



14 September 2015

## ASX Announcement

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### EGM Chairman's Address

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Thank you for your attendance at Marenica Energy Limited ("Marenica" or "The Company") Extraordinary General Meeting today.

One of the reasons for holding this meeting is that in May 2015 Mingsun Technology Co Limited ("Mingsun") invested \$356,000 in Marenica in return for a 9.6% shareholding in the Company. This Shareholder meeting has been called to have the share placement to Mingsun ratified. In addition we seek your approval to issue options to Mr Nelson Chen and Mr Lou Guo Qing as a Success Fee for introducing Mingsun to the Company. Finally we are also seeking approval for the issue of shares to our Chief Executive Officer ("CEO") Murray Hill in lieu of a portion of his salary. These later two matters are decisions that make a lot of sense for Marenica given the difficult financing environment facing the entire resources focused small cap community. Importantly it again demonstrates the confidence of Management and Directors in the **U-pgrade™** technology and the ability of the Company to successfully commercialise this breakthrough technology.

**U-pgrade™** was developed on the Marenica Calcrete Uranium deposit in Namibia and is estimated to reduce the operating and capital costs of processing Calcrete deposits by around 50% as compared to conventional process technology. The next step in the commercialisation of **U-pgrade™** is to identify a number of potential applications from which further funding can be raised at an acceptable cost to the Company.

We have always had a high level of confidence that **U-pgrade™** will be applicable to all calcrete uranium ores with metallurgical characteristics similar to the Marenica deposit found in Namibia. The question is will it apply elsewhere in the world and thus present further opportunities to apply the new process. To answer this question we have over the past four months been doing testwork on Western Australian Wiluna uranium calcrete ore, owned by Toro Energy Limited ("Toro").

Murray Hill has been leading the **U-pgrade™** team of experts from Commonwealth Scientific and Industrial Research Organisation ("CSIRO") scientists and the Company's Technical Steering Committee ("TSC") doing testwork on Toro ore from Wiluna. The **U-pgrade™** testwork programme can be divided into three stages. The results from stages 1 and 2 of the testwork programme have produced outstanding results. I am similarly confident, based on more recent work, that stage 3 will yield similarly positive results.

The testwork on Toro ore to date has produced results which are superior to the outcomes achieved with Marenica ore, primarily through higher uranium recoveries. Needless to say that Marenica is extremely bullish on the possibility that **U-pgrade™** can play a meaningful role in improving the economics and value of the Wiluna deposit. The impact of these results to Toro is as stated by Toro in the ASX announcements dated 18 August 2015 and 4 September 2015 "...realising a capital and operating cost saving to the (Wiluna) project".

We will be looking to progress our relationship with Toro over the coming months.

We are really pleased the **U-pgrade™** process has demonstrated potential to make a significant improvement in the Wiluna Project. Further we have shown the capability of our truly world class team and the ability of **U-pgrade™** to adapt to a variety of calcrete deposits which are known today.

The **U-pgrade™** results achieved to date pave the way for application of **U-pgrade™** to Australian ores in addition to the significant Uranium calcrete deposits available in Namibia.

As Chairman and shareholder of this Company I am excited by the business opportunity of **U-pgrade™**. Clearly uranium ore, from anywhere in the world, with the right characteristics, is a valid target for the **U-pgrade™** process and the resultant operating and capital cost savings.

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