



ASX/Media Release – 20<sup>th</sup> August 2010

## NEW DIRECTOR APPOINTED FOR MARENICA

International uranium company Marenica Energy Limited (ASX: MEY) is pleased to announce the appointment of Mr Gavin Becker, ARSM, BSc(Eng) (London), MBA (Bond), FAusIMM, CP (Met) as a non-executive director.

Mr Becker is a metallurgist with over 35 years industry experience, during that time he has worked in senior operational, R&D, feasibility study and consulting roles on lead / zinc, gold, uranium, copper and nickel mines and / or projects. Earlier in his career he lived and worked in Southern Africa (Zambia 2 years, South Africa 4 years).

Mr Becker is currently an executive in a Services Company in the mining sector.

Mr Becker has had a successful track record in capital raisings and completion of a number of significant feasibility studies. Also of direct relevance to Marenica Energy Limited, Mr Becker has uranium experience from his time in South Africa (including Mintek) as well as in Australia (Yeelirrie Project). He also managed WMC Resources' initial heap leach projects at St.Ives near Kambalda in WA, followed by Dominion Mining's Cosmo Howley operations in the Northern Territory, which produced Dominion's first gold using heap leach methods.

## MARENICA PROJECT UPDATE

The Marenica Uranium project comprises the Marenica Deposit and surrounding exploration area totalling 527 square kilometres. The Marenica deposits mineral resource estimate totals **227 million tonnes at 170ppm U<sub>3</sub>O<sub>8</sub>** U<sub>3</sub>O<sub>8</sub> comprising an Indicated Mineral Resource of 31Mt grading 175ppm U<sub>3</sub>O<sub>8</sub> and an Inferred Mineral Resource of 196Mt grading 169ppm U<sub>3</sub>O<sub>8</sub> for a combined total of 85 million pounds (39,000 tonnes) of contained U<sub>3</sub>O<sub>8</sub>.

The Marenica deposit is a large low grade secondary uranium deposit (carnotite) that is made up of two significant ore types, paleo-channel sedimentary and oxidised bedrock. Testwork has been completed on these types of ore to determine mineralogy and beneficiation by radiometric sorting or scrubbing through to final product recovery. The scope of work by ANSTO focused the preferred process route of agitated slurry leaching on upgraded ore. The uranium was readily leached from the ores using alkaline leach solution, in both bottle roll tests and slurry leaches recoveries ranged from 75 to 90%.

Significantly the metallurgical testwork showed that the material was easily broken down requiring little crushing. As a consequence of this beneficiation by screening and scrubbing indicated that the uranium is concentrated in the fine material and that 90% of the U<sub>3</sub>O<sub>8</sub> concentrated in 30% to 37% of the material in the minus 150 micron fraction while in the minus 38 micron fraction 83% of the U<sub>3</sub>O<sub>8</sub> concentrated in 15% to 23% of the mass.

The results from Preliminary scoping work conducted by SRK Consulting (UK) during the first half of 2010, clearly demonstrated that a large heap leach operation shows positive economics. The beneficiation process is the key driver in the next round of testwork, beneficiation prior to agglomeration and leaching will significantly enhance the project economics.

This change in the preferred process route will involve additional metallurgical test work across a broad selection of samples to confirm the use of the heap leach technology. The metallurgical work will involve a series of upgrade, agglomeration and column leach tests that will take several months; these tests are planned to commence in early September 2010.

This work is to be supervised Kappes-Cassiday & Associates, who are specialists in the development, engineering and implementation of extractive metallurgical processes for the mining industry and have particular expertise in heap leaching.

A sample matrix for selection of ore types has been generated and samples have been collected for shipment for testwork at AMMTEC in Perth. The initial part of the study will involve 10 sub-composites, made up from a combination of basement and palaeo-channel ores, and classified according to depth and grade.

Portions of sub-composite will be subject to a series of screening and scrubbing tests, and resulting re-combining screened and scrubbed material into an upgraded, blended product. The blended materials will be split and employed in agglomeration testing as well as a 30-day intermittent bottle-roll testwork.

Two master composites will be made by combining basement material into a single composite and channel material into a second composite. Each master composite will be treated separately and screen / crush sizes will depend on the results of the sub-composite screening / scrubbing work.

The aim is to produce an upgraded dry (screened) product that is combined with upgraded (scrubbed) slurry that will be agglomerated as preparation for column leaching.

Results from this work will be fed back into a technical economic model and are expected to significantly enhance the project economics.

For further information contact Marenica Energy Limited; PH: +61 8 93217355

## **Notes**

*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 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 as well as a Fellow of the Institute of Mining, Materials and Minerals and a Member of the Royal Society of Chemistry takes responsibility for any comments related 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."*