

MARENICA ENERGY LTD
ACN 001 666 600

PROSPECTUS

For an issue of 5,309,998 Placement Options (**Placement Offer**) to Eligible Applicants who participated in the Placement which raised \$1,062,000.

This Prospectus also includes an offer for 2,000,000 Broker Options (**Broker Offer**). Full terms of the Broker Options are set out in Section 5.1.

No funds will be raised as a result of the Offers.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY**Directors**

Andrew Bantock
Chairman

Murray Hill
Managing Director and CEO

Doug Buerger
Non-Executive Director

Nelson Chen
Non-Executive Director

Company Secretary

Shane McBride

Share Registry*

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone: + 61 8 9389 8033
Facsimile: + 61 8 9262 3723

Auditor*

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005
Telephone: + 61 8 9486 7094

Registered Office

AMRC Building
7 Conlon Street
Waterford WA 6152

Tel: + 61 8 6555 1816

Email: info@marenicaenergy.com.au
Website: www.marenicaenergy.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Patersons Securities Limited
Level 15
333 Collins Street
Melbourne VIC 3000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. IMPORTANT NOTES

This Prospectus is dated 16 May 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that applicants read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Eligible Applicants and professional advisers whom Eligible Applicants may consult.

2.1 Risk factors

Applicants should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which applicants should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Applicants should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

2.2 Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

3. DETAILS OF THE OFFERS

3.1 The Placement Offer

The Placement Offer is for the issue of 5,309,998 Placement Options (defined below) to applicants who participated in the Placement.

The Placement consisted of two tranches:

- (a) the issue on 23 March 2018 of 7,016,674 Shares at an issue price of \$0.10 per Share; and
- (b) the issue on 14 May 2018 of 3,603,322 Shares at an issue price of \$0.10 per Share,

(together, the **Placement**).

The Placement raised a total of \$1,062,000 to be used to fund development activities and working capital, including:

- (a) continuing to engage with a range of resource owners to assemble a portfolio of projects to utilise the U-pgrade™ beneficiation process; and
- (b) acquire mining assets which the Company expects to develop in its own right.

Based on the number of Shares issued to Eligible Applicants who participated in the Placement, a maximum of 5,309,998 options (**Placement Options**) will be issued pursuant to this Placement Offer. Each Placement Option is exercisable at \$0.17 on or before the date which is two years from the date of their issue.

The issue of the Placement Options was approved by Shareholders at the Company's General Meeting held on 9 May 2018.

If all Placement Options are exercised, the Company will receive approximately \$902,700. Exercise of the Placement Options is entirely at the discretion of the holder.

The Placement Options will not be quoted.

The terms and conditions of all the Options offered under this Prospectus are set out in Section 5.1 of this Prospectus.

Any Shares to be issued upon the exercise of the Placement Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

Details of the purpose and effect of the Placement Offer are set out in Section 4.1 of this Prospectus.

3.2 The Broker Offer

Pursuant to the Mandate (defined below) between Patersons Securities Limited (**Patersons** or **Broker**) and the Company, 2,000,000 options each exercisable at \$0.17 on or before the date which is two years from the date of issue (**Broker Options**) will be issued to Patersons.

The issue of the Broker Options to the Broker was approved at a general meeting of Shareholders held 9 May 2018.

If all Broker Options are exercised, the Company will receive \$340,000. Exercise of the Broker Options is entirely at the discretion of the holder.

The Broker Options will not be quoted.

The terms and conditions of all the Options offered under this Prospectus are set out in Section 5.1 of this Prospectus.

Any Shares to be issued upon the exercise of the Broker Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

Details of the purpose and effect of the Broker Offer are set out in Section 4.1 of this Prospectus.

3.3 Indicative timetable

Lodgement of Prospectus with the ASIC and ASX	16 May 2018
Lodgement of Appendix 3B	16 May 2018
Opening Date	16 May 2018
Closing Date*	30 May 2018

* The Directors reserve the right to bring forward or extend the Closing Date of the Offer at any time after the Opening Date of the Offer without notice.

3.4 Application for Options

This Prospectus will be sent to participants in the Placement Offer and the Broker Offer (**Eligible Applicants**).

Applications for Options can only be made by Eligible Applicants and must be made using an Application Form accompanying this Prospectus (as applicable).

Eligible Applicants are not required to make any payment for the Placement Options. The Placement Options are free attaching Options issued to Eligible Applicants pursuant to the terms of the Placement.

Broker Options are being issued pursuant to the Mandate (defined below). As such, Eligible Applicants are not required to make any payment for the Broker Options.

Completed Application Forms must be emailed to shane.mcbride@marenicaenergy.com.au or delivered to the Company at 7 Conlon Way, C/- AMRC Building Waterford WA 6152.

3.5 Minimum subscription

There is no minimum subscription.

3.6 Lead Manager Mandate

Patersons has been appointed by the Company to act as lead manager to the Placement pursuant to a capital raising and capital market services mandate agreement (**Mandate**). Pursuant to the Mandate, Patersons has been paid a lead managers fee of \$25,000 plus a selling fee of 6% (plus GST) on all monies raised under the Placement. The Mandate also provides for the issue of 2,000,000 Broker Options to Patersons, subject to shareholder approval which was received at the General Meeting held 9 May 2018.

3.7 Issue

Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules.

Holding statements for Options issued under this Prospectus will be mailed in accordance with the ASX Listing Rules as soon as practicable after their issue.

3.8 Overseas shareholders

The Offers do not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options the Eligible Applicants would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and the Options will not be issued to Eligible Applicants with a registered address which is outside Australia, Singapore or Hong Kong.

Singapore

This document and any other materials relating to the Securities have not been, and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to person in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures ACT, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Options offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Options may sell, or offer to sell, such Options in circumstances that amount to an offer to the public in Hong Kong following the date of issue of the Options.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Nominees and custodians

Nominees and custodians may not submit an Applicant Form on behalf of any Eligible Applicant resident outside Australia, Singapore or Hong Kong without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.9 Enquiries

Any questions concerning the Offers should be directed to Shane McBride, Company Secretary, on +61 8 6555 1816.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The purpose of the Offers is to:

- (a) offer the Eligible Applicants who participated in the Placement one (1) Placement Option for every two (2) Shares subscribed for (**Placement Shares**) under the Placement. No funds will be raised through the issue of the Placement Options pursuant to this Prospectus as the Placement Options are free attaching to the Placement Shares. However, if all of the Placement Options are exercised, the Company will receive approximately \$902,700; and
- (b) offer of 2,000,000 Broker Options pursuant to the Mandate. No funds will be raised through the issue of the Broker Options pursuant to this Prospectus as the Broker Options are being issued as part of the fees owed under the Mandate. However, if all of the Broker Options are exercised, the Company will receive approximately \$340,000.

4.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 1,033,259 Options as at the date of this Prospectus to 8,343,257 Options.

4.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	57,397,824
Shares offered pursuant to the Offers	Nil
Total Shares on issue after completion of the Offers	57,397,824

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.1806 on or before 1/12/2019	290,698
Unquoted exercisable at \$0.355 on or before 26/11/2018	320,338
Unquoted exercisable at \$0.021 on or before 30/11/2021	422,223
Sub-Total	1,033,259
Placement Options offered pursuant to the Placement Offer	5,309,998
Broker Options to be issued offered pursuant to the Broker Offer	2,000,000
Total Options on issue after completion of the Offers¹	8,343,257

Note:

1. Assumes that all Options under the Offers are issued.

Other securities

	Number
Other securities currently on issue:	
Convertible notes (face value \$1,650,671) convertible at \$0.58 per share on or before 14 November 2018	16,507
Employee Performance Rights	202,500

4.4 Details of substantial holders

Based on publicly available information as at 14 May 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Hanlong Energy Limited	7,600,603	14.13%
Chris Retzos	4,705,350	8.75%

4.5 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2018 and the unaudited pro-forma balance sheet as at 31 March 2018 shown below have been prepared on the basis of the accounting policies adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 March 2018	PRO-FORMA 31 March 2018
CURRENT ASSETS		
Cash ^{1,2 &3}	767,186	1,078,614
TOTAL CURRENT ASSETS	767,186	1,078,614
NON-CURRENT ASSETS		
Fixed Assets	15,316	15,316
TOTAL NON-CURRENT ASSETS	15,316	15,316
TOTAL ASSETS	782,502	1,093,930

	UNAUDITED 31 March 2018	PRO-FORMA 31 March 2018
CURRENT LIABILITIES		
Creditors and borrowings	1,917,388	1,917,388
TOTAL CURRENT LIABILITIES	1,917,388	1,917,388
TOTAL LIABILITIES	1,917,388	1,917,388
NET ASSETS (LIABILITIES)	(1,134,886)	(823,458)
EQUITY		
Share capital ^{2,3}	47,882,739	48,194,167
Reserve	314,691	314,691
Retained loss	(49,332,316)	(49,332,316)
TOTAL EQUITY	(1,134,886)	(823,458)

Notes

1. The cash balance excludes an amount of \$37,500, which represents money prepaid to the Company's Equity Trust bank account, received for Placement shares to be issued subject to shareholder approval at an EGM on 9 May 2018.
2. The cash balance was increased by \$360,333 raised through the issue of shares in Tranche Two of the Placement and reduced by costs of \$31,825 associated with Tranche Two of the Placement
3. The cash balance was decreased by costs of \$17,080 associated with the Offer.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i) the amount payable upon exercise of each Option will be \$0.17 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the date that is two years from grant (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable on the last day of March, June, September or December on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 5.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the

resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific Risks

(a) 'Going concern' risk

In the Independent Review Report of the Company's half year financial report for the year ended 31 December 2017, the Company's auditor, Rothsay Chartered Accountants, referred to Note 2 of the half year financial report which noted the following:

"The Company's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- (i) the ability, as has occurred in the past, to raise sufficient working capital to ensure the continued implementation of the Company's business plan;*
- (ii) the commercial viability of the Company's uranium project in Namibia; and*
- (iii) the commercial viability of the Company's U-pgrade™ process. The financial report has been prepared on a going concern basis.*

In arriving at this position, the Directors have had regard to the fact that the Company has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Company not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements."

Notwithstanding the 'going concern' qualification included in the half year report, the Directors believe that upon the successful completion of the Placement, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

(b) Future capital requirements

The Company's current business will require ongoing expenditures. The funds raised from the Placement will not be sufficient to successfully achieve all the objectives of the Company's overall business strategy and it will be required to raise additional capital.

If the Company is unable to source additional capital after exhaustion of the net proceeds of the Placement and existing working capital, there can be no assurance that the Company will have sufficient capital to continue.

Any additional equity financing would most likely be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which may limit the Company's business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(c) Potential for dilution

Upon implementation of the Offers and assuming all of the Options granted in the Offers, are exercised; but assuming no other options are exercised or convertible notes converted or other securities are issued prior, the number of Shares in the Company will increase from 57,397,824 currently on issue to 64,707,822.

This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Offer Document being lodged of \$0.115 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(d) Namibia sovereign risk

The Company's Namibian project is subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of

local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in Namibia that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

To date, the Company has experienced good working relations with the Republic of Namibia's Ministry of Mines and Energy personnel and the Minister of Mines.

(e) **Tenement Title – Namibia**

Interest in minerals (herein referred to as "tenements") in Namibia is governed by Namibian legislation and is evidenced by the granting of licences. Each licence is for a specific term and may carry with it annual expenditure and reporting commitments, as well as other statutory and ancillary terms and conditions requiring compliance.

The Company's interest in the Marenica Project is held through its 75% owned subsidiary Marenica Minerals (Proprietary) Limited.

Mineral Deposit Retention Licence (MDRL) 3287, issued by the Ministry of Mines and Energy in the Republic of Namibia ("Ministry") on 30 November 2016, and held by Marenica Minerals (Proprietary) Limited, covers the Marenica Project. Mineral Deposit Retention Licence 3287 was granted for a period of five years and has no expenditure commitments.

(f) **Title, Tenure and Access – General**

Generally, mining tenements and licences which the Company owns or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation. There is no guarantee that applications will be granted as applied for (although the Company has no reason to believe that the tenements or licences will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition a relevant minister or government agency may need to consent to any transfer of tenement to the Company.

Renewal of titles or licences is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation. In addition, the relevant minister or government agency may impose conditions on any renewal, including relinquishment of ground.

(g) **Global Credit and Investment Markets**

Global credit, commodity and investment markets often exhibit a high degree of uncertainty and volatility. The factors which contribute to these situations are outside the control of the Company and may occur from time to time resulting in uncertainty in world stock markets (including ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives.

(h) **Competition from alternative energy and public perception**

Nuclear energy is in direct competition with other more conventional sources of energy which include gas, coal and hydro-electricity.

Furthermore, potential growth of the nuclear power industry (with any attendant increase in the demand for uranium) beyond its current level will depend, amongst other things, upon continued and increased acceptance of nuclear technology as a means of generating electricity.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have very low levels of carbon emissions, however to date these have not been efficient enough to be relied upon for large scale base load power.

(i) **Commodity Price Volatility and Foreign Exchange Risk**

In the event that the Company achieves exploration success and/or success with its strategies to commercialise *U-pgrade™* leading to an interest in uranium production in Namibia or elsewhere, the Company will derive revenue through the sale of uranium.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for uranium, forward selling by producers, and production cost levels in major metal-producing regions. Uranium demand has also been impacted by other unexpected operational and environmental issues, such as experienced at Fukushima, Japan in 2011.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States Dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

As the Company's principal asset is located in Namibia, capital, ongoing expenditure and any income related thereto may be denominated in United States Dollars, Namibian Dollars or South African Rand.

Furthermore, no hedging strategy has yet been developed or implemented by the Company. This may result in the Company being exposed to the effects of the change in currency (exchange rate) risk.

(j) **General Environmental Risks**

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk.

(k) **Resource and Reserve Estimates**

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling, metallurgical recovery testwork and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisations or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(l) **Taxation and government regulations**

Changes in taxation and government legislation in a range of areas (for example, Corporations Act, accounting standards, and taxation law, or similar legislation in overseas jurisdictions) can have a significant influence on the outlook for all companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Company.

Recent changes to taxation rules in a number of prominent African countries have materially impacted mining businesses. Whilst no such changes have been proposed in Namibia, if similar changes were adopted in the future they could materially affect the Company's asset values and potential future returns from Namibia.

(m) **Reliance on key personnel**

The Company is reliant on its key management personnel. The loss of one or more of these individuals could adversely affect the Company.

In addition, the Company's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants.

(n) **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

The Company intends to manage this risk by entering into multiple agreements and arrangements with many different counterparties.

(o) **Exploration, development, mining and processing risks**

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies; and
- (iii) access to adequate capital for project development.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(p) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) The ability to develop an economic process route to produce a metal and/or concentrate;
- (ii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project; and
- (iii) the Company has not yet commercially proven the technical and economic viability of the scale up of the *U-pgrade™* process to a commercial operation.

(q) **Operational and technical risks**

The current and future operations of the Company, including exploration, appraisal, production and licencing activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) the supply and cost of skilled labour; and/or
- (v) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

(r) **Insurance**

The Company has a policy of obtaining insurance to reduce losses where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments.

There can be no assurance, however, that the Company will be able to obtain or maintain such insurance coverage at reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any claims.

(s) **Technology Risk**

The Company has developed proprietary technology to upgrade the uranium ore at the Marenica Project ("***U-pgrade™***") with the potential to be applied to other similar uranium deposits. The technology has, however, only been "bench scale" tested on samples of ore from the Marenica Project, Paladin Energy Limited's Langer Heinrich Project, Toro Energy Limited's Wiluna Project and Deep Yellow Limited's Tumas Projects. There is a risk that the *U-pgrade™* technology may not be able to be replicated on a commercial scale.

(t) **Intellectual property**

- (i) The Company has sought to protect intellectual property in its proprietary technology, including applying for patents. A patent is a monopoly granted by a government for a period of up to 20 years in return for disclosure to the world. A patent provides exclusive legal rights in respect of an invention (as defined by the claims of a patent) in the country of grant. After a patent expires or lapses, or to the extent of any revocation, anyone may then use the invention.
- (ii) In order to secure patent protection, a patent application is filed with the Patent Office in each country of interest, the application is examined under the patent laws of that country, and a patent will be issued if the application meets the patentability criteria of that country. The grant of a patent in one country does not guarantee the grant of a patent for the same invention in another country. Moreover, the claims of a patent application may be amended during examination before a national Patent Office to meet the patentability criteria of that country. Accordingly, the scope of any patent protection may vary between countries, and from the initially filed patent application.
- (iii) The grant of a patent does not guarantee validity and a patent may be challenged by third parties at a Patent Office by opposition and/or re-examination in some countries, or post-grant through the courts by revocation proceedings.
- (iv) The grant of a valid patent does not mean that the invention may be exploited in a given country without infringing third party IP rights in that country.

6.3 General Risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's absolute or relative operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and/or
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation - acquisition and disposal of Securities**

The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for securities under this Prospectus.

6.4 Speculative investment

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offers under this Prospectus.

Therefore, the Options being issued pursuant to this Prospectus (or Shares to be issued upon exercise of the Options) carry no guarantee with respect to the payment of dividends, returns of capital or their respective market value.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Applicants should therefore have regard to the other publicly available information in relation to the Company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
16/05/2018	Change of Director's Interest Notice
15/05/2018	Change of Director's Interest Notice - Chen
15/05/2018	Cleansing Notice
15/05/2018	Appendix 3B
10/05/2018	Purchase of Mile 72 Uranium Project
09/05/2018	Results of Meeting
08/05/2018	Response to ASX 3X Query
30/04/2018	Quarterly Cashflow Report
30/04/2018	Quarterly Activities Report
26/04/2018	Evaluation of U-pgrade to Langer Heinrich Continues
16/04/2018	Change in substantial holding (corrected)
03/04/2018	Notice of General Meeting/Proxy Form
27/03/2018	Change in substantial holding
23/03/2018	Ceasing to be a substantial holder
23/03/2018	Cleansing Notice
23/03/2018	Appendix 3B
19/03/2018	Marenica Raises \$1.1 Million
14/03/2018	Trading Halt
08/03/2018	Half Yearly Reports and Accounts
01/03/2018	U-pgrade could Optimise production at Langer Heinrich
12/02/2018	Corporate Presentation
08/02/2018	Highly Successful U-pgrade Testwork on Langer Heinrich Ore
01/02/2018	Appointment of Chairman
31/01/2018	Quarterly Cashflow Report
31/01/2018	Quarterly Activities Report

18/12/2017	Cleansing Statement
18/12/2017	Appendix 3Z – John Sestan
18/12/2017	Appendix 3Y – John Sestan
18/12/2017	Appendix 3B
18/12/2017	Director Appointment/Resignation
05/12/2017	Change in substantial holding
05/12/2017	Becoming a substantial holder
04/12/2017	Cleansing Statement
04/12/2017	Appendix 3B
30/11/2017	Change in substantial holding
29/11/2017	Ceasing to be a substantial holder – Hill
29/11/2017	Cleansing Notice
28/11/2017	Appendix 3B
23/11/2017	Final Director's Interest Notice X Two
23/11/2017	U-pgrade Patents Granted
23/11/2017	Retirement of Directors
02/11/2017	Results of Meeting
26/10/2017	Appendix 4G
26/10/2017	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.marenicaenergy.com.au.

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.16	21, 24 and 25 July 2017
Lowest	\$0.08	27 March 2018
Last	\$0.115	15 May 2018

7.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
 - (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
 - (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options	Employee Performance Rights
Murray Hill	2,467,147	Nil	202,500
Andrew Bantock	200,000	Nil ¹	Nil
Doug Buerger	1,245,242	Nil	Nil
Nelson Chen	1,331,707	142,857 ²	Nil

Notes

- Andrew Bantock (or his nominee) will receive a total of 100,000 Placement Options pursuant to the Placement Offer (approved by Shareholders at the General Meeting held 9 May 2018).
- Nelson Chen (or his nominee) will receive a total of 150,000 Placement Options pursuant to the Placement Offer (approved by Shareholders at the General Meeting held 9 May 2018).

Remuneration

The remuneration of each executive Director is determined in accordance with the Company's remuneration framework, which is approved by the Board. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount payable in aggregate to all non-executive directors has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed 2018 ¹	2017 ²	2016
Murray Hill	\$284,700	\$339,568	\$297,461
Andrew Bantock	\$25,000 ³	Nil	Nil
Doug Buerger	\$56,250 ⁴	\$60,000	\$60,000
Nelson Chen	\$45,000	\$45,000	\$82,200

Notes:

1. The figures noted above for the 2018 financial year include salary, fees, superannuation and share-based payments.
2. The figures noted above for the 2016 and 2017 financial years include salary, fees, superannuation and share-based payments.
3. Mr Bantock was appointed as a Director on 1 February 2018.
4. Comprising 9 months at the Chairman's rate of \$60,000 p.a. and 5 months at the Non-Executive Director's rate of \$45,000 p.a.

7.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Patersons acted as lead manager to the Placement. Patersons will be paid a lead managers fee of \$25,000, a selling fee of 6% (excluding GST) on all monies raised under the Placement and will issued with the Brokers Options. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons has been paid fees totalling \$257,329 (excluding GST) by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$7,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$66,365.48 (excluding GST and disbursements) for legal services provided to the Company.

7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons has given its written consent to being named as Lead Manager to the Company in this Prospectus. Patersons has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$17,080 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	6,180
Legal fees	7,500
Miscellaneous	1,000
Total	\$17,080

The estimated expenses will be paid out of the Company's existing working capital.

7.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 6555 1816 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Eligible Applicants who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to Eligible Applicants. Instead, Eligible Applicants will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate

distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Murray Hill
Managing Director
For and on behalf of
Marenica Energy Ltd

9. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means the application form accompanying this Prospectus with respect to either the Placement Offer or Broker Offer (as applicable).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Marenica Energy Ltd (ACN 001 666 600).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Applicant means an applicant who participated in the Placement or the Broker Offer (as the case may be).

Offers means the Placement Offer and the Broker Offer.

Option means an option to acquire a Share on the terms and conditions set out in Section 5.1 of this Prospectus.

Optionholder means a holder of an Option.

Placement means the placement of 10,619,996 Shares to sophisticated and professional investors at an issue price of \$0.10 per Share together with one free Option for every two Shares subscribed for to raise approximately \$1,062,000.

Prospectus means this prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.