



29 January 2019

### 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.

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## Quarterly Activities Report for the period ending 31 December 2018

### Highlights

- The Company finalised a capital raising of \$1.18 million to fund exploration activities and provide working capital.
- Cash at Bank \$1.4 million.
- The Company is now debt free.
- Deep Yellow's Tumas channel likely to extend into Marenica's tenement applications.
- Mile 72 – Environmental clearance received – drilling planned to commence during the March quarter.
- The Company applied for additional tenements prospective for uranium mineralisation in Namibia.
- Discussions continue on projects for acquisition or application of **U-pgrade™**, or both.
- Discussions continue to incorporate **U-pgrade™** in third party development and production projects.

## Project Locations



## Additional Tenement Applications

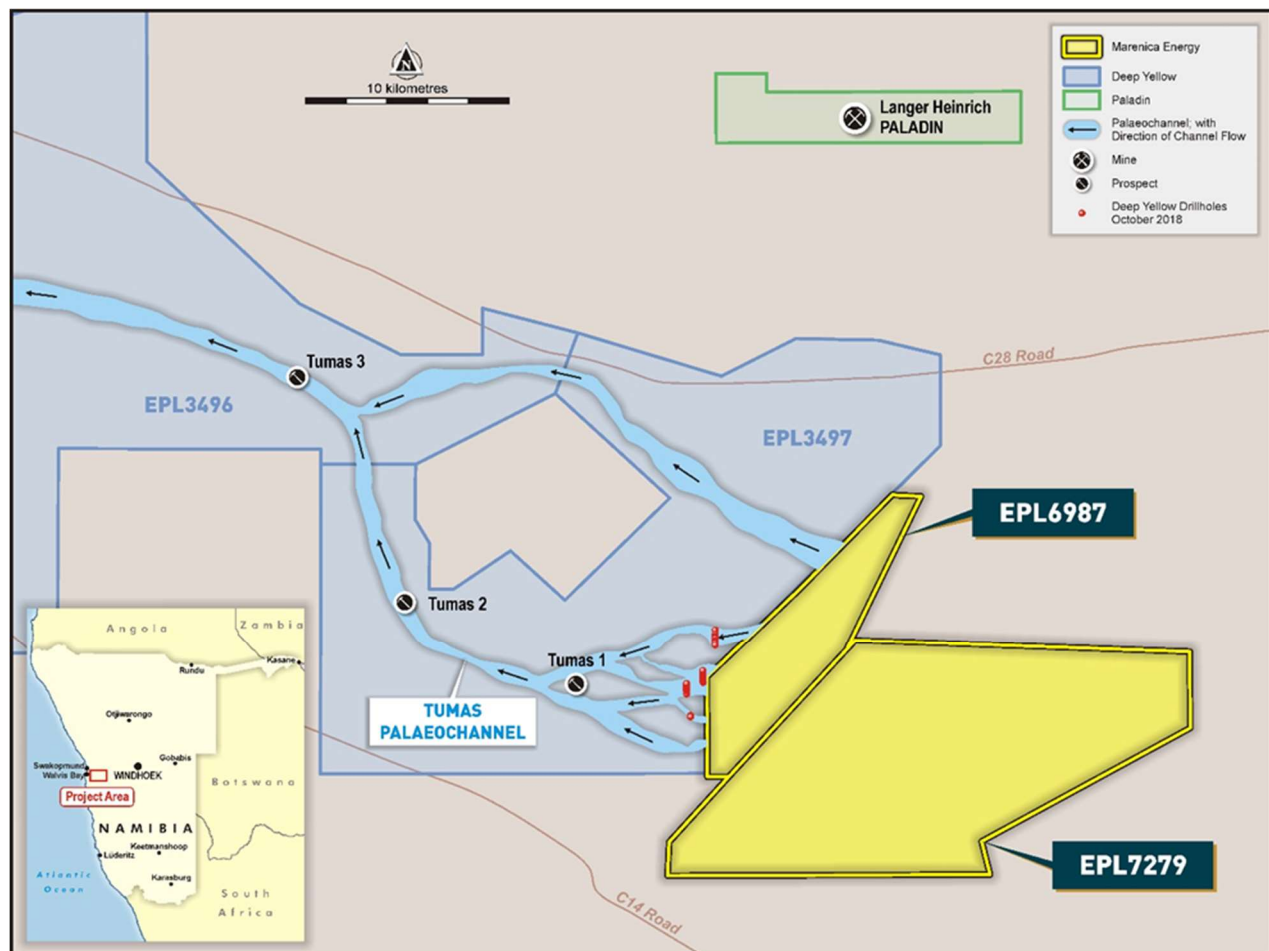
The Company believes the four tenement applications lodged last year, covering the area south of the Swakop River in Namibia, to be prospective for calcrete hosted uranium mineralisation. To add to this area, Marenica lodged an additional two EPL applications covering areas east of Tumas and southeast of Langer Heinrich.

- EPL 7435 (Skilderkop) is located southeast of Langer Heinrich
- EPL 7436 (Amichab) is located east of Tumas

Marenica notes that during the quarter, Deep Yellow Limited (“DYL”) (ASX: DYL) released positive drilling results at its Tumas Deposit (EPL 3497) in Namibia. The DYL announcements highlighted eastern extensions to the recently discovered Tumas East channel on DYL’s EPL 3497, with the most eastern line of drilling within 100 metres of the eastern boundary of DYL’s tenement. Marenica’s tenement application EPL 6987 adjoins the eastern boundary of EPL 3497 along a 17.5 km length, and Marenica’s EPL 7279 extends that area further to the east (see Figure 2).

The Tumas channel flows from east to west, with the source of the secondary uranium deposited in the channel likely to be originating from the mountains to the east. Marenica’s EPL applications are upstream of the Tumas deposit, with the uranium having likely flowed through the area covered by Marenica’s EPL applications.

**Figure 2 Location of EPL Applications Relative to Tumas Channel**



Marenica considers all of its EPL applications to be prospective for calcrete hosted uranium and is ready to commence an immediate exploration program should the EPL’s be granted. Marenica has previously confirmed the application of its patented **U-pgrade™** beneficiation process to the Tumas deposit and is highly confident that **U-pgrade™** could be applied to any uranium mineralisation identified on these application areas.

All EPL applications are currently undergoing due process with the Ministry of Mines and Energy in Namibia.

Marenica continues to investigate areas in Namibia prospective for uranium mineralisation.

## ***Mile 72 Project***

During the quarter, Marenica received environmental clearance on the Mile 72 Project, and plans to commence an exploration program in the first quarter of 2019.

Marenica has identified, from historical maps, areas prospective for uranium mineralisation near Mile 72, and lodged two EPL applications covering the area.

## ***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 processing facility.

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 to investigate projects either for acquisition or application of ***U-pgrade™***.

## ***Tenement Schedule***

Namibia

Number	Name	Company	Interest	Area (km <sup>2</sup> )
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
EPLA 7368	Trekkopje East	Marenica Ventures (Pty) Ltd	95%	17
EPLA 7435	Skilderkop	Marenica Ventures (Pty) Ltd	95%	190
EPLA 7436	Amichab	Marenica Ventures (Pty) Ltd	95%	251
EPLA 7507	Autseib	Marenica Ventures (Pty) Ltd	95%	688
EPLA 7508	Capri	Marenica Ventures (Pty) Ltd	95%	987

“EPLA” denotes an EPL application

## ***Placement and Debt***

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

During the quarter, Marenica eliminated debt of \$1.65 million and is now debt free.

## ***Expenditure***

The Group incurred exploration expenditure of \$33,765 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.