

Marenica Energy Limited
2016 MD Presentation to AGM

Commercialisation of ***U-pgrade***TM
Process is Now a Reality



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- ✓ Renegotiated convertible note conditions with Hanlong
- ✓ Excellent testwork results on Tumas ore indicate applicability of ***U-pgrade™***
- ✓ Signed first commercialisation agreement with Deep Yellow on application of ***U-pgrade™***
- ✓ Reached agreement with U3O8 Corp to complete ***U-pgrade™*** testwork program on Laguna Salada samples
- ✓ In discussion with other resource owners to undertake testwork
- ✓ Commenced detailed review of applicable uranium resources for acquisition



- Work collaboratively with DYL to ensure Tumas project success through application of ***U-pgrade™***
- Progress towards additional commercialisation agreements in which Marenica gains its fair share of the value add unlocked by ***U-pgrade™***
- Continue to engage with resource owners to demonstrate outstanding potential to add value to their existing resources
- Identify and target acquisition of deposits which are amenable to ***U-pgrade™***



Applicable to Surficial Calcrete deposits

- Rejects >95% of mass pre leach
 - *Smaller, lower cost acid leach circuit*
 - *Reduces OPEX by 50-70%*
 - *Reduces CAPEX by 30-50%*
- Increases size of resource
 - *Can treat high sulphate ore which is currently discarded*
 - *Lower costs lead to reduced cut off grade*
- Development and Cost benefits
 - *Lower trigger price for project development*
 - *Bring projects forward in development queue*
 - *Restart mothballed projects*
- An independent desktop study completed by an engineering company confirmed the cost savings projected by Marenica



Deep Yellow – First Commercialisation of **U-pgrade™**

- ✓ *Commercialisation agreement secures a role for **U-pgrade™** in return for a long term Licence Fee equating to around 25% of the NPV of the Tumas project under a range of possible development scenarios*
- ✓ *The commercialisation agreement follows a successful testwork program on Deep Yellow's Tumas ore demonstrating **U-pgrade™** has the potential to dramatically reduce the CAPEX and OPEX for the Tumas project*
- ✓ *Deploying Marenica's technology creates a path for the Tumas project to proceed ahead of other competing projects at a significantly lower uranium incentive price*
- ✓ *The Licence Fee payable is nominal when uranium is sold at a price below US\$50/lb, while the fee is capped at US\$4.80/lb when the uranium price received exceeds US\$80/lb. At a price of US\$60/lb the Licence Fee payable to Marenica is US\$2.60/lb.*



- *U-pgrade*TM has a broader application to surficial ores in semi arid to arid environments, not just calcrete deposits
- A list is being compiled on target deposits for potential application of *U-pgrade*TM and project acquisition
- The company has identified a number of high potential targets and are engaging with these resource owners
- Parties have approached Marenica to be involved in these opportunities



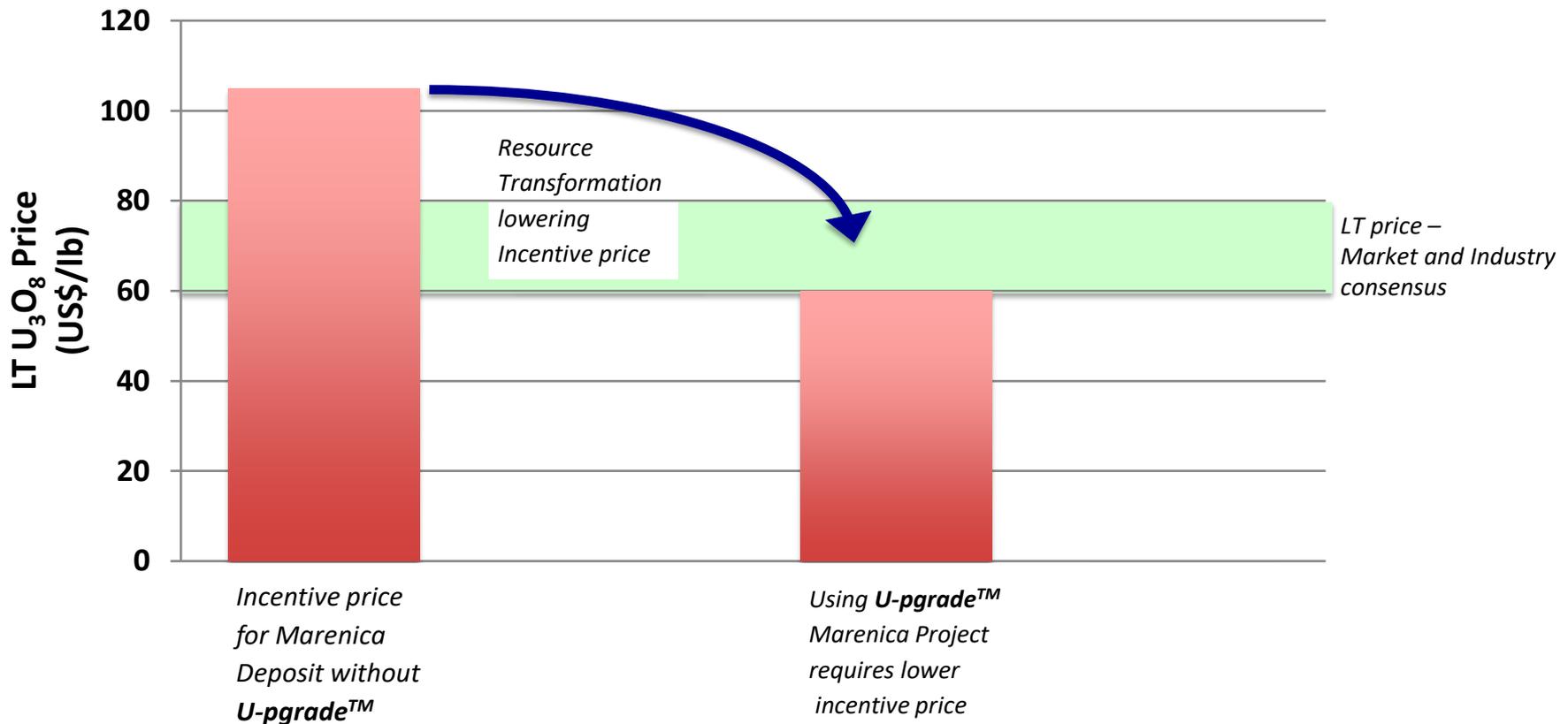
- Agreement with Hanlong for the extension of the Hanlong Convertible Notes from its maturity date of 14 November 2016 to 14 November 2018
- Includes right to repay the debt at maturity in shares issued at \$0.58 per share or cash
- Hanlong have also offered to repayment of the convertible note interest due on 14 November 2016 in equity to relieve the cash requirements of the Company
- The interest payment or issue of equity has been postponed until 30 April 2017

Marenica are no longer required to pay the debt in cash



- 61 million pound resource, large in world standards
- Resource at surface
 - Low strip ratio
 - Easily accessible
 - Low mining costs
- Close to several existing processing plants and excellent infrastructure
- 30 km to Trekkopje and 60 km to Rössing
- Highly supportive investment climate in Namibia
- Marenica project is a strategic asset of the company not valued in our Market Capitalisation

*U-pgrade*TM brings Marenica deposit forward in the development queue



Correction in U price is inevitable



- The Uranium market has been in decline for the best part of the last decade
- About one quarter of producers remain cash positive at current spot prices
- Reasons why Uranium prices need to recover
 - Russia withdraws from re-processing deal with US, removing significant secondary supply from the market
 - Current prices creating pressure to close existing capacity let alone expanding existing operations
 - Developing world continuing to grow demand for power, Paris climate accord provides incentive for decision makers to favour nuclear over fossil fuel plants
 - Demand for uranium increasing based on identified rollout of new nuclear power generation capacity, industry expects 30% increase in nuclear capacity by 2025
 - Japanese reactors expected to re enter production steadily during this time
 - Long lead times for new supply suggests a higher price in the near term will be required to stimulate new projects in time to meet forecast shortages in 5-10 years



- Drive successful outcome on Deep Yellow Tumas project using ***U-pgrade™***
- Progress evaluation of ***U-pgrade™*** on U3O8 Corp samples
- Explore agreements with other resource owners to apply ***U-pgrade™***
- Enter into commercialisation agreements applying ***U-pgrade™*** to third party resources
- Progress the strategy of acquiring interests in calcrete uranium deposits
- Increase the application of ***U-pgrade™*** to a broader range of Uranium ores and other commodities in which the technology can be applied



- Marenica owns potentially disruptive technology capable of converting many uneconomic uranium deposits into strategically important and profitable production assets
- Excellent testwork results culminated in signing our first commercialisation agreement with Deep Yellow
- The company's main objective is to commercialise ***U-pgrade™***
- Many potential applications of ***U-pgrade™*** around the world present acquisition opportunities
- Maintain low cost base to preserve capital

We are in the business because we believe in the future of Uranium and we are in a position to ride the price increase