



15 February 2016

ASX Announcement

***U-pgrade™* to test Deep Yellow uranium ore**

Key Points

- **Deep Yellow signs Services Agreement for *U-pgrade™* testwork program**
- **Program fully funded by Deep Yellow**
- **Tests on Deep Yellow's Tumas project ore to be completed by June, 2016**
- **Testing program provides a pathway to a Commercialisation Agreement**

Marenica Energy will test its proprietary ***U-pgrade™*** process technology on uranium ore samples from Deep Yellow Limited's (ASX:DYL) Tumas project in Namibia.

Tumas is located in the same region of Namibia as the Marenica project and shares many similar metallurgical properties.

The testwork will be undertaken as part of a Services Agreement and Statement of Work with Deep Yellow Limited and relate principally to a bench scale testwork program to assess the level of amenability of Marenica's proprietary ***U-pgrade™*** process technology to the Tumas bulk samples.

Marenica has already started testwork on the first bulk sample provided. An additional bulk sample arrived in Perth last week.

The program is expected to be completed towards the middle of 2016, although interim milestone results will be released to the market as they become available.

DYL will meet the total cost of the program, including the extraction and delivery of the samples to the testwork laboratories in Perth. The cost of the local testwork program is estimated at \$A265,000. Approximately \$A70,000 of this represents fees for services provided directly by Marenica.

The parties have agreed in principle that commercialisation discussions will follow a successful outcome of this testwork program. These discussions will focus on an arrangement in which the Tumas orebody and the ***U-pgrade™*** technology can be commercially combined.

"This is an important stepping stone to demonstrating that ***U-pgrade™*** can be applied successfully on another resource. The successful completion of this testwork will build further industry credibility and generate momentum amongst resource owners to utilise this game changing technology," said Marenica CEO, Murray Hill.

Mr Hill said, "This agreement with DYL follows an earlier arrangement in which Marenica successfully demonstrated the commercial potential of our ***U-pgrade™*** technology on ore samples from Toro Energy Limited's Western Australian calcrete hosted uranium ore from their Wiluna project in Western Australia."

ENDS

About Marenica

Marenica Energy Limited (MEY) is an ASX listed uranium exploration company which is developing its patented **U-pgrade™** technology which can upgrade low grade calcrete uranium deposits into a commercial grade concentrate. Marenica's **U-pgrade™** process technology, can halve operating and capital costs of low grade calcrete uranium deposits, converting previously stranded resources into potentially viable projects.

On 8 February, 2016 Marenica agreed with Hanlong Energy Limited on revised terms for the outstanding Convertible Note, clarifying the maturity of the Note, providing certainty for new investors and opening new funding pathways to Marenica which will accelerate the development of the **U-pgrade™** technology.

Marenica has developed this potentially disruptive technology on ore samples from the Marenica project in Namibia. In summary, on that ore, **U-pgrade™** has demonstrated 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 50-70% and capital costs by 30-50% compared to conventional processing

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