



10 May 2018

## ASX Announcement

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# Purchase of Mile 72 Uranium Project in Namibia

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### KEY POINTS

- **Mile 72 Uranium Project is a calcrete hosted uranium project**
- **Mile 72 Uranium Project is ideally suited for Marenica's proprietary *U-pgrade™* beneficiation process**
- **Located in the world class Erongo uranium province in Namibia**
- **Significant exploration potential**

Marenica Energy Limited ("Marenica") has signed a binding agreement to purchase the Mile 72 Uranium Project (EPL3308) from Metals Australia Limited (ASX:MLS).

- Marenica has acquired 100% of the Mile 72 Project.
- The Mile 72 Uranium Project covers 2,692 hectares and is located in the world class Erongo uranium province in Namibia (Figure 1). It is located within 100 km of the Marenica Uranium Project and only 30 km from the coastal town of Henties Bay.
- Past exploration trenching indicates uranium mineralisation over 12 km and 2 km wide.

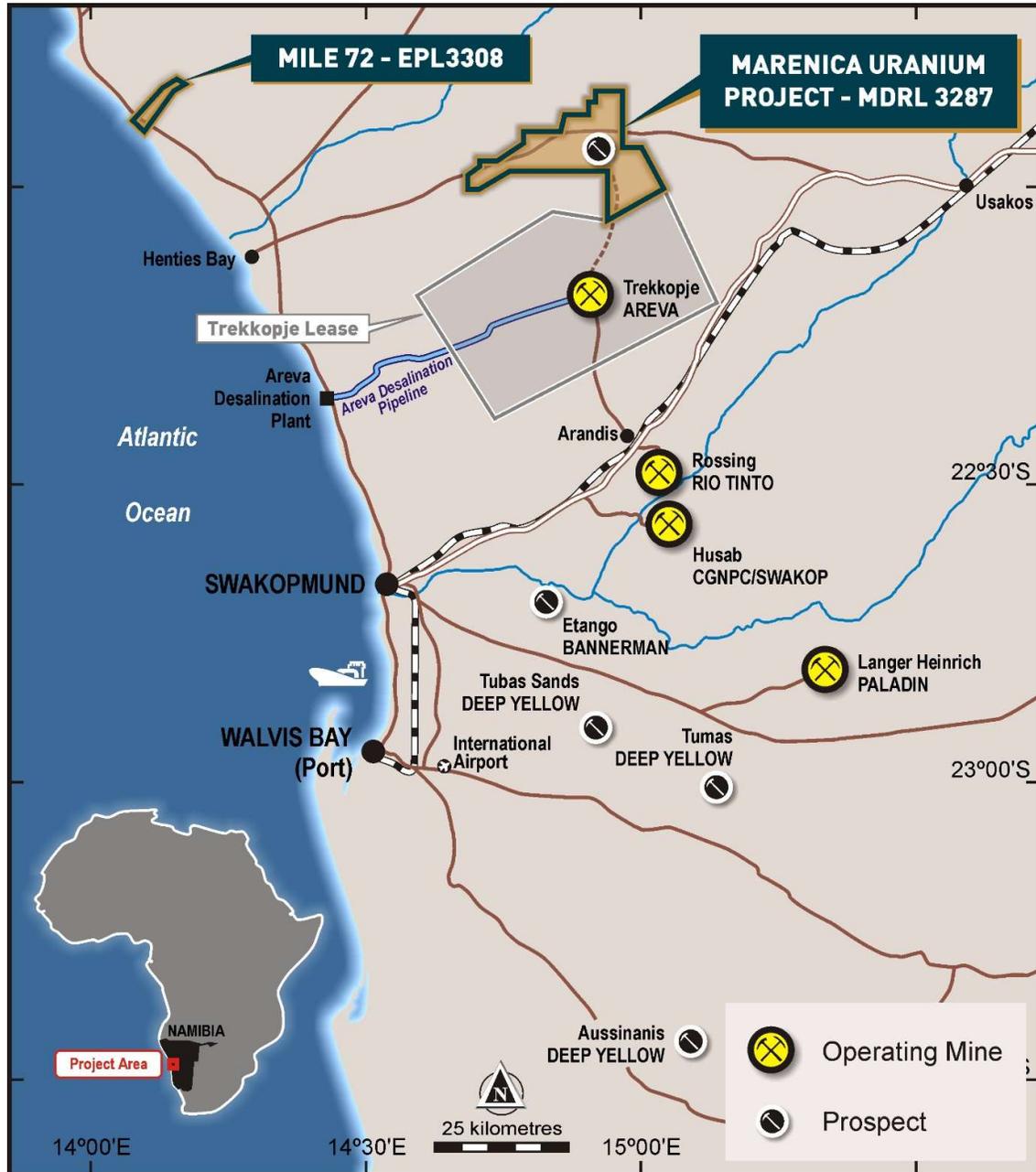
The mineralisation at the Mile 72 Uranium Project (Mile 72) is calcrete hosted, very similar to the Marenica Uranium Project, Langer Heinrich Project (Paladin) and Tumas (Deep Yellow) deposits, all in Namibia. Past testwork on these projects has confirmed the amenability of *U-pgrade™* and indicated that the *U-pgrade™* process potentially reduces the project development costs by about 50% and the operating costs by about 50%. It is expected that the Mile 72 calcrete mineralisation will respond to *U-pgrade™* the same as all other Namibian calcrete deposits tested and produce a low mass concentrate for leaching.

The project is located in the world class Erongo uranium province in Namibia, which includes the Rossing uranium mine now in its 41<sup>st</sup> year of operation and the Langer Heinrich and Husab mines.

Namibia has a stable, supportive mining culture with excellent infrastructure. The acquisition of Mile 72 strengthens Marenica’s position in this uranium province.

“We are excited about the acquisition of Mile 72 as we build a portfolio of uranium assets at the bottom of the uranium price cycle, assets in which our proprietary *U-pgrade™* process is expected to add significant value”. “Mile 72 has been underexplored for calcrete uranium mineralisation and presents a great opportunity for the Company to potentially delineate a high-grade resource, in a world class uranium province” said Murray Hill, Managing Director.

Figure 1 Location Map



Marenica will pay A\$30,000 cash, plus a preferential dividend of 1% of gross production from the project. The agreement to purchase is subject to obtaining any regulatory approvals that will be required in Australia or Namibia.

Metals Australia Limited has completed several exploration programs since 2007, the latest of which was in 2014. The first stage for Marenica will be data validation of all available exploration data.

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## ***What is U-pgrade™?***

Marenica has developed ***U-pgrade™*** as a potential industry leading and economically transformational beneficiation process for upgrading surficial uranium ores.

Marenica developed this potentially disruptive process on ore samples from its namesake Marenica Project in Namibia and since then testwork been undertaken on ore samples from a number of other sources.

The Company has demonstrated in bench scale testwork that it can concentrate the uranium from its calcrete hosted uranium project in Namibia (Marenica). In summary, ***U-pgrade™*** has demonstrated that it;

- Concentrates the uranium by a factor of 50
- Rejects ~98% of the mass prior to leaching
- Produces a high grade concentrate in a low mass of ~2% (leach feed)
- Rejects acid consumers
- Reduces operating costs by ~50% and capital costs by ~50% compared to conventional processing