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ASX Announcement

Marenica and Deep Yellow enter into Landmark Technology Licence Agreement

- Marenica and Deep Yellow enter into a commercialisation agreement securing a role for ***U-pgrade™*** in return for a long term Licence Fee which equates to around 25% of the NPV of the Tumas project under a range of possible development scenarios.
- The commercialisation agreement follows a successful testwork program on Deep Yellow's Tumas ore demonstrating ***U-pgrade™*** has the potential to dramatically reduce the CAPEX and OPEX for the Tumas project.
- Deploying Marenica's technology creates a path for the Tumas project to proceed ahead of other competing projects at a significantly lower uranium incentive price.
- Landmark Deep Yellow agreement for Marenica provides model resource and technology value share template with the potential to be replicated on other suitable ore bodies.

Marenica Energy Limited (ASX: MEY) ("Marenica") has entered into a definitive and binding Technology Licence Agreement ("TLA") with Deep Yellow Limited (ASX: DYL) ("Deep Yellow"). Under the TLA, Marenica will provide its ***U-pgrade™*** technology and expertise to Deep Yellow for use towards development of the Tumas Project in Namibia in return for a Licence Fee for the entire life of the project. Both parties sought to formalise the TLA after the successful test work program recently completed by Marenica on the Tumas ore.

Marenica's ***U-pgrade™*** technology can potentially deliver such significant project and operating cost savings as to fundamentally impact the competitiveness of projects with suitable ores. Accordingly, under the TLA the two parties share the potentially considerable value created by combining the resource with the technology. The TLA represents a landmark agreement for Marenica.

Deep Yellow will have the ability to apply Marenica's ***U-pgrade™*** technology in return for a long term Licence Fee which equates to around 25% of the net present value ("NPV") of the Tumas project under a range of possible development scenarios.

So long as the positive test results achieved to date continue, both parties are confident that the agreement has the potential to lower the uranium price hurdle for the Tumas project and bring development forward in the queue of projects waiting to be developed.

Murray Hill, Managing Director, remarked, "We have long identified Deep Yellow's Tumas project as a good fit for our first commercialisation agreement, based on the project's high suitability for our technology, the project's relatively advanced stage of development and the excellent cultural fit between the two companies. Importantly,

the project is located in Namibia, a jurisdiction that is highly supportive of the uranium mining industry and with operating uranium mines in close proximity that could take the **U-pgrade™** concentrate.”

This agreement with Deep Yellow represents a watershed milestone for Marenica, being the first commercialisation transaction for the breakthrough **U-pgrade™** technology. Although Marenica has been confident for some time in the capacity of the technology to dramatically transform the economics of surficial uranium deposits, this agreement demonstrates that resource owners can see the technology's value proposition, strengthening the prospects for further licence agreements commercialising the **U-pgrade™** technology to follow.

“We are truly excited by our first commercialisation agreement which gives your Management and Board confidence that our technology not only has a valuable application in the real world but that third party resource owners recognise this and are prepared to pay for the value it brings their projects.” said Marenica's chairman, Doug Buerger.

Key Terms of TLA

- Marenica personnel to become an integral part of the Tumas project development team.
- Deep Yellow to receive a Licence to use **U-pgrade™** with respect to all of its current Namibian projects.
- Marenica to receive a Licence Fee for every pound of uranium sold by the project for the entire life of the **U-pgrade™** plant.
- Deep Yellow to fund all project development expenditure including the total cost of a pilot plant as well as any costs associated with **U-pgrade™** related testwork.
- Deep Yellow will pay Marenica a series of milestone success fees during the feasibility study and development phase, and a Licence Fee for every pound of uranium sold by Deep Yellow in Namibia.
- Licence Fee to vary with uranium price received by the project.

The Licence Fee was derived from the principle of value sharing from the combination of the resource and technology. A ratio of 75:25 (Deep Yellow : Marenica) to share the project NPV was established as the basis for pricing discussions. The Licence Fee payable to Marenica varies on a sliding scale based on the sales price received by Deep Yellow for its product. The Licence Fee payable is nominal when uranium is sold at a price below US\$50/lb, while the fee is capped at US\$4.80/lb when the uranium price received exceeds US\$80/lb. At a price of US\$60/lb the Licence Fee payable to Marenica is US\$2.60/lb.

Tumas Project

Deep Yellow recently completed a metallurgical testwork program using the Marenica **U-pgrade™** technology with a view to fast tracking the development of its Tumas project in Namibia. The project is located in the Erongo region, within a short distance of three major uranium processing plants.

The testwork conducted by Marenica revealed that the Tumas ore is amenable to beneficiation with **U-pgrade™** and is capable of producing a concentrate containing <3% of the mined mass at relatively high uranium recoveries. The project has a JORC resources which will be used as a basis to immediately commence a fast track Feasibility Study for the project. Marenica will assist Deep Yellow in that work.

Marenica **U-pgrade™ Technology**

Marenica's **U-pgrade™** technology has been proven to dramatically improve the processing properties of surficial uranium ores. This improvement has the potential to dramatically reduce the CAPEX and OPEX for processing these types of ores. After a significant and successful testwork program conducted on Tumas ore the company reached agreement with Deep Yellow to apply the technology to the Tumas project in return for Licence Fee payable over the life of the project. The TLA paves the way for the first **U-pgrade™** pilot plant, which will be funded entirely by Deep Yellow.

Marenica is conducting discussions with several other uranium resource owners and believes this landmark agreement with Deep Yellow will encourage the progress of these discussions.

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