



## ASX RELEASE

19 January 2017

### About Marenica Energy

- Marenica Energy Limited (ASX: MEY) is a minerals exploration company holding a portfolio of mineral tenements in Namibia and Australia.
- Marenica's principal project is the 75% owned Marenica Uranium Project in Namibia.
- Marenica is currently focused on the development of its propriety *U-pgrade*<sup>TM</sup> technology.

### Investment Summary

- 75% interest in the Marenica Uranium Project in Namibia.
- *U-pgrade*<sup>TM</sup>
- Marenica has the entitlement to receive 1.125% of the gross production of gold and other minerals in the Katanning Gold Project in Western Australia.

### Directors

**Douglas Buerger** – Non-Executive Chairman  
**Murray Hill** – Managing Director & CEO  
**John Sestan** – Executive Director  
**Nelson Chen** – Non-Executive Director  
**Lou Guo Qing** – Non-Executive Director  
**David Sanders** – Non-Executive Director

### Share Structure

Shares on Issue: 31,359,062  
Options on Issue: 1,038,714  
Performance Rights: 202,500  
Last Price (18 January 2017): [\$0.16]  
Market Capitalisation: circa \$5.0 million

### Substantial Shareholders

Hanlong Energy Limited: 11.9%  
Mingsun Technology Co Limited: 6.5%  
Chris Retzos: 6.4%  
Murray Hill & Associates: 5.3%

### Contact

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## Scoping Study to apply *U-pgrade*<sup>TM</sup> processing technology to economics of Marenica's Namibia Uranium Project

- **Marenica Energy has now commenced studies to apply its proprietary processing technology to its majority-owned world-scale Marenica Uranium Project in Namibia.**
- **Studies to seek confirmation that the Marenica project, with *U-pgrade*<sup>TM</sup>, is viable in US\$65-75/lb uranium price range and therefore competitive with the best of new uranium projects worldwide.**
- **Study results by April 2017 to provide foundation to consider a more detailed Feasibility Study later this year.**

## Revised Scoping Study on Marenica Uranium Project – Namibia (75%)

Marenica (ASX:MEY) is pleased to announce that it has commenced a revised Scoping Study on its 75% owned Marenica Project ("Project") in Namibia.

A Scoping Study was completed on the Project in 2011. Since then the company has developed its processing technology, *U-pgrade*<sup>TM</sup>, providing the potential to halve process operating and capital costs for Marenica's surficial resource. In addition, mining development costs have reduced significantly since the original Scoping Study was conducted. These factors, together with expectations for a reboot of the uranium sector in the medium term have encouraged the Board to revise its studies on the economics of the Project.

The revised Scoping Study is expected to be completed within 3 months, and will create a platform to consider a more detailed Feasibility Study later in 2017. External consultants DRA (processing and infrastructure) and Orelogy (resource, mining and mine-plan) have been engaged to complete the work. DRA are a South African based engineering group with extensive uranium experience, and together with Perth based Orelogy have experience working on uranium projects in Namibia.

## Context and Timing

The revised Scoping Study follows Marenica being granted a Mineral Deposit Retention Licence (MDRL) over the Project from the Minister of Mines and Energy of the Namibian Government in December last year.

Although the low grade of the deposit would normally make development challenging in all but the more optimistic uranium price scenarios, the **U-pgrade™** technology is capable of concentrating the ore (by a factor of 50x) to materially improve the economics of the project. Marenica also intends to channel the expertise within its Technical Steering Committee to revisit all parts of the mining operation to identify further performance and cost improvements. By applying this technology and technical expertise through the revised Scoping Study it is hoped to confirm that the Marenica project, with **U-pgrade™**, is viable in US\$65-75/lb uranium price range and therefore competitive with the best of new uranium projects worldwide

In addition, Marenica Energy believes the fundamentals are in place for a rebound in the uranium market in which prices will need to rise substantially to support investment in new mine capacity. Commencing the revised Scoping Study now would place the project studies on a timeline to compete with other projects when the market recovers to more sustainable long term prices.

## Details of the revised Scoping Study

The priorities of the revised Scoping Study will include;

- Examining mine production rates to arrive at an optimum mine capacity and ramp up profile
- Evaluating high grade strategies for the resource
- Evaluating alternative low cost mining methods
- Re-estimation of mining operating costs and capital costs in light of the mining cost deflation evident over recent years
- Estimation of process operating and capital costs with **U-pgrade™**
- Options analysis for concentrate processing and off take

Marenica’s MD, Murray Hill said “This revised Scoping Study will provide an opportunity for Marenica to reset the economics of the project in light of the material advancements possible using the ***U-pgrade™*** technology and the more competitive cost environment in which the industry finds itself in at the moment.”

He added “The Project’s world scale size, its shallow and easily accessible orebody and Marenica’s own ***U-pgrade™*** technology combines powerfully to demonstrate its competitive and low risk production capacity once prices recover as we expect.”

Marenica’s Chairman Doug Buerger commented “Re-focusing on the Marenica Project comes at a time where perhaps we are seeing the first green shoots in the uranium industry. We are strongly committed to the potential of this project and in taking our place in the development queue of new projects, in preparation for better times.”

He added “Progressing our own projects using ***U-pgrade™*** is both complementary and supportive of our corporate strategy of developing a portfolio of Uranium interests (which includes direct ownership and royalty streams from third party assets) and providing our shareholders with a leveraged and diversified exposure to the medium term prospects in the Uranium market.”

### Further Project information

The Marenica Uranium Project is located within Mineral Deposit Retention Licence (MDRL) 3287, covering an area of 321 km<sup>2</sup> in Namibia. It adjoins the similar Trekkopje Deposit which was acquired by Areva in 2007 as a part of the Uramin acquisition for US\$2.5 billion.

The Project has a total mineral resource (JORC) of 61 Mlbs.

<b>Total Mineral Resources as at 30 June 2016 and 30 June 2015 (at a 50ppm U<sub>3</sub>O<sub>8</sub> cut-off grade)</b>			
<b>Resource Category</b>	<b>Tonnes (millions)</b>	<b>U<sub>3</sub>O<sub>8</sub> Grade (ppm)</b>	<b>U<sub>3</sub>O<sub>8</sub> Mlbs</b>
<b>Marenica</b>			
Indicated	26.5	110	6.4
Inferred	249.6	92	50.9
<b>Total</b>	<b>276.1</b>	<b>94</b>	<b>57.3</b>
<b>MA7</b>			
Inferred	22.8	81	4.0
<b>Total</b>	<b>22.8</b>	<b>81</b>	<b>4.0</b>

The Project would involve shallow mining of the surficial deposit followed by initial processing through an ***U-pgrade™*** plant which, based on testwork to date, could produce a concentrate with a grade in excess of 5,000ppm U<sub>3</sub>O<sub>8</sub>.

Finally, the concentrate could be processed into yellowcake on site or transported a short distance by road to one of three existing processing plants for toll treatment or outright sale.

**Competent Persons Statement**

*This Mineral Resource estimate has been compiled by Ian Glacken in accordance with the guidelines of the JORC Code (2004). Ian Glacken is a full-time employee of Optiro Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit represented by the Marenica orebodies and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Ian Glacken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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