



**MARENICA
ENERGY** LIMITED

Marenica Energy Limited
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ASX ANNOUNCEMENT

Company Announcements Office

Australian Securities Exchange Limited

Marenica Reports Positive Outcomes from Metallurgical Testwork on Marenica Uranium Deposit, Namibia

Key Points:

- **The results of the Phase 1 testwork programme concluded that the resource has unique mineralogical characteristics that can be upgraded.**
- **Initial results of the Phase 2 testwork programme show that the resource can be upgraded 3 to 5 times at the primary stage.**
- **As well, ~30% of that primary upgrade concentrate has been further upgraded 5 times resulting in an overall upgrade of that concentrate from 15 to 25 times.**
- **Further testwork is continuing to assess the level of upgrade potential of the ~70% balance of the primary upgrade concentrate.**
- **These results demonstrate that the upgrade process has the real potential to substantially improve the potential viability of the Project.**

As announced in March 2012 the Company has been focusing on a two phase metallurgical testwork program to evaluate the potential to significantly upgrade the concentration of the Company's Marenica Uranium Project and thereby reduce both capital and operating costs with the potential to significantly enhance the project economics.

Phase 1 was comprised of scoping level bench top testwork on samples existing in Perth to determine the uranium mineralisation and potential upgrading. The mineralogical testwork concluded that the uranium mineralisation has distinctive characteristics. It occurs as a single mineral, in a distinct size band, is well liberated and is heavier than the surrounding rock. These characteristics present an opportunity to use low capital and operating cost processes to upgrade the uranium.



Phase 2, which has involved the extraction of representative bulk samples to feed an extensive testwork programme, is underway to evaluate upgrade potential using well-established and comparatively low cost processes, that are scalable to large tonnage operations.

Scientists from the Australian Commonwealth Scientific and Industrial Research Organisation (CSIRO) who are world leaders in their field, are engaged to assist in the testwork programme.

Preliminary primary upgrade testwork has produced upgrade ratios of between 3 and 5. Further testing of this upgraded material produced a grade increase of 15 to 25 times at high recovery for 30% of the material upgraded via the primary process. Testing is continuing to attempt to further improve this grade and to also upgrade the balance of the material upgraded via the primary process, with a view to completing Phase 2 of the testwork project in the March quarter.

The Company continues to work on optimising a recovery flowsheet that it believes is unique in the uranium industry to concentrate the uranium. The Company has filed a provisional patent over the process and flowsheet.

The successful application of the proposed concentrating process to the Project ore would reduce the amount of material to be leached (by rejecting 95 to 97% of the original mass) and lower the capital and operating costs for processing and therefore has the potential to significantly enhance the Project's economics.

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