Renascor the late bloomer

Interest in the graphite sector has been building for some time and Renascor Resources Ltd has finally decided to take notice.

The South Australian-focused junior may have arrived at the party late but it has hit the dance floor quickly.

David Christensen

"The company picked up the project three months ago and we think we are making good progress," Renascor managing director David Christensen said.

Christensen was referring to the Arno graphite project, north of Port Lincoln, which was acquired from a private company in December.

Siviour is the jewel in the Arno crown and is currently the biggest graphite deposit in Australia boasting a resource of 16.8mt @ 7.4% TGC for 1.24mt contained graphite.

Within the resource there is a high-grade portion of 5.9mt @ 10% TGC for 590,000t graphite.

Of the total resource, 6.8mt @ 8.1% TGC is in the indicated category.

"It is a very impressive resource based on very limited drilling," Christensen said.

"Within the indicated resource portion we have done 20 holes and we are looking at very shallow mineralisation starting somewhere between 10-25m of surface. Where we go next we think it will be fairly easy for us to expand the resource by pushing into the exploration target zone. The indicated and inferred portions remain open and we can potentially push south into Paxtons."

Drilling to expand the resource and processing testing is the immediate focus for Renascor as it aims to have a scoping study completed in Q3.

Perhaps a successful scoping study will be the trigger for Renascor to move up the value chain and sit on par with its graphite counterparts in SA, such as Lincoln Minerals Ltd (market cap $10 million) and Archer Exploration Ltd ($6 million).

Joining the peer group will elevate Renascor's status in the graphite space as it looks to increase its market cap of $5 million.

While it looks to be recognised as an emerging developer in SA graphite, Renascor believes it has significant advantages over its rivals.

Unlike Lincoln's Kookaburra Gully and Archer's Campoona deposits, which are more vertical in nature, Siviour's flat-lying, shallow orientation will make mining a breeze.

"We have a whole lot of distinct advantages from a mining perspective. Our strip ratio will be significantly more favourable, we'll have less waste and mining will be more efficient. And, we'll have a lot better environmental footprint. It should be relatively easy for us to expand the resource by going along strike, we're open and we're really adding to this resource and making it more competitive on a global scale," Christensen said.

– Mark Andrews

Clause 49, a must read: CSA Global

When Andrew Scogings returns to the Australian Graphite Conference in 2017, he hopes to be presenting to a room full of people clued up on clause 49 of the JORC code.

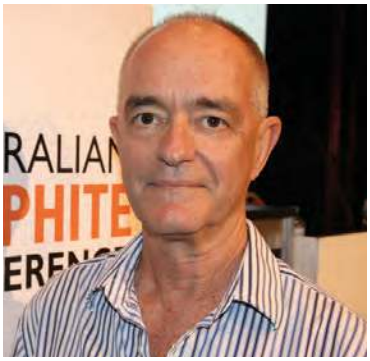
Clause 49 states: "For minerals that are defined by a specification, the mineral resource or ore reserve estimation must be reported in terms of the mineral or minerals on which the project is to be based and must include the specification of those minerals."

Scogings, principal geologist at CSA Global, implored explorers and investors to understand clause 49 so that announcements could be divulged properly when released.

Coming to terms with the clause is critically important, particularly in the graphite sector which can be confusing.

Many graphite companies attest to having the world's best graphite, which may be true in their particular case given there are numerous classifications and uses for different types of graphite.

For instance, according to Chinese flake graphite national standards, there are four categories and 212 grades in which graphite can be classed. This shows how varied the graphite sector is and emphasises the obligation graphite companies have in explicitly defining resources in announcements.



Andrew Scogings

"It is insufficient to rely solely on assays for graphite content for mineral resource reporting. Specific market group testing is required in reporting to reflect that graphite deposit and what it is going to be [in terms of] float size and purity of the liberated product," Scogings said.

"Different products, as we have seen, command different prices and that affects the basket price."

For graphite, RC sampling alone will not suffice for metallurgical testing. Scogings said a combination of RC and diamond drilling was more acceptable.

"You mainly use the RC drilling as an infill to demonstrate continuity of the geological structure and the general grade, so that's fine as long as they do the DD [diamond drilling] and metallurgical test work," he said.

"Indicated mineral resources have to allow for the application of modifying factors to be applied in sufficient detail to support mine planning and evaluation of the economic viability of a graphite deposit.

"Therefore, an indicated mineral resource cannot be based solely on graphite content in situ flake size. The flake size and purity of the liberated product have to be understood or estimated to the project to be able to use that as a modifying factor."

– Mark Andrews