



30 October 2018

About Marenica Energy

- Marenica Energy Limited (ASX: MEY) is a minerals exploration company holding a portfolio of mineral tenements in Namibia.
- Marenica is actively looking to increase its tenement holdings.
- **U-pgrade™** is Marenica's patented beneficiation process which has the potential to significantly improve the value of secondary uranium deposits.

Investment Summary

- 75% interest in the Marenica Uranium Project in Namibia.
- 100% interest in Mile 72 Uranium Project in Namibia.
- 100% interest in Uranium **U-pgrade™** Process.

Contact

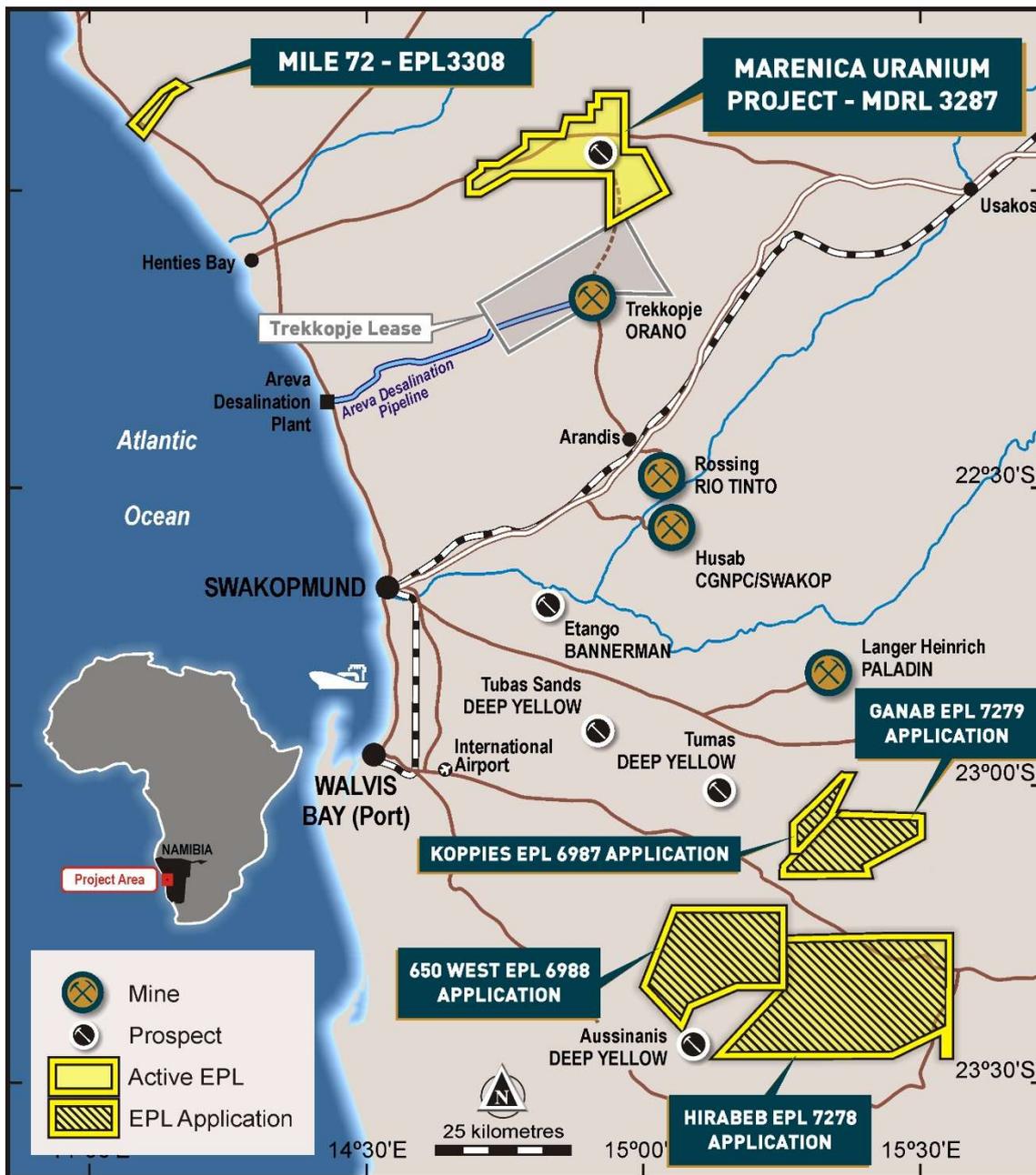
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Quarterly Activity Report for the period ending 30 September 2018

Highlights

- The Company announced a capital raising of \$1,178,000 at \$0.10 per share to fund development activities and provide working capital. The Company held \$1.465 M cash at 30 September 2018.
- The Company will continue to apply for additional tenements prospective for uranium mineralisation in Namibia.
- Due diligence continues on projects for acquisition or application of **U-pgrade™**, or both.
- Discussions continue with Paladin Energy Limited on the application of **U-pgrade™** to Paladin's Langer Heinrich mine in Namibia.

Project Locations



Additional Tenement Applications

Marenica identified additional areas prospective for uranium mineralisation and has lodged four Exclusive Prospecting Licence (“EPL”) applications with the Ministry of Mines and Energy (“MME”) in Namibia.

- EPL 6987 and EPL 7279 cover the area immediately east of Deep Yellow’s Tumas deposit.
- EPL 6988 and EPL 7278 cover the area immediately north and east of Deep Yellow’s Aussinanis deposit.

Mile 72 Project

During the quarter, Marenica requested the MME reduce the area of EPL 3308, Marenica's 100%-owned Mile 72 Project in Namibia, from 27 km² to 20 km², to exclude environmentally sensitive zones. The Company's geologists concluded that the zones were outside of the Company's exploration target area and would not impact the exploration plan.

The removal of these areas demonstrates Marenica's proactive management of environmental aspects of its exploration activities within its Namibian land holdings.

Once Marenica receives environmental clearance on the Mile 72 Project, it will commence an exploration program.

Application of the U-pgrade™ Beneficiation Process

Discussions continued with Paladin Energy Limited ("Paladin") on the application of ***U-pgrade™*** to the Langer Heinrich Uranium mine in Namibia. Both parties have publicly acknowledged the potential benefit of ***U-pgrade™*** to Langer Heinrich and Marenica looks forward to assisting with the reduction of operating costs at the operation.

Marenica continues in various stages of discussion with a number of resource owners regarding the benefits of ***U-pgrade™*** to their projects. Marenica also continues due diligence on a number of projects either for acquisition or application of ***U-pgrade™***.

Tenement Schedule

Namibia

Number	Name	Company	Interest	Area (km²)
MDRL 3287	Marenica	Marenica Minerals (Pty) Ltd	75%	321
EPL 3308	Mile 72	Metals Namibia (Pty) Ltd	100%	20
EPLA 6987	Koppies	Manmar Investments One Eight Two (Pty) Ltd	95%	49
EPLA 6988	650 West	Manmar Investments One Eight Two (Pty) Ltd	95%	379
EPLA 7278	Hirabeb	Marenica Ventures (Pty) Ltd	95%	730
EPLA 7279	Ganab	Marenica Ventures (Pty) Ltd	95%	199

Placement

During the quarter, Marenica completed a capital raising to raise a total of \$1,178,000, before costs.

The first tranche of 8,609,674 shares to raise \$860,967.40 under the Company's ASX Listing Rule 7.1 placement capacity were issued on 25 September 2018.

The second tranche of the placement is subject to shareholder approval and will place 3,170,326 shares to raise the balance of \$317,032.60 and grant the total of 5,890,000 Options.

A General Meeting will be held on 5 November 2018 seeking shareholder approval for the issue of these shares and options.

Marenica will use funds from the placement for development activities and working capital, including:

- Increasing the reach of the **U-pgrade™** beneficiation process to third-party resource owners; and
- Acquiring mining assets which the Company expects to develop in its own right.

Expenditure

The Group incurred exploration expenditure of \$25,427 during the quarter.

What is U-pgrade™?

Marenica 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 has been undertaken on ore samples from a number of other sources.

In summary, Marenica has demonstrated, in bench scale testwork, that the **U-pgrade™** beneficiation process;

- 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
- Potentially reduces operating costs by ~50% and capital costs by ~50% as compared to conventional processing.

Beyond application at the Marenica Uranium Project, Marenica has determined, through bench scale testing, that Deep Yellow's Tumas deposit, Paladin's Langer Heinrich deposit, Orano's Trekkopje deposit and Toro Energy's Wiluna deposit, are amongst those that are amenable to the **U-pgrade™** process.