



08 February 2018

ASX Announcement

Highly Successful *U-pgrade*TM Testwork on Langer Heinrich Ore

KEY POINTS

- **Highly successful *U-pgrade*TM amenability testwork program.**
- **Results indicate potential to create extremely low volume and high grade concentrate with high recovery.**
- **Results indicate *U-pgrade*TM reduces one tonne of mined ore to only 25 kilograms of ore for presentation to the leach plant, whilst increasing the grade by approximately 35 times.**

Marenica Energy Limited (“Marenica”) advised the market on 29 August 2017 that it had received ore samples collected from the Langer Heinrich uranium mine in Namibia and that Marenica would undertake amenability testwork on the samples using its patented *U-pgrade*TM beneficiation process. Langer Heinrich is 75% owned by Paladin Energy Limited (“Paladin”).

The focus of the testwork was on detailed mineralogical ore characterisation and laboratory scale testing of critical unit operations in the *U-pgrade*TM flowsheet. Marenica has tested many ores through this same procedure and has a thorough understanding of the critical characteristics to determine the expected performance of particular ore through the *U-pgrade*TM process. The testwork on Langer Heinrich ore was completed on a single composite prepared from four individual samples taken from the Langer Heinrich low grade stockpiles.

The results were very positive and indicated that the Langer Heinrich ore outperformed all other ores previously tested by *U-pgrade*TM.

The results indicate that the *U-pgrade*TM process plant recovery is expected to be in the mid to high 80% range, producing a concentrate for leaching of <2.5% of the mined mass. This means that for every one tonne of ore mined only 25 kilograms would be sent to the leach plant. By comparison, currently 600 kilograms of ore is presented to the leach plant for every tonne mined.

This testwork confirmed the substantial benefits that could be expected from implementation of Marenica's proprietary **U-pgrade™** process on the ore.

Paladin is currently reviewing the information provided and is independently evaluating the potential benefit of the technology on its Langer Heinrich operations and the companies are working towards developing a pathway for the potential application of **U-pgrade™** at Langer Heinrich.

For further information please contact:
Investors: Murray Hill
MD - Marenica Energy Limited
T: +61 8 6555 1816
E: murray.hill@marenicaenergy.com.au

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