ltd (Sol Jar)*	Western Australia	100%
Outalpa	EL5584	215	Astra Resources Pty Ltd (Astra)**	South Australia	100%
Cutana	EL5585	209	Astra**	South Australia	100%
Malbrom	EL6197	81	Ausmin Development Pty Ltd (Ausmin)***	South Australia	0%***
Lipson Cove	EL5495	329	Ausmin***	South Australia	0%***
Verran	EL5618	690	Ausmin***	South Australia	0%***
Malbrom West	EL5714	270	Ausmin***	South Australia	0%***
Dutton Bay	EL6032	31	Ausmin***	South Australia	0%***

\* Sol Jar is a 100%-owned subsidiary of Renascor.

\*\* Astra is a 100%-owned subsidiary of Renascor.

\*\*\* Renascor has an option to acquire 100% of Ausmin in exchange for 189,597,227 Renascor shares. At the Shareholder Meeting held on 3 September 2018, Renascor shareholders approved a resolution authorising the issue of such shares in exchange for a 100% interest in Ausmin. Renascor expects to issue these shares in the current quarter, after which it will own a 100% interest in Ausmin. See "Corporate Events – Shareholder Meeting".

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

RENASCOR RESOURCES LIMITED

**ABN**

90 135 531 341

**Quarter ended ("current quarter")**

30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,323)	(1,323)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(46)
(e) administration and corporate costs	(233)	(233)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	31	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Joint Venture Repayments)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,571)</b>	<b>(1,571)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,189	8,189
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,571)	(1,571)

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,618</b>	<b>6,618</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	6,618	8,189
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,618</b>	<b>8,189</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
208
-

Transactions include directors remuneration and fees paid to related entities, and exploration services paid to Euro Exploration Services, which is a company in which a director has a beneficial interest. All transactions are on commercial terms.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(1,424)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(46)
9.5 Administration and corporate costs	(204)
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>(1,674)</b>
9.6 Estimated transactions costs in relation to the re-instatement to quotation on ASX	

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Appendix 1, page 8 of September Quarterly Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Appendix 1, page 8 of September Quarterly Report		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



31 October 2018

Sign here: .....  
(Company secretary)

Date: .....

Print name: PIERRE VAN DER MERWE .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.