



20 May 2016

## ASX Announcement

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# ***U-pgrade*<sup>TM</sup> Metallurgical Testwork on Tumas Project produces excellent interim results**

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### KEY POINTS

- Marenica's *U-pgrade*<sup>TM</sup> metallurgical testwork program being conducted on Deep Yellow Tumas samples remains on schedule and on budget with completion expected by the end of June.
- Initial results indicate that a high recovery of uranium into a low mass, high grade concentrate can be achieved.
- Gravity processing of coarse size fractions produced a concentrate grade exceeding 13,000 ppm U<sub>3</sub>O<sub>8</sub>.
- Significant progress has been made on the crucial de-slime and carbonate removal step and results to date are exceeding expectations.
- The development of a project utilising Marenica's *U-pgrade*<sup>TM</sup> flowsheet resulting from this testwork has the potential to have comparatively low costs and an accelerated development timeline.

Marenica Energy Limited ("Marenica") is pleased to announce successful interim results from the metallurgical testwork program currently underway on bulk samples from Deep Yellow Limited's ("Deep Yellow") Tumas Project in Namibia. The tests, which are being managed by Marenica, commenced in January and are on track to be completed by the end of June.

In summary, the tests conducted to date indicate that it is highly likely that a high uranium recovery, low mass, high grade uranium concentrate can be produced from the Tumas resource by incorporating Marenica's *U-pgrade*<sup>TM</sup> process flowsheet. These results are expected to improve further with optimisation of the process.

"We are pleased that *U-pgrade*<sup>TM</sup> has again performed above our expectations in this testwork program focused on Tumas. Marenica shares Deep Yellow's enthusiasm for the potential of *U-pgrade*<sup>TM</sup> to make a material difference to the economics of their project." Marenica's Managing Director Murray Hill said.

Tumas is a suitable opportunity to commercialise the *U-pgrade*<sup>TM</sup> process. Namibia's supportive legislative environment and the presence of three potential offtakers (or toll treaters) for a high grade concentrate make it even more attractive. The testwork to date provides both companies with valuable technical information that will be critical input to discussions regarding the terms of a commercialisation agreement between the parties.

Marenica expects to provide a further detailed announcement at the completion of the testwork program which is expected in June 2016.

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