



## **MARENICA ANNOUNCES RIGHTS ISSUE TO FUND NEXT STAGE OF COMMERCIALISATION OF URANIUM UPGRADE PROCESS AND REFINANCING OF DEBT**

### **Key Points**

- **Non-renounceable 2-for-3 entitlement issue at 0.4c to raise up to A\$2M.**
- **Major shareholder to subscribe for its rights for up to \$600,000, to enable partial repayment of existing Convertible Note.**
- **Marenica advises that Hanlong Energy Ltd has agreed to extend the date of repayment of the Convertible Note by 2 years to November 2015.**
- **Funds to be used to progress commercialisation of *U-grade* technology, which is applicable to Marenica but also expected to be applicable to other calcrete-hosted uranium deposits.**
- **Process delivers a substantial upgrade, improving economics by reducing capital and operating costs.**

### **Rights Issue**

Uranium explorer and developer Marenica Energy Limited (ASX: MEY – “Marenica” or “the Company”) advises that it has resolved to undertake a pro-rata non-renounceable entitlement issue to raise up to **A\$2 million**.

Under the Rights Issue, Marenica will offer eligible shareholders the opportunity to subscribe for two (2) new shares for every three (3) existing shares held at the Record Date at an issue price of 0.4 cents per share (**Entitlement Issue**).

Under the Entitlement Issue, the Company will issue up to approximately 498,731,580 new fully paid shares at 0.4 cents per share. The Company will also make available a shortfall facility to enable shareholders to subscribe for additional shares if they wish to do so. The Directors will have the ability to place any remaining shortfall under the Entitlement Issue in the three months following the close of the issue, subject to compliance with the ASX Listing Rules and the Corporations Act.

The Company’s major shareholder, Hanlong Energy Limited (**Hanlong**), which is also the holder of a convertible note with a face value of A\$2 million has agreed to subscribe for its rights pursuant to the Entitlement Issue in the sum of approximately \$600,000 on the condition that \$350,000 from the

proceeds of the Entitlement Issue is applied in reduction of the principal owing under the convertible note.

Each of the Directors of the Company have also indicated their intention to subscribe for their entitlements.

### **Use of Funds**

The proceeds of the capital raising will be used to progress the next important stage of commercialisation of the Company's proprietary **U-pgrade** processing technology, as well as reduce debt and assist with working capital.

The process flowsheet has been developed in-house by the Company following the identification approximately 18 months ago of an opportunity to substantially concentrate the uranium grade of the ore from its large-tonnage but low grade Marenica uranium deposit in Namibia.

A technical review of the deposit drove the development of this processing technology, which utilises low-cost concentration techniques well established in other mineral industries.

An intensive metallurgical testwork program, under the guidance of a largely independent Technical Steering Committee, has been undertaken on the process. Testwork results have met, and in some cases exceeded, expectations.

The introduction of **U-pgrade** to the Marenica deposit substantially improves the economics of Marenica's ore. There are also very real possibilities to apply **U-pgrade** to other calccrete hosted uranium deposits around the world.

The next stage in the evolution of **U-pgrade** toward full commercialisation needs a further investment to fund metallurgical **U-pgrade** flowsheet optimisation testwork on the Marenica Uranium Project and to confirm the applicability of **U-pgrade** to other uranium resources.

Initial testwork on high sulphur calccrete ore indicates that **U-pgrade** may also be applicable to this style of ore, which can otherwise be difficult to process economically.

### **Refinancing of Convertible Note**

The Company further advises that it has agreed with Hanlong to extend the date of repayment of the balance of the convertible note for an additional two years to November 2015 and to extend the date for payment of interest on the convertible note, otherwise due in November 2013, for one year to November 2014.

In consideration of the extensions, the Company has agreed to provide Hanlong with security over its assets for repayment of the monies owing pursuant to the convertible note and also to seek approval at its AGM for the conversion price of the convertible note (together with deferred interest) to be reset at the same price as the Entitlement Issue. If the reset of the conversion price is not approved by shareholders, the deferral of the payment of the interest referred to above will not occur.

## Entitlement Issue Timetable

The timetable for the Entitlement Issue is:

Entitlement Issue/Offer announced via ASX	24 June 2013
Ex date	26 June 2013
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	2 July 2013
Offer Document Dispatched to Eligible Shareholders (expected date of dispatch of Offer Document and Entitlement and Acceptance Forms)	8 July 2013
Acceptances close*	29 July 2013
Company to notify ASX of undersubscriptions (if any)**	1 August 2013
Issue of new shares & dispatch holding statements **	7 August 2013

\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

\*\* These dates are indicative only.

The Entitlement Issue is being made under section 708AA of the Corporations Act. Accordingly the Company will forward an Offer Document and Entitlement and Acceptance Form to eligible shareholders as set out in the timetable.

The Company hereby gives notice that:

- (a) the Company will offer the shares for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (d) the Company has complied with section 674 of the Act;
- (e) there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

- (B) the rights and liabilities attaching to the shares; and
- (f) the Entitlement Issue may affect the control of the Company (depending on the take up of the Entitlement Issue and the shortfall facility) by reason of Hanlong agreeing to take up its entitlement. The maximum voting power Hanlong could obtain pursuant to the Entitlement Issue if no other shareholder (other than the directors) take up their entitlement or any shortfall is 41.4%.

An Appendix 3B is *attached*.

For further information please contact Mr Murray Hill, CEO at Marenica Energy.

# Appendix 3B

## **New issue announcement, application for quotation of additional securities and agreement**

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Marenica Energy Limited

ABN

71 001 666 600

We (the entity) give ASX the following information.

### **Part 1 - All issues**

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | Ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Up to 498,731,580 shares issued in accordance with the non-renounceable entitlement issue announced on 24 June 2013 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares  |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.004 each</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Non-renounceable entitlement issue</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>N/A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements	N/A				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	7 August 2013				
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">748,097,369, plus the securities noted in section 1 which will be advised after the conclusion of the Entitlement Issue.</td> <td style="vertical-align: top;">Ordinary fully paid shares (MEY)</td> </tr> </tbody> </table>	Number	+Class	748,097,369, plus the securities noted in section 1 which will be advised after the conclusion of the Entitlement Issue.	Ordinary fully paid shares (MEY)
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748,097,369, plus the securities noted in section 1 which will be advised after the conclusion of the Entitlement Issue.	Ordinary fully paid shares (MEY)					

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**Appendix 3B**  
**New issue announcement**

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	12,500,000	Unlisted options, exercisable at \$0.21 each on or before 15 December 2013
	6,500,000	Unlisted options, exercisable at \$0.13 each on or before 31 October 2013
	18,000,000	Unlisted options, exercisable at \$0.027 each on or before 30 April 2015
	2,000,000 reducing to 1,650,671 the securities noted in section 1 which will be advised after the conclusion of the Entitlement Issue.	Convertible notes convertible at 0.02674 cents per share originally on or before 14 November 2013 but has now been extended to 14 November 2015.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy	

**Part 2 - Pro rata issue**

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	2 New Shares for each 3 Shares held at the record date
14 +Class of +securities to which the offer relates	Ordinary Shares
15 +Record date to determine entitlements	2 July 2013

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded up
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	None
19	Closing date for receipt of acceptances or renunciations	29 July 2013

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**Appendix 3B**  
**New issue announcement**

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20	Names of any underwriters	None
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	To be disclosed in Offer Document if applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	8 July 2013
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	24 June 2013
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of +securities  
(tick one)
- (a)  +Securities described in Part 1
- (b)  All other +securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

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39 +Class of +securities for which quotation is sought 

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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+ See chapter 19 for defined terms.

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 24 June 2013  
(Director/Company secretary)

Print name: Michael van Uffelen

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15  <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“C”</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p><b>Total [“A” x 0.15] – “C”</b></p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
<b>Step 2: Calculate 10% of “A”</b>	
<p><b>“D”</b></p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p><b>Multiply “A” by 0.10</b></p>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p><b>“E”</b></p>	

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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