



9 April 2020

ASX Announcement

Marenica Receives Binding Commitments to Raise \$1 Million

Highlights

- **Binding commitments received for \$1.0M from professional and sophisticated investors.**
- **Placement to be completed in two tranches at an issue price of 3.8 cents per share with a one for one option exercisable at 10 cents per share and expiring on 30 June 2023.**
- **Directors and officers have committed to \$135,000 of the placement.**
- **Non-executive directors have agreed to forgo director fees until 30 June 2020.**

Marenica Energy Limited (ASX: MEY) (“Marenica” or “the Company”) is pleased to advise that it has received binding commitments for a placement to professional and sophisticated investors to raise a total of \$1.0 million, before costs (“Placement”).

The Placement will be completed in two tranches as further described below. Under the Placement, the Company will, subject to various shareholder approvals, issue a total of 26,350,000 fully paid ordinary shares at an issue price of 3.8 cents per share (“Share”) plus 26,350,000 free attaching options (“Placement Options”), to raise a total of \$1,001,300, before costs. The issue price per Share is at a discount of 6.82% to the 15-day VWAP.

Viriathus Capital and Cumulus Wealth are lead managers to the Placement.

In the first tranche of the Placement, the Company will issue 13,157,894 Shares at an issue price of 3.8 cents per Share plus 13,157,894 Placement Options, to raise \$500,000 before costs (“Tranche 1”).

In the second tranche of the Placement, the Company will, subject to receiving shareholder approval, issue 13,192,106 Shares at an issue price of 3.8 cents per Share plus 13,192,106 Placement Options, to raise \$501,300 before costs (“Tranche 2”). The issue of Shares and Placement Options under Tranche 2 is subject to shareholder approval.

Included in Tranche 2 of the Placement, the directors and officers of the Company have committed to subscribe for 3,552,632 Shares plus 3,552,632 Placement Options under the Placement, to raise \$135,000 before costs (“Director Placement Securities”). The issue of Director Placement Securities is subject to shareholder approval.

The Placement Options will be issued on the basis of one Placement Option for every Share subscribed for under the Placement and will have an exercise price of 10 cents per Share, exercisable on or before 30 June 2023.

Marenica Managing Director, Murray Hill, commented: “The Placement was oversubscribed indicating strong support for the Company and its strategy. The recent 20% increase in the uranium spot price over the last three weeks is encouraging for the Company and its shareholders, potentially adding value to our exciting new discoveries in Namibia and recently acquired high-grade Australian uranium resources.”

The funds raised under the Placement will be applied to fund exploration studies on the Company’s Namibian tenements and fund resource evaluation on the Australian tenements and for working capital.

In addition, the non-executive directors of the Company have agreed to forgo director fees until 30 June 2020.

Further Details of the Placement

In Tranche 1, the Company will place 4,235,423 Shares and 13,157,894 Placement Options in accordance with ASX Listing Rule 7.1 and 8,922,471 Shares in accordance with ASX Listing Rule 7.1A. The issue of the Shares in Tranche 1 is expected to occur on or about Friday, 17 April 2020, however, the Placement Options in Tranche 1 will be separately issued under a prospectus proposed to be issued within two weeks of the meeting of shareholders to consider the approval of Tranche 2 of the Placement and the issue of the Director Placement Securities (“Shareholder Meeting”).

As set out above, the issue of Shares and Placement Options under Tranche 2 of the Placement and the issue of Director Placement Securities are subject to shareholder approval at the Shareholder Meeting. The issue of Shares under Tranche 2 and the Shares portion of the Director Placement Securities will occur as soon as practicable after shareholder approval at the Shareholder Meeting. The Placement Options under Tranche 2 will be separately issued under a prospectus proposed to be issued within two weeks of the Shareholder Meeting.

For the avoidance of doubt, if shareholders do not approve the issue of Shares and Placement Options under Tranche 2 and/or the issue of the Director Placement Securities, the Company will still proceed to issue the Placement Options under Tranche 1 pursuant to a prospectus to be issued after the Shareholder Meeting.

The Company intends to convene the Shareholder Meeting as soon as practical.

The Shares issued under the Placement will rank equally in all respects with existing Marenica fully paid ordinary shares. Following completion of the Placement (assuming shareholders approve the issue of Shares and Placement Options under Tranche 2 and approve the issue of the Director Placement Securities), the Company expects to issue 26,350,000 new Shares, increasing the total shares on issue to 143,365,408.

Viriathus Capital, or their nominees, will be paid a fee of six percent on the funds raised under the Placement and in addition, subject to shareholder approval, it will be issued with 1,000,000 options (“Broker Options”). Shareholder approval to grant the Broker Options will be sought at the Shareholder Meeting. The Broker Options will have the same terms and conditions as the Placement Options. If shareholder approval is not obtained at the Shareholder Meeting to issue the Broker Options, Viriathus Capital will be paid \$10,000 in cash in lieu of the issue of the Broker Options.

Marenica Requests that ASX Lift the Trading Halt

The Company requests that ASX lift the trading halt of Marenica’s securities prior to the start of trading on Thursday, 9 April 2020.

This announcement has been approved by the Board of Directors.

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