

# ASX Announcement & Media Release

Wednesday, 3 February 2016

## Fast Facts

ASX Code: RNS

Shares on issue: 459.6 million

Market Cap: A\$14 million

Cash: A\$1.3 million (31 Dec 2015)

## Board & Management

Alan Campbell, Non-Exec Chairman

Dave Kelly, Non-Exec Director

Justin Tremain, Managing Director

Craig Johnson, Exploration Manager

Brett Dunnachie, CFO & Co. Sec.

Vireak Nouch, Country Manager

## Company Highlights

- Targeting large gold systems in an emerging Intrusive Related Gold province in Cambodia
- First mover in a new frontier
- Okvau Deposit (100% owned): Indicated and Inferred Mineral Resource Estimate of 1.13Moz at 2.2g/t Au (refer Appendix One)
- PFS completed and demonstrates high grade, low cost, compelling development economics:
  - 830,000ozs in single pit
  - Production to 100,000ozs pa over 8yr mine life (average 91,500oz pa LOM)
  - AISC US\$611/oz first 5 years (average US\$735/oz LOM)
  - NPV<sub>(5%)</sub> US\$174M
  - IRR 35% pa
  - Payback ~2.6 years
- Clear pathway to development
- Significant resource growth potential. Okvau Deposit remains 'open' and multiple nearby high priority, untested targets

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Renaissance  
minerals limited

## Renaissance Secures Funding and Development Partner

- Joint Venture with Emerald Resources NL ('Emerald') on Renaissance Minerals' Cambodian Gold Project whereby Emerald will sole fund completion of:
  - Definitive Feasibility Study ('DFS');
  - Environmental & Social Impact Assessment ('ESIA'); and
  - US\$3 million (A\$4.3 million<sup>1</sup>) 2 year exploration program to earn up to a 51% interest
- Emerald to utilise their well credentialed management team that have been instrumental in the successful commercial development of numerous gold projects (Equigold NL & Regis Resources Ltd) to fund and manage the DFS and ultimately develop the Okvau Gold Deposit
- Emerald to also fund and co-manage with Renaissance an aggressive exploration program over the next two years
- Emerald to focus on the development economics of the Okvau Gold Deposit by optimisation of capital and operating costs through process design and mining efficiencies
- Renaissance fully funded to a development decision with exposure to improved project economics and accelerated exploration
- In addition to Joint Venture funding, Emerald to become a 10% shareholder in Renaissance through participation in a A\$3.4 million equity placement

**Renaissance Minerals Limited (ASX: RNS)** ('Renaissance') is pleased to announce that the it has secured a development partner for its Cambodian Gold Projects, in particular the Okvau Gold Deposit, through a Joint Venture with Emerald Resources NL ('Emerald'). Renaissance and Emerald have entered into a legally binding Memorandum of Agreement ('MoA') whereby Emerald may earn up to a 51% interest in Renaissance's Cambodian Gold Projects by sole funding a Definitive Feasibility Study ('DFS') for the development of Okvau Gold Deposit to a bankable level, an Environmental & Social Impact Assessment ('ESIA') and a 2 year exploration program of US\$3 million (A\$4.3 million<sup>1</sup>). Renaissance had previously estimated that the cost of the DFS and ESIA alone would be in the vicinity of US\$4-5million (A\$5.7-A\$7.1 million<sup>1</sup>).

Emerald and Renaissance have agreed the standard of DFS that Emerald is required to complete. This is based on a comprehensive criteria and to a level of accuracy that will be acceptable to potential bona-fide project financiers. Under the terms of the MoA, Emerald is to be sole manager of the DFS while Renaissance and Emerald will jointly manage the exploration program.

Emerald has subscribed for 57.4 million shares in Renaissance as part of an equity placement of 114.8 million at 3 cents per share to raise A\$3.4 million ('Placement'). The remaining 57.4 million shares has been placed to institutional and sophisticated investors. Upon completion of the Placement, Emerald will hold a 10% interest in Renaissance and will be entitled to appoint a Non-Executive Director to the Board.

<sup>1</sup> Based on AUD:USD of A\$0.70

Renaissance's Managing Director, Justin Tremain commented:

*“The Emerald team is undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. The fact that this team has been attracted to the Okvau project is a testament to its potential.*

*Renaissance is committed to taking the Okvau project forward and in light of current equity market conditions believe this Joint Venture provides the most attractive funding option for our shareholders. Renaissance shareholders retain significant ownership of the Okvau project with an exceptional development partner, and will benefit from any improvement in development economics and from future exploration success without the associated immediate funding obligation.*

*The funding of a DFS and ESIA alone is a significant cost burden that this transaction removes from Renaissance shareholders. The Joint Venture also provides for the funding of ongoing exploration.”*

## Emerald Resources NL

Emerald is an ASX listed entity with approximately A\$18 million of cash and no debt. The Managing Director of Emerald, Mr Morgan Hart, has overseen the successful development of gold projects for Equigold NL and, most recently, as Operations Director of Regis Resources Ltd. His experience in developing countries includes the development of the Bonikro Gold Project in Cote d'Ivoire. He has assembled a team of highly competent mining engineers and geologists for the development of the Okvau Gold Deposit.

## Joint Venture Terms

Emerald's interest in the Joint Venture will be progressive, based on a combination of exploration expenditure and DFS completion as shown below:

Cumulative Exploration Spend (non DFS costs)	DFS Status	Time	Emerald Interest
US\$0.5 million	N/A	9 months	5%
US\$2.5 million	N/A	24 months	30%
US\$3.0 million	Completed	24 months	51%

Completion of a DFS is to include the completion of an Environmental & Social Impact Assessment.

Emerald will be the Manager of the DFS. Renaissance and Emerald will be Joint Managers of the exploration program until such time that Emerald has earned its 51% interest. All Joint Venture decisions regarding development commitments and expenditure will be subject to a 75% voting approval.

Emerald may only withdraw from the Joint Venture after 6 months and spending a minimum of US\$0.5 million. If Emerald elects to withdraw prior to completing a DFS, it will be required to relinquish any interest that it may have earned. If at the time of withdrawing from the Joint Venture Emerald has earned a 30% interest and has not completed the DFS, Renaissance can opt to dilute Emerald to a 10% interest by spending US\$2.0 million. If either party dilutes to a 10% interest the other party may elect to convert that party's interest to a 2% royalty.

Provision for further opportunities secured by either party in Cambodia will form part of the Joint Venture.

Customary mutual pre-emptive rights, expenditure and dilution formulas will apply.

### **Joint Venture Conditions Precedent**

The MoA is a binding agreement outlining the commercial terms of the Joint Venture that has been approved by the respective Boards of both Renaissance and Emerald. The agreement is subject to:

- Execution of a Farm-in and Joint Venture Agreement
- Approval by the shareholders of Renaissance by way of an ordinary resolution for the terms of the Joint Venture
- Approval by the shareholders of Emerald by way of an ordinary resolution for the proposed change in the nature and scale of Emerald's operations
- ASX granting Emerald conditional approval for the securities in Emerald to be re-instated to trading on the ASX following re-compliance by Emerald with Chapters 1 and 2 of the ASX Listing Rules
- Renaissance and Emerald obtaining necessary approvals and consents from the Cambodian Government

A Notice of Meeting will be sent to Renaissance shareholders in due course. Renaissance will also keep shareholders advised of the status of and timing for satisfaction of the abovementioned conditions.

### **Equity Placement**

The Placement consists of 114.8 million shares to be issued at a price of 3.0 cents per share to raise a total of A\$3.4 million. The shares will be issued on or around 8 February 2016, pursuant to ASX Listing Rule 7.1 and 7.1A and will be made as follows:

- 57.4 million shares (A\$1.7 million) to Emerald; and
- 57.4 million shares (A\$1.7 million) to institutional and sophisticated investors

Emerald will hold a 10% interest in Renaissance post the Placement. Emerald will have the right to appoint a representative to the Board of Renaissance.

This announcement effectively lifts the trading halt that the Company requested on Monday 1 February 2016. Renaissance is not aware of any reason why the ASX would not allow trading to recommence immediately.

## Cambodian Gold Project

### Background

The 100% owned Okvau and adjoining O'Chhung licences cover approximately 400km<sup>2</sup> of project area and are located within the core of a prospective Intrusive Related Gold ("IRG") province in the eastern plains of Cambodia. The Project is located in the Mondulakiri Province of Cambodia approximately 265 kilometres north-east of the capital Phnom Penh (refer Figure One).

The topography is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small scale mining activity. An all-weather gravel haulage road servicing logging operations in the area provides good access to within 25 kilometres of the Okvau exploration camp site. The current access over the remaining 25 kilometres is sufficient for exploration activities but is planned to be upgraded to an all-weather road as part of any project development.

A revised independent JORC Indicated and Inferred Resource estimate of 15.8Mt at 2.2g/t for 1.13Moz of gold was completed for the Okvau Deposit in July 2015. Importantly, approximately 85% the resource estimate is in the Indicated category. The resource estimate comprises 13.2Mt at 2.3g/t gold for 0.96Moz of gold in the Indicated resource category plus 2.7Mt at 2.0g/t gold for 0.17Moz of gold in the Inferred resource category (refer Appendix One).

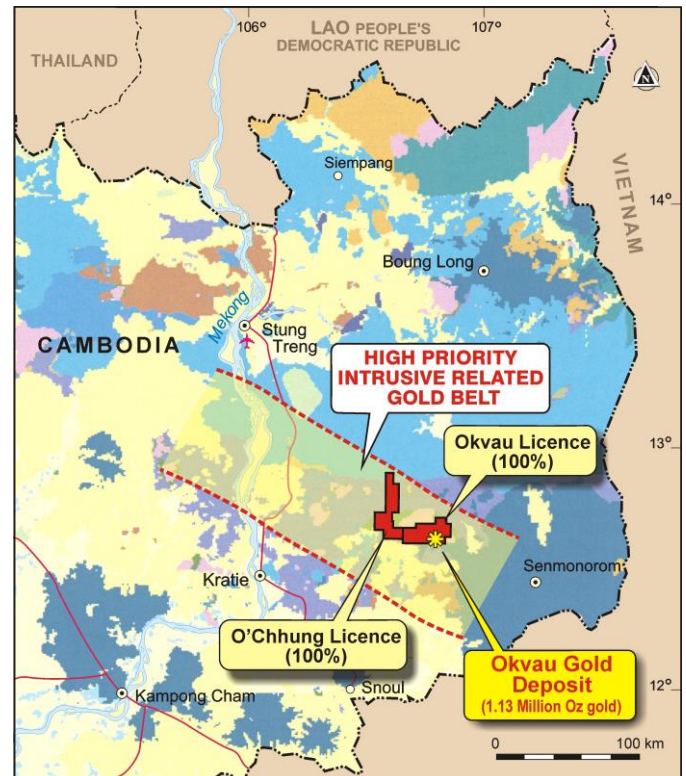
The mineralised vein system of the Okvau Deposit has a current strike extent of 500 metres across a width of 400 metres. The depth and geometry of the resource make it amenable to open pit mining with 73%, or 830,000 ounces of the total resource estimate within the single open pit mine design.

The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth. The current resource estimate is underpinned by 132 drill holes for 33,351 metres, of which 100 holes or 30,046 metres is diamond core drilling with the remainder being reverse circulation drilling. Drill hole spacing is nominally 30 metres by 30 metres.

The Okvau Deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as Intrusive Related Gold mineralisation. Exploration to date has demonstrated the potential for large scale gold deposits with the geology and geochemistry analogous to other world class Intrusive Related Gold districts, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

There are numerous high priority exploration prospects based upon anomalous geochemistry, geology and geophysics which remain untested with drilling. These targets are all located within close proximity to the Okvau Deposit.

Figure One | Cambodian Gold Project Location



## Pre-Feasibility Study

Renaissance completed a Pre-Feasibility Study (“Study”) in July 2015 for the development of a 1.5Mtpa operation based only on the Okvau Deposit via an open pit mining operation. The Study was completed to +/-20% level of accuracy and there has been no material change.

The Study demonstrates the potential for a robust, low cost development with an initial Life of Mine (‘LOM’) of 8 years, producing on average 91,500 ounces of gold per annum via conventional open pit mining methods from a single pit to be mined in three stages. Key results of the Study based on the ASX market release dated 27 July 2015 are presented in Table One.

**Table One | Study Results<sup>1</sup>**

In Pit Mineral Resource	11.6Mt @ 2.2g/t gold for 829,000 ounces contained		
LOM Strip Ratio (waste:ore)	7.7:1		
Throughput	1.5Mtpa		
Life of Mine	8 years		
Processing Recovery	85%		
Average Annual Production Target	91,500 ounces		
Pre-production Capital Costs <sup>2</sup>	US\$1 20M		
<b>Gold Price</b>	<b>US\$1,100/oz</b>	<b>US\$1,250/oz</b>	<b>US\$1,400/oz</b>
LOM Net Revenue (net of royalties <sup>3</sup> & refining)	US\$756M	US\$860M	US\$964M
Operating Cash Flow Before Capital Expenditure	US\$272M	US\$376M	US\$479M
Project Cash Flow After Capital Expenditure	US\$142M	US\$245M	US\$349M
NPV <sup>4</sup> (5%)	US\$90M	US\$174M	US\$257M
Payback	3.2 years	2.6 years	1.9 years
IRR pre-tax	21% pa	35% pa	47% pa
IRR post-tax (excluding any incentives)	19% pa	29% pa	38% pa
LOM C1 Cash Costs <sup>5</sup>	US\$684/oz	US\$684/oz	US\$684/oz
LOM All-In Sustaining Costs (‘AISC’) <sup>6</sup>	US\$731/oz	US\$735/oz	US\$738/oz

<sup>1</sup> All Renaissance has 100% ownership with no third party or Government equity interests and therefore economics are 100% attributable to Renaissance. Under the proposed terms of the Joint Venture with Emerald, the ownership interest of Renaissance is subject to change

<sup>2</sup> Capital Costs include working capital and 10% contingency.

<sup>3</sup> Government royalty fixed at 2.5% of gross revenue

<sup>4</sup> After royalties but before corporate tax

<sup>5</sup> C1 Cash Costs include all mining, processing and general & administration costs

<sup>6</sup> AISC include C1 Cash Costs plus royalties, refining costs, sustaining capital and closure costs

Material is to be sourced from a single open pit with a simple mine design providing scope for scheduling optimisation and mining cost reduction. The pit has been designed and scheduled in three distinct stages to allow for reduced waste stripping in the initial years and operational flexibility. Stages 1 & 2 provide 70% of the LOM mill feed, equivalent to the initial 5 years of operation, at a strip ratio of 4.7:1. As a result, production costs for this period are highly competitive with C1 Cash Costs and AISC of US\$561/oz and US\$611/oz, respectively.

## About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Detailed information on all aspects of Renaissance Minerals projects can be found on the Company's website: [www.renaissanceminerals.com.au](http://www.renaissanceminerals.com.au).

For further information please contact  
Renaissance Minerals Limited  
Justin Tremain, Managing Director

### Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is a consultant to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Craig Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Reference is made to the Company's ASX release dated 27 July 2015 titled Okvau PFS Demonstrates Compelling Project Economics. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

## Appendix One | Okvau Mineral Resource Estimate - July 2015

July 2015 JORC Resource (0.6g/t gold cut-off)			
	Tonnage (Mt)	Grade (g/t Au)	Gold (Koz)
Indicated	13.2	2.3	962
Inferred	2.7	2.0	169
<b>Total</b>	<b>15.8Mt</b>	<b>2.2g/t</b>	<b>1,131</b>

### Competent Persons Statements

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by International Resource Solutions Pty Ltd (Brian Wolfe), who is a consultant to the Company, who is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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". Mr Wolfe consents to the inclusion of the matters based on his information in the form and context in which it appears.