



21 October 2020

ASX Announcement

Share Purchase Plan to Fund Exploration Programs

Marenica Energy Limited (ASX: MEY) (“Marenica” or “the Company”) advises that it will undertake a Share Purchase Plan (“SPP”) to raise up to \$3,750,000. The SPP will be partially underwritten (to \$2,000,000) by Viriathus Capital Pty Ltd (“Underwriter”). Viriathus Capital Pty Ltd and Cumulus Wealth Pty Ltd will be joint lead managers.

Under the SPP, the new shares will be offered at \$0.088 per new share which represents a discount of 10% per share to the Company’s 5 day VWAP of \$0.098 and a 11% discount to Marenica’s closing price of \$0.099 on 16 October 2020 (being the last trading day prior to this announcement).

The funds raised under the SPP (after costs) is intended to be used to fund exploration and development activities on the Company’s assets.

In Namibia, the Company will embark on a detailed exploration program at the recent Hirabeb discovery and on its extensive tenement package to endeavour to repeat the successes achieved in recent years. The Company will also aim to value add to the Australian mineral resources it acquired in December 2019, by assessing the ability of **U-pgrade**[™] to improve the economics of any future exploitation of those mineral resources.

Only shareholders who were registered as holders of Marenica shares at 5.00pm (WST) on the Record Date of 20 October 2020 and whose registered address is in Australia or New Zealand, will be eligible to participate in the SPP. Participation in the SPP is entirely voluntary. Full details of the SPP and the final timetable will be set out in the SPP offer document which is anticipated to be despatched to eligible Shareholders on 22 October 2020.

Eligible shareholders can also request an electronic copy of their personal application form here – <https://marenicaenergy.investorportal.com.au/request-form/>

Managing Director, Murray Hill commented:

“Demand for uranium has exceeded supply over recent years and unless there is a significant increase in uranium production it is expected to remain in deficit for the foreseeable future. Nuclear electricity generation, fuelled by uranium, produces the lowest carbon emissions and provides reliable base load power. Demand is expected to continue to grow in a world that is increasingly conscious of the need to reduce carbon emissions, whilst demanding substantially more electricity. The expectation amongst the uranium and nuclear industry observers is that the uranium price needs to rise over coming years to incentivise new production. This anticipated rise in the uranium price is expected to coincide with the Company’s continued development of its asset portfolio.

The last year has been a milestone year for Marenica, with the outcomes achieved significantly adding to the value of Marenica’s assets. The Company has grown its asset base and developed a geographically diversified uranium portfolio and is in a position to benefit from a rise in the uranium price. Marenica will be aiming to continue to add value to its existing assets through the initiatives mentioned above.”

Eligible shareholders may apply for between \$5,000 and \$30,000 worth of new shares in the Company at the issue price of \$0.088 - free of brokerage or other transaction costs. The current intention is that Directors will take up their full entitlements in the SPP.

The SPP will be partially underwritten (to \$2,000,000) by Viriathus Capital Pty Ltd (“Underwriter”). The Underwriter and Cumulus Wealth Pty Ltd have been appointed as joint lead managers to the SPP and Top-Up Placement (if any) as described below.

The Company has agreed with the Underwriter that it may seek to undertake a separate placement of shares to raise up to a further \$2,600,000 (before costs) (“Top-Up Placement”). Any shares issued under the Top-Up Placement will be issued at the same issue price as new shares under the SPP. Any shares to be issued under the Top-Up Placement will be issued under the Company’s available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. To the extent that the Company does not have available placement capacity under ASX Listing Rules 7.1 and 7.1A to issue such shares, the Company will seek shareholder approval to do so.

The Underwriter will be paid an Offer Management Fee of 1% of all funds raised under the SPP and the Top-Up Placement (if any), a placement fee of 5% of all funds raised under the Top-Up Placement (if any) and an SPP Management Fee of 6% of all funds raised under the SPP (with the underwriting fee included in the SPP Management Fee).

The new shares issued under the SPP and any shares issued under the Top-Up Placement will rank equally in all respects with existing Marenica fully paid ordinary shares. The Company will apply for quotation of the new shares issued under the SPP and any shares issued under the Top-Up Placement on the ASX.

The indicative timetable for the SPP is set out below.

| Date | Details |
|------------------|---|
| 20 October 2020 | Record Date 5.00pm (WST) The date on which Marenica determines shareholders eligible to participate in the SPP, being shareholders registered on that date with an address in Australia or New Zealand. |
| 21 October 2020 | SPP Announced to ASX |
| 22 October 2020 | Dispatch of Offer document |
| 22 October 2020 | Opening Date The date the SPP offer is made – SPP opens. |
| 10 November 2020 | Closing Date The date on which the SPP offer closes. |
| 12 November 2020 | Notification of Shortfall The date the Company notifies the Underwriter of any shortfall under the SPP and number of shares for which Underwriter must subscribe (“Shortfall Shares”) |
| 13 November 2020 | Announcement of Results of the SPP The date the Company notifies ASX of the outcome of the SPP |
| 17 November 2020 | Issue Date The date new shares under the SPP and Shortfall Shares (if any) are issued. |
| 19 November 2020 | Dispatch Date The date on which holding statements for new shares under the SPP and Shortfall Shares (if any) are issued |

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| 24 November 2020 | Share Trading Date The date on which it is expected that the new shares under the SPP and Shortfall Shares (if any) will commence trading on the ASX. |
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The timetable is indicative only and Marenica may, at its discretion, vary any of the dates except for the Record Date.

Eligible shareholders can also request an electronic copy of their personal application form here – <https://marenicaenergy.investorportal.com.au/request-form/>

Reach Markets are the advisers assisting with the management of this offer and will email requested forms as soon as they are available. If you have any questions in relation to this Offer, please contact Reach on 03 8080 5795 or email advisers@reachmarkets.com.au .

The Company requests that the Trading Halt be lifted following release of this announcement.

Authorisation

This report was authorised for release by the Board of Marenica Energy Limited.

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