



ASX RELEASE

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About Marenica Energy

- Marenica Energy Limited (ASX: MEY) is a minerals exploration company holding a portfolio of mineral tenements in Namibia and Australia.

- Marenica is currently focused on the development of its propriety Uranium *U-pgrade™* process

U-pgrade™ is a beneficiation process for upgrading secondary uranium deposits.

- Marenica's principal project is the 75% owned Marenica Uranium Project in Namibia.

Investment Summary

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

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Quarterly Activity Report for the period ending 30 September 2017

Highlights

Uranium *U-pgrade™* Process

- *U-pgrade™* amenability testwork program on Langer Heinrich ore samples is in progress.
- The Company is actively engaged with Paladin Energy Ltd in assessing the opportunity *U-pgrade™* presents to reduce the costs at the Langer Heinrich Mine.
- Discussions continue with other resource owners with the aim of applying *U-pgrade™* to their projects.

Uranium *U-pgrade*TM Process Technology

During the June quarter Marenica and Paladin Energy Limited (“Paladin”) agreed to conduct an *U-pgrade*TM amenability testwork program on low grade ore samples from Paladin’s 75%-owned Langer Heinrich Uranium Mine (“LHM”) in Namibia. Samples collected from the LHM site were received in Perth in late August for testing. The aim of the testing is to confirm the substantial benefits of Marenica’s proprietary *U-pgrade*TM process to LHM; including reduced unit operating costs and increased future production. At the end of the September quarter the testwork still was in progress.

Marenica developed *U-pgrade*TM on calcrete hosted uranium ore from its namesake deposit in Namibia. Marenica have completed testwork on ore samples from many Namibian calcrete hosted uranium sources, concluding that the mineralogy is similar for all deposits, and the Company’s proprietary *U-pgrade*TM process is expected to have a positive impact on the cost of U₃O₈ production from these styles of deposits. The Company believes that the Langer Heinrich ore is very similar to all ores previously tested through *U-pgrade*TM. Marenica considers the Langer Heinrich ore to be a prime candidate for application of *U-pgrade*TM and are keen to demonstrate the amenability of *U-pgrade*TM to the highest grade uranium deposit in Namibia and the only operating mine processing calcrete ore.

The company is actively engaged with Paladin in assessing the opportunity *U-pgrade*TM presents to reduce costs at LHM.

Marenica are in discussions with a number of resource owners to enable Marenica to demonstrate the benefits of *U-pgrade*TM on their projects.

Tenement Schedule

The Group holds the following mineral tenements at the end of the quarter. There was no changes to tenement holdings during the quarter.

Namibia – Marenica Minerals (Pty) Ltd (Marenica 75%)

- MDRL3287

Australia – Marenica Energy Ltd

- Vic Loc 118; Vic Loc 119 and Vic Loc 833

Expenditure

The Group incurred exploration expenditure of \$39,170 during the quarter.

What is U-pgrade™?

Marenica has previously developed a beneficiation process for upgrading surficial uranium ores. Marenica has developed this potentially disruptive technology on ore samples from its namesake Marenica Project in Namibia and since then testwork been undertaken on ore samples from other sources. The Company has demonstrated in bench scale testwork that it can concentrate the uranium from its low grade calcrete hosted uranium deposit in Namibia (Marenica). In summary, on that ore, ***U-pgrade™*** has demonstrate that it;

- Rejects ~98% of the mass prior to leaching
- Concentrates the uranium by a factor of 50
- 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

End