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Marenica Energy Limited

Annual General Meeting 2010



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Marenica Uranium Project

- Right Time, Location and Project

Uranium – Attractive Industry Dynamics

- 2015 Spot price predicted to move to **US \$60-70**.
- Growth from China, India, Russia, Korea and Japan.
- Production not keeping up with forecasts .

Namibia - Premier Uranium Mining District

- Modern, politically stable country, long history of U
- World-class uranium province, +12% of world's uranium.
- 30km north of Trekkopje Uranium Mine (AREVA.)

Marenica – Large Secondary U Deposit

- Positive economics for Heap Leach processing
- Production potential 3.5 Mlbs U₃O₈ per year
- Mine life 13 years
- Resource 85Mlbs and growing



Company Snapshot (at completion of RI)



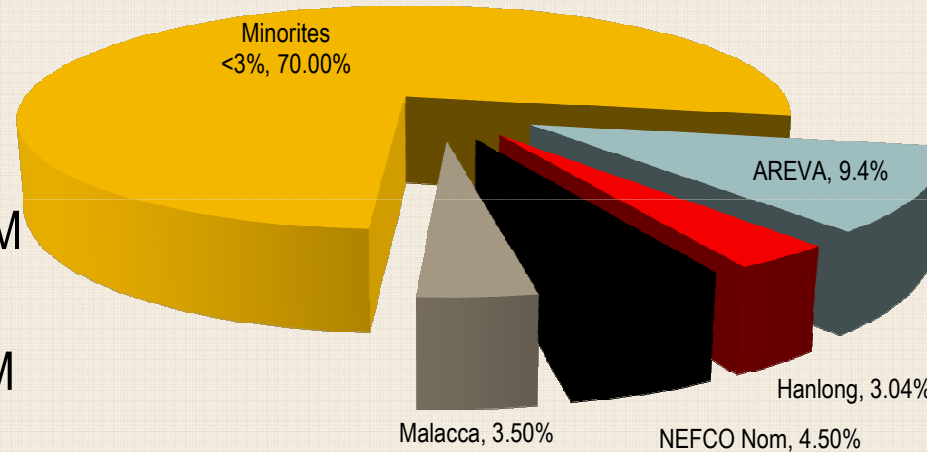
Capital Structure

- Share price - A\$ 0.095
- Ordinary Shares - 499M
- Options - 64M
- Convertible Notes
\$2M (28,571,429 shares if converted)
- Fully Diluted - 591.5M
- Top 20 - 63%
- Market Cap (U) - A\$47M
- Debt - \$2M
- Cash - A\$3.5M

Exchanges

- Listed MEY (ASX),
- WTT (Frankfurt),
- WAM (NSX)

Shareholder Profile



Hanlong - \$5M funding Agreement and MOU

- ✓ Vision to build a world class mining group
- ✓ Hanlong Mining Group investing US\$5 B

Directors and Management

- Strong technical background



- **John A Young - *Chief Executive Officer, Geologist***
 - geologist with + 20 years experience and has worked on a wide variety of mineral and resource projects. Served in senior management and operational positions, recently as CEO and director of AIM and ASX listed Thor Mining PLC.
- **Robert Pearce - *Chairman, Chartered Accountant***
 - responsible for the day to day management, financing and expansion of a number of resource companies over the last 35 years.
- **Douglas Buerger – *Non-Executive Director, Geologist/Geochemist***
 - geologist with + 40 years industry experience, most recently as director and CEO of Bendigo Mining Limited. Born in Namibia, Mr Buerger spent first ten years of his career there with Tsumeb Corporation Limited.
- **Gavin Becker – *Non-Executive Director , Metallurgist***
 - metallurgist with over 35 years industry experience, in senior operational, R&D, feasibility study and consulting roles on lead / zinc, gold, uranium, copper and nickel mines.
- **David Sanders – *Non-Executive Director, Lawyer***
 - advises numerous ASX listed companies, on capital raising, mergers and acquisitions.

Funding/Offtake MOU with one of China's largest private co's

- Group has over 12,000 staff and 30 subsidiary companies.
- Revenues of over 16 billion RMB.
- Mining, energy, pharmaceuticals, high technology, food and beverage, chemicals, infrastructure development, tourism development and real estate.
- The Group currently holds substantial interest in four listed companies:
 - *Hongda Group, market capitalisation of 16.7 billion RMB;*
 - *Jinlu Group, market capitalisation of 3 billion RMB;*
 - ***Moly Mines, listed on the (ASX and TSX) with a market capitalisation AUD240 million (\$700M investment)***
 - *General Moly, I NYSE & TSX) with a market capitalisation USD210 million*
- Hanlong Group has strategic relationships with a number large Chinese steel mills and nuclear power generators.
- Mining projects in key resources such as molybdenum, iron,ore, uranium and coal

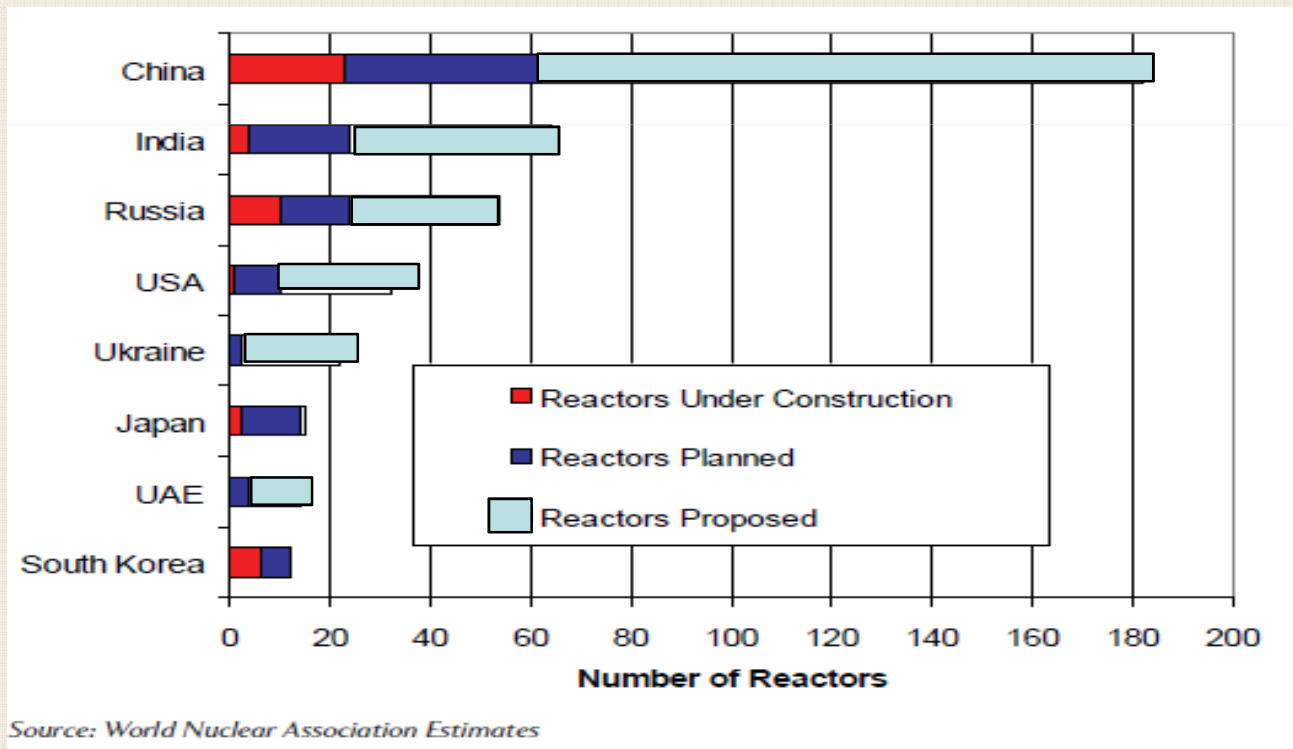


Uranium Market Outlook

- Nuclear Renaissance Underway



- **The number of operating nuclear reactors in the world (441)** has virtually remained unchanged for the last 30 years.
- This is about to change with **537 reactors under construction, planned or proposed**.
- **Current deficit is 53Mlb** with 441 reactors (ie supplied from secondary supplies)



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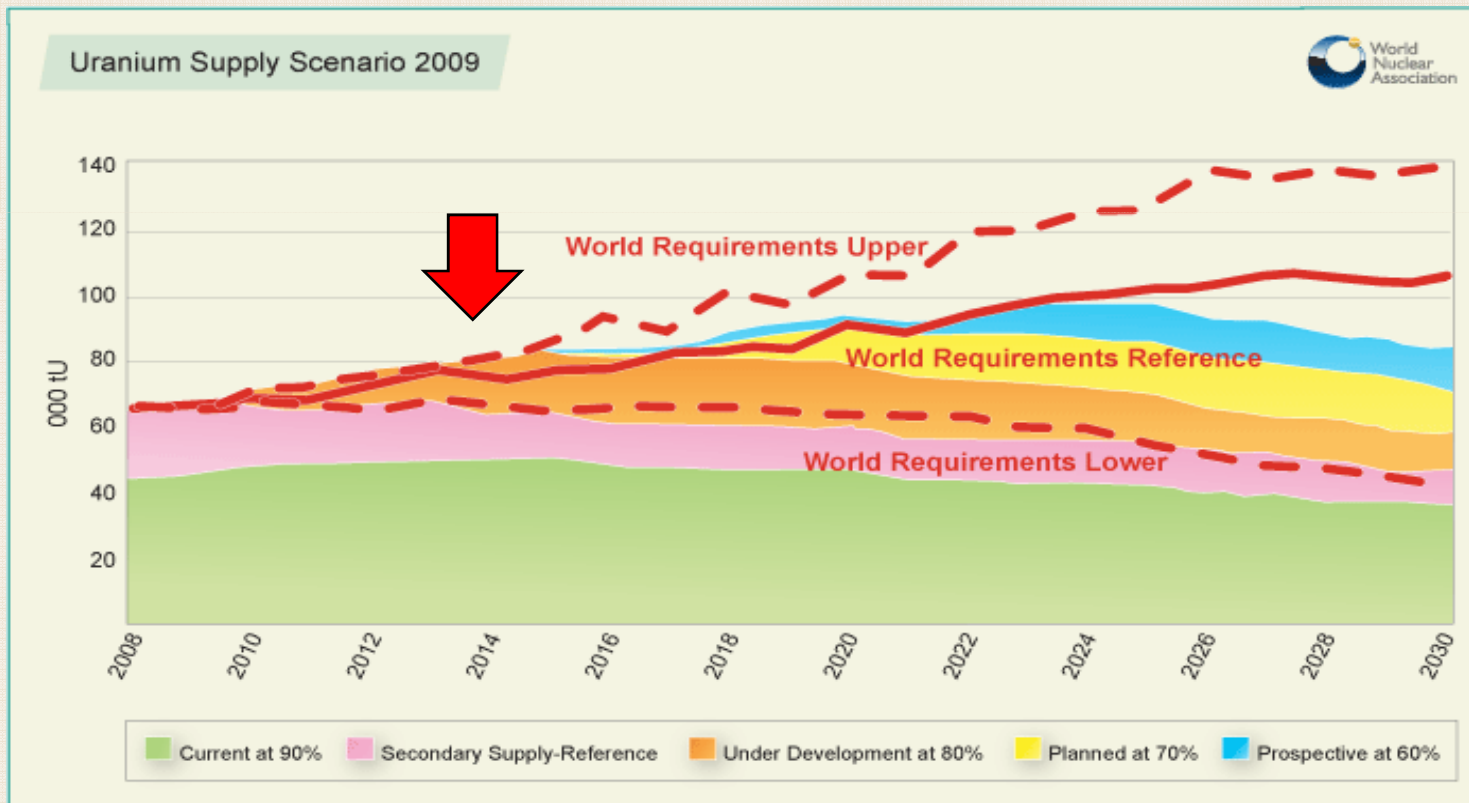
Uranium Market Price

- Nuclear Renaissance Underway



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- Current Long Term price at \$63
- Expected spot price to move to \$65 in 2013
- HEU supply to end 2013



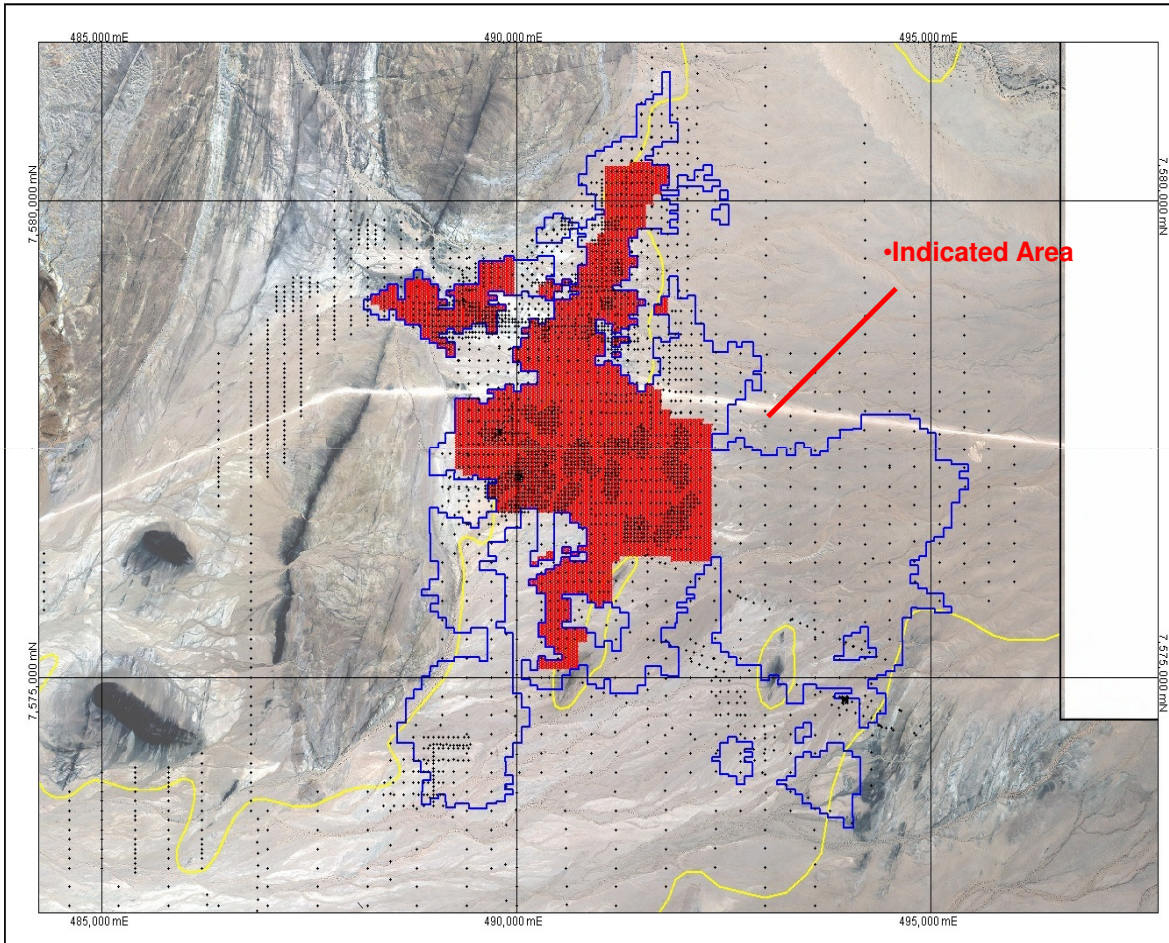
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Current Resource Status



MEY 2010

- Updated resource for HL (SRK Consulting)
- Mineral Resource estimate of **648 million tonnes at 97ppm for 138M lbs**
- Includes 30.6Mt @ 175ppm for an Indicated **12 Mlbs U₃O₈**
- Metallurgical Testwork
- Scoping Study



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Results – Scoping Work



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- ✓ Optimised pit shell~ 57Mlbs (270Mt)
- ✓ Average grade 107ppm (can be upgraded)
- ✓ **Positive economics** for large Heap Leach
- ✓ ON/Off Leach Pads
- ✓ Bulk Mining methods for **20Mtpa** (base case)
- ✓ Mine life up to **13 years**
- ✓ Assumed Metallurgical recoveries 78%
- ✓ Alkaline leach followed by ion exchange (IX)
- ✓ Production of 1500 tonnes U3O8 pa
- ✓ No environmental “show stoppers”
- 9 ✓ Further Drilling can increase grade and size



Results – Technical Economic Model



- OPEX estimated to be **US\$38 per lb**
- Net Operating Cash of US\$86M pa
- CAPEX estimated to be \$260 million
- Five-year pay back
- Definitive feasibility study to be completed by end of 2012
- First production targeted for 2014

Description	Units	HL_UC5mZ
		50ppm
Total Ore processed	(Mt)	134.6
Contained U ₃ O ₈	(MIb)	57.3
Recovered U ₃ O ₈	(MIb)	44.9
Mine Life	(years)	13
Ore processed per year	Mt	10.4
Net Revenue	(USDm)	2,828
Operating Costs	(USDm)	1,709
Net operating cashflow	(USDm)	1,119
Capital Costs	(USDm)	260
Net Project cashflow	(USDm)	859
Payback	(year)	5
Cash cost	(USD/lb U ₃ O ₈)	38.10
Total cost (incl capital)	(USD/lb U ₃ O ₈)	43.90

Prefeasibility Level test work



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Metallurgical Optimisation

- Agglomeration and % upgrade
- Leach characteristics
- Reagent and water consumption

Resource Infill Drilling

- Improve grade and tonnes
- Improve resource category

Mining Optimisation

- Review Mining costs
- New Mining Model - schedule



→ \$\$ Enhanced \$\$ Economic Model 2011

Road to production

2009 Drilling

- Establishment of resources
- Preliminary metallurgy

2010 Scoping study

- Ore sampling
- Lab tests Tank L vs Heap L
- Positive Economic model
- First column tests

2011 Feasibility studies

- Resource to Reserve Drilling
- Complementary column tests
- Engineering /Process design
- Environmental/Infrastructure



2014 Production

2013/14 Construction

Uranium
Prices &
Demand

2012 Definitive Metallurgy

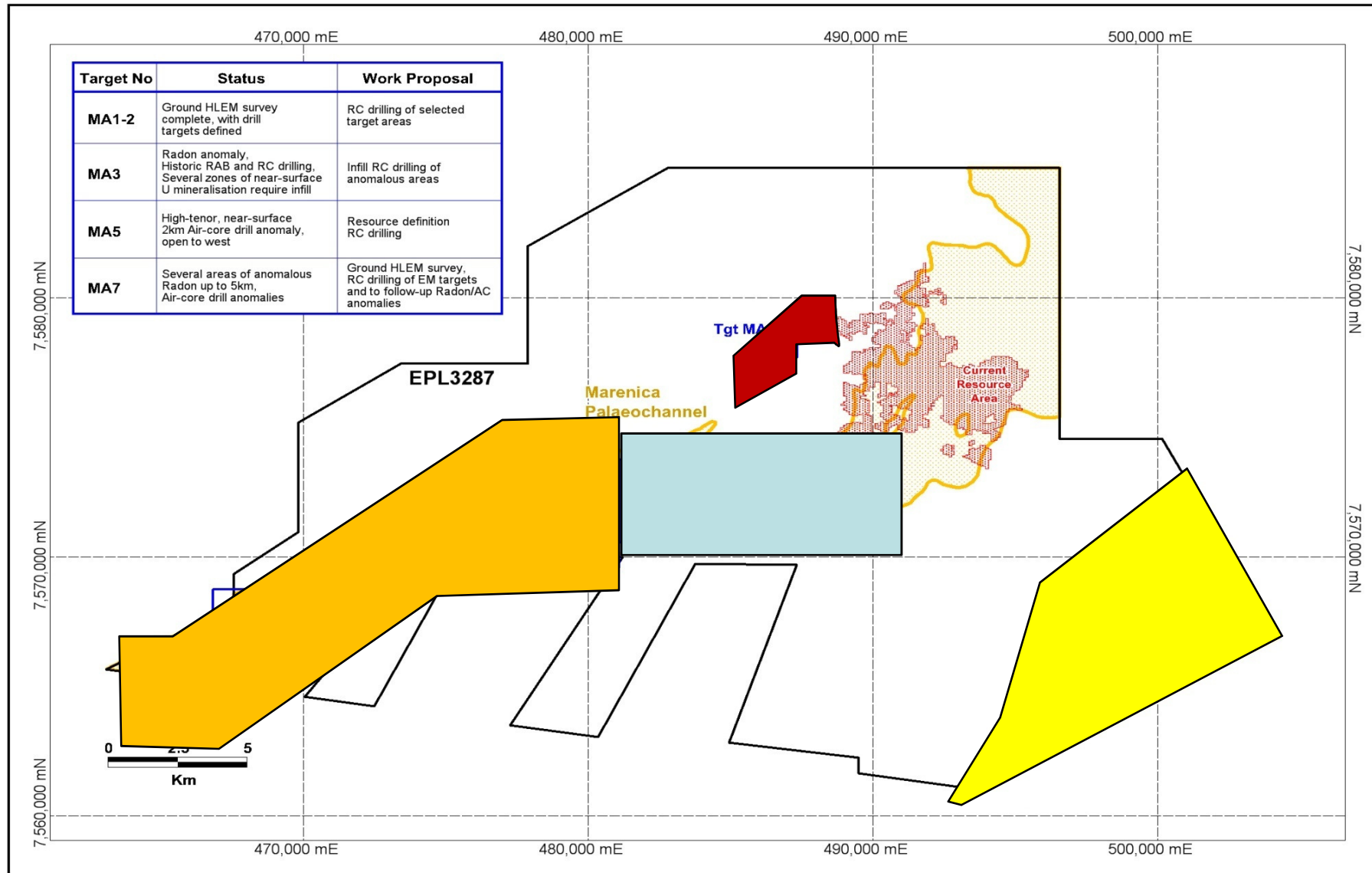
- Pilot tests in boxes
- Trial Heap Leach
- Completion of DFS

Marenica exploration 2010

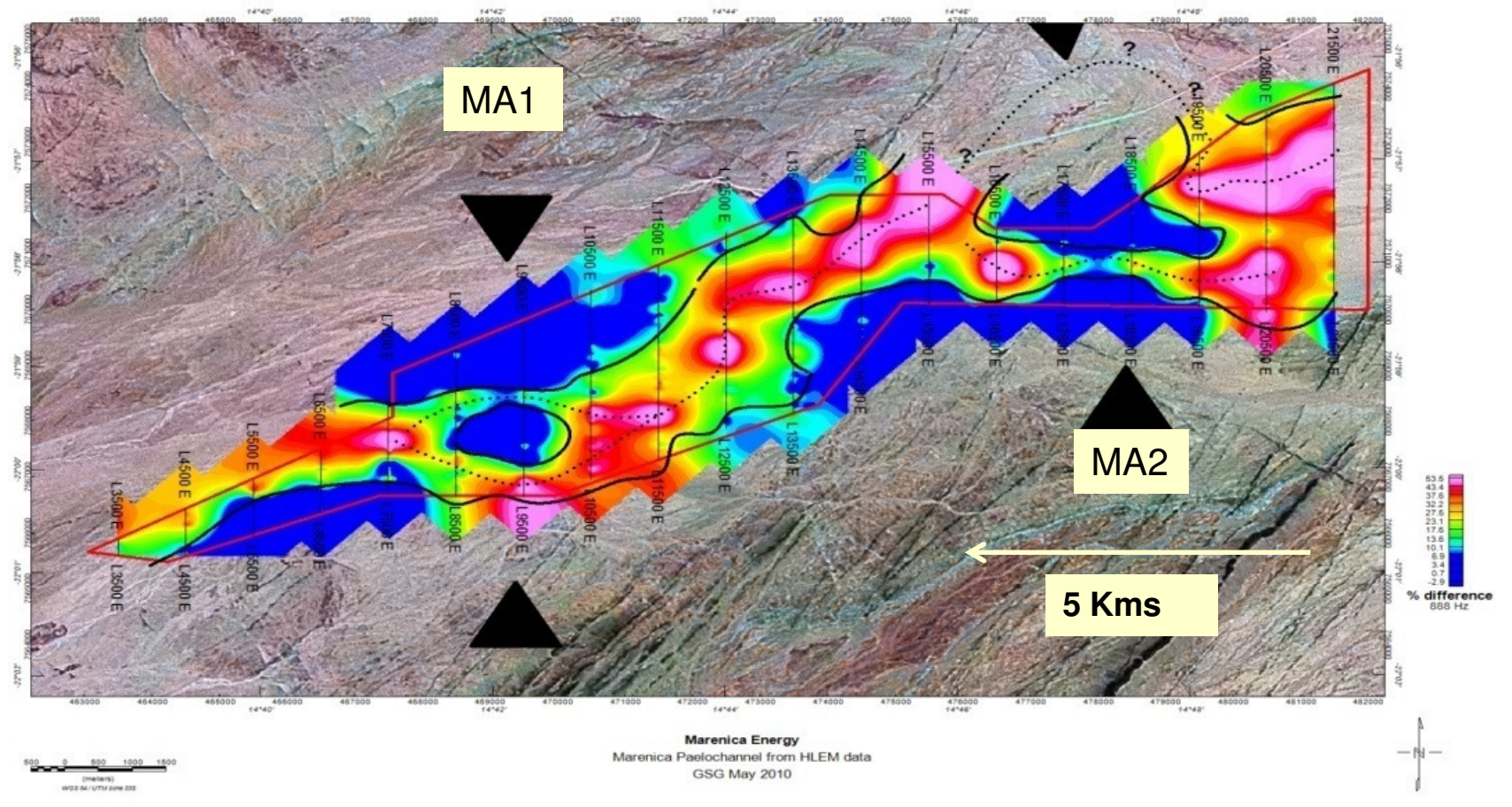


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Marenica exploration 2010

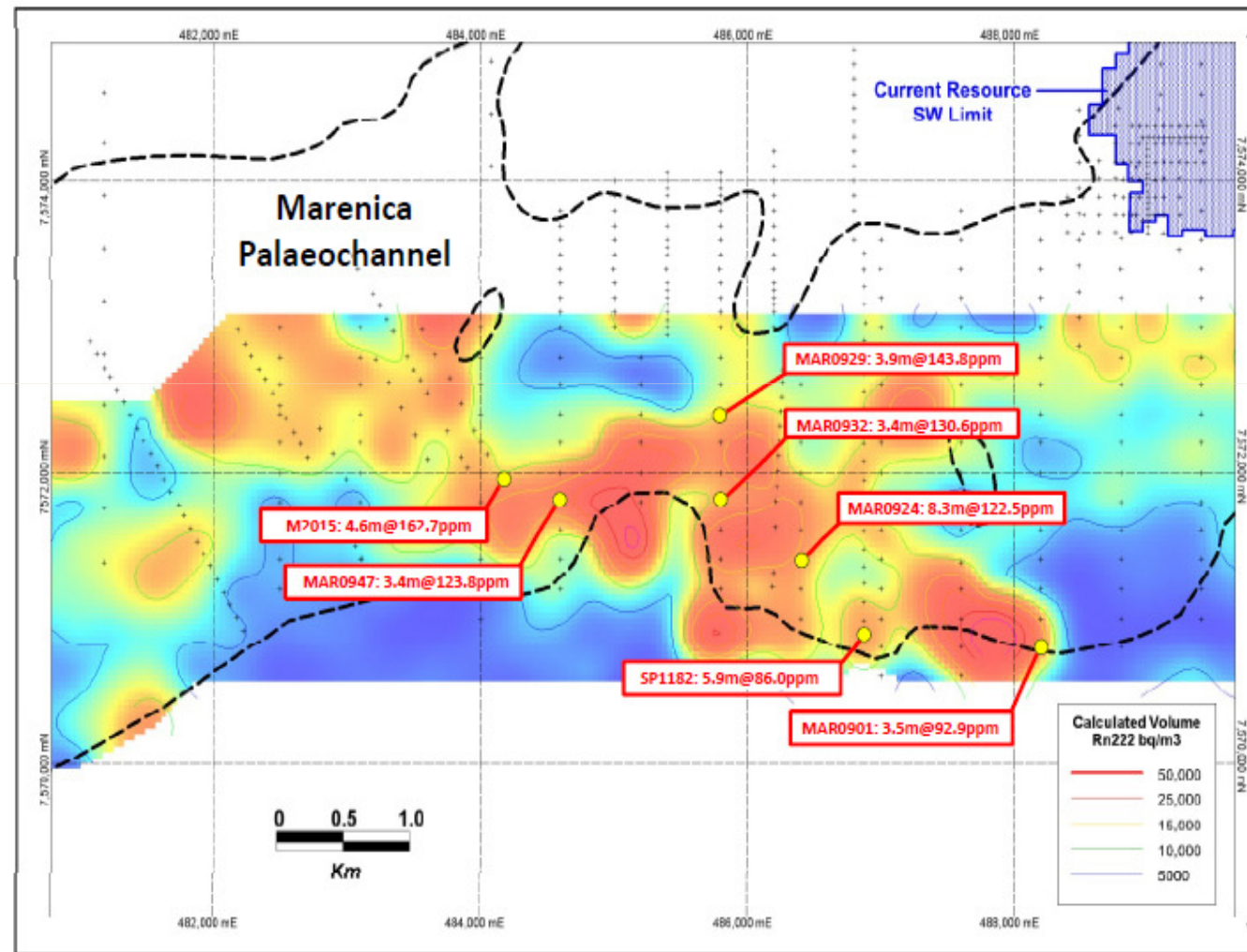


- ✓ EM Targets MA1 and MA2 in the western Marenica paleochannel
- ✓ RC drilling planned

Marenica Target MA3 - Geluk



- + 4km high-tenor Radon anomaly
- Potential SW-extension to existing resource
- Near-surface U_3O_8 mineralisation (0-15m)
- Current wide-spaced drill pattern (500m x 200m)
- Infill RC drilling planned



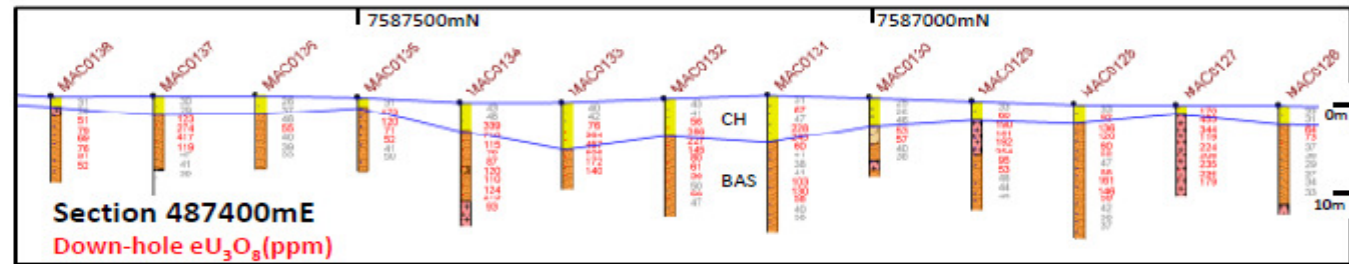
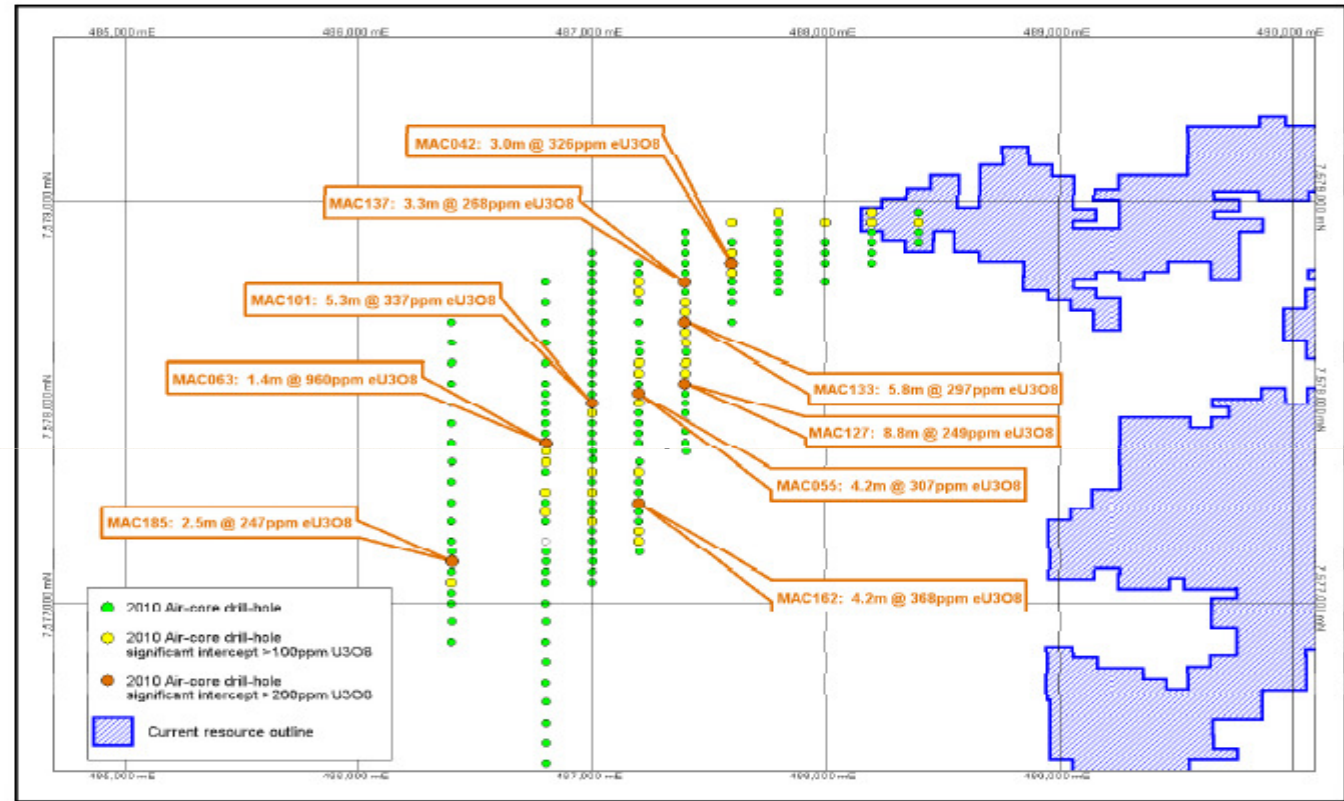
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Exploration Success at MA5



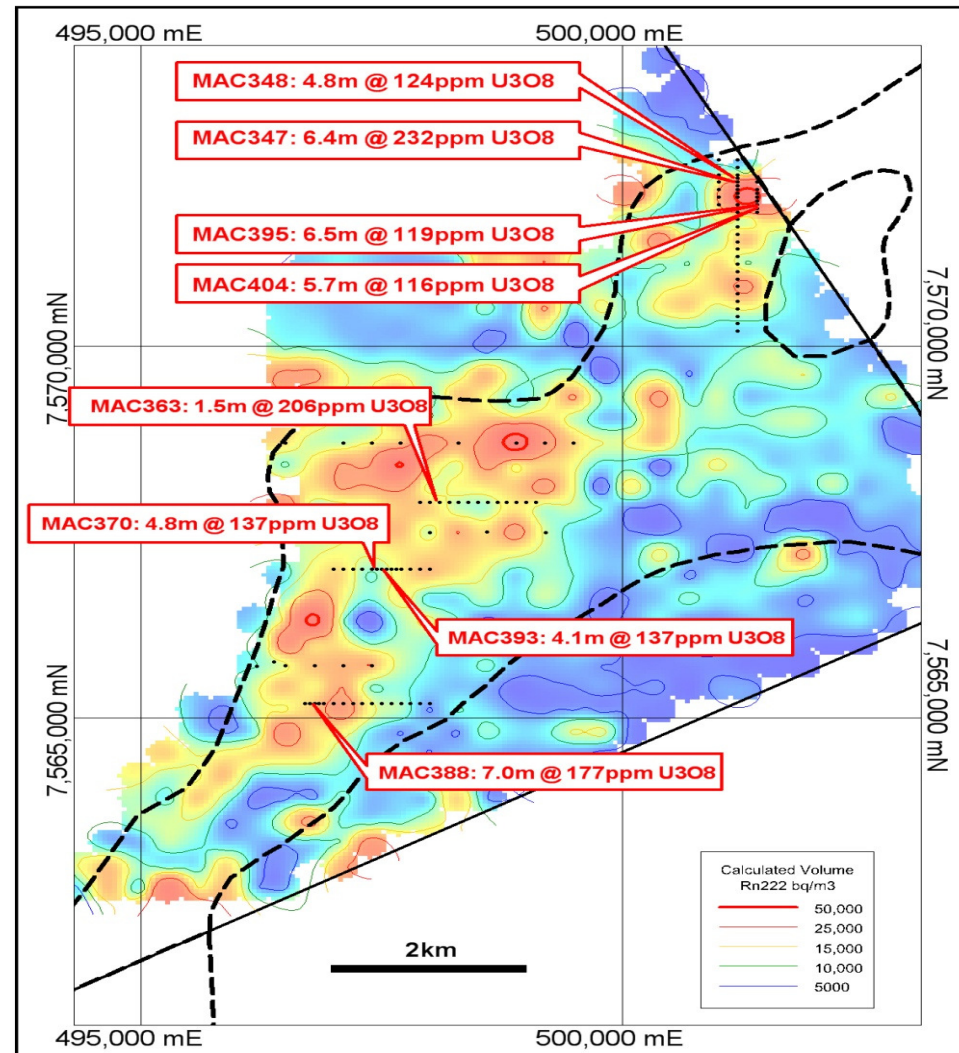
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- 2km high-tenor Air-core drilling anomaly, open to west
- Western extension to existing resource area
- Near-surface U_3O_8 mineralisation (0-15m depth)
- Hidden, conceptual target (no significant radiometric signature)
- Resource definition RC drilling planned



Marenica Target MA7

- Major channel hosts Spitzkopje deposit – 12Mlbs and tributary to Trekkopje
- Track-etch Radon Survey
- RC Drilling **2008** – 600m
- Air-core drilling **2010** – 50 to 100m
 - ✓ 6.4m @ 232ppm U_3O_8 (MAC347)
 - ✓ 6.5m @ 119ppm U_3O_8 (MAC395)
 - ✓ 7.0m @ 177ppm U_3O_8 (MAC388)
- Ground EM survey and follow-up drilling planned for Q3 2010



Marenica Project – The Next 12 Months



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- **Funding/Offtake MOU with one of China's largest private co's**
- Continue to expand resource base + 100Mlbs
- Pre-Feasibility is underway on the Marenica Deposit
- Advance Regional drilling on emerging Targets MA1 to MA7
- Continuing evaluation of corporate and project opportunities
- Expectations are that long term U demand fundamentals will remain strong



Disclaimer and Competent Person's statement



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Competent Persons Statement

- *Information in this report that relates to exploration results is based on information compiled by Dr Erik van Noort, who is a Member of the Australian Institute of Geoscientists. Dr van Noort is a full-time employee of Marenica Energy Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr van Noort consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*
- *"The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by a team of full time employees of SRK Consulting (UK) Ltd which was directed by Dr Mike Armitage. Dr Armitage who is a Member of the Institute of Materials, Minerals and Mining and a Fellow of the Geological Society of London, both of which are 'Recognised Overseas Professional Organisations' ('ROPOs'), is the Chairman of SRK Consulting (UK) Ltd and has taken responsibility for the mineral resource aspects of SRK's work. Dr Rob Bowell, a Principal Geochemist with SRK and who is also a Fellow of the Geological Society of London takes responsibility for any comments related to exploration results and metallurgical testwork. Other team members, Dr John Arthur and Ms Tracey Laight are both Fellows of the Geological Society of London, Dr Arthur is also a Member of the Institute of Materials, Minerals and Mining. Both Dr Armitage and Dr Bowell have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Dr Armitage and Dr Bowell consent to the inclusion in this announcement of the matters based on their information in the form and context in which these appear."*

eU308

- *Where eU308 is reported it relates to values attained from radiometrically logged boreholes. The probe has been calibrated at the Pelindaba Calibration facility in South Africa. Down hole spectral gamma logging/probing of drill holes provides a powerful tool for uranium companies to explore for, and evaluate, uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole out to around 0.5 metre from its centre - the gamma probe is therefore capable of sampling a much larger volume than that which would normally be recovered from a core or RC hole. These measurements are used to estimate uranium concentrations with the commonly and accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma emitters. If uranium is not in equilibrium (viz. in disequilibrium) – as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products - then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in the announcement*