

Energia sells Carley Bore Uranium Project for \$15.8 Million

Funds to be applied to expand Gorno Zinc Program

Key Points

- **Binding Heads of Agreement (HOA) signed to sell Carley Bore Uranium Project to Paladin Energy (PDN), owners of neighbouring Manyingee Uranium Project.**
- **Sale consideration of 45 million PDN shares plus A\$1.6 million in cash (A\$15.8 million of value based on PDN share price of 31.5c per share) payable upon completion.**
- **Exploration and refurbishment program at Gorno Zinc Project to be increased in scope as a result of recently announced encouraging drill results and this transaction.**
- **Enlarged drilling program to commence at the Colonna Zorzone deposit in June.**

Energia Minerals Limited (ASX: EMX, "Energia" or the Company) is pleased to announce that it has signed a binding HOA to sell its Carley Bore Uranium Project in Western Australia's Carnarvon Basin to Paladin Energy Limited (ASX: PDN) for A\$15.8 million in cash and shares. The consideration comprises 45 million PDN shares (of which 16 million shares will be held in voluntary escrow for a period of 12 months) and A\$1.6 million in cash. 40 million PDN shares and the A\$1.6 million in cash is payable upon completion (Tranche 1). The remaining 5 million PDN shares (Tranche 2) will be issued when Energia's application for expenditure exemption on E08/1644 has been approved.

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Marcello Cardaci
Non-Executive Director

Company Secretary

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The number of shares to be issued in Tranche 2 will be adjusted downwards for any increase in the PDN share price above 45 cents per share so that the maximum value of Tranche 2 shares at the time of transfer does not have a market value of more than A\$2.25 million.

The transaction is conditional upon Energia obtaining ministerial consent for the transfer of all tenements and if required, obtain shareholder approval for the transaction as well as PDN receiving FIRB approval.

PDN will also be granted a right of first refusal over the sale of any future tenements granted to Energia that share any boundary with the existing Carley Bore tenements as well as other tenements in the vicinity of the Carley Bore tenements.

Within 15 Business Days, PDN will prepare and submit to Energia for its consideration a fully termed agreement which incorporates the provisions of this HOA and until that agreement is executed, the parties shall remain bound by this HOA.

Energia's Managing Director, Mr Kim Robinson, said the sale of the Carley Bore Project represented a major boost to the Company's strategy to become a low-cost zinc producer in northern Italy during 2017.

"This deal crystallises the value in our Carley Bore uranium assets and provides a significant funding injection for our ongoing refurbishment and exploration program at the Gorno Zinc Project," he said.

"This transformative transaction with Paladin will give us significant additional flexibility to expand and expedite key elements of the Gorno program, including the ability to test some exciting new exploration targets which have been identified in recent months," Mr Robinson said. "The refurbishment program is proceeding well, with initial underground drilling to commence early in June."

With the increased level of funding available following the transaction, Energia plans to expand the current underground refurbishment program within the upper levels of the Colonna Zorzone (see Figure 1 attached) to provide access to the recently announced high priority exploration targets (refer to "Stage 2 Refurbishments" shown in dark blue) prior to the new decline (shown in red). As a result of the expanded rehabilitation and drilling program, the JORC Resource Statement has now been rescheduled to Q1/16.

Conceptual design work will also commence on extending the Exploration Decline to connect with the Riso-Parina adit on the 600RL level, which will provide additional drilling platforms for defining the very high grade extensions to the Colonna Zorzone deposit below the 600RL level (see Figure 1). The Company also plans to expedite metallurgical testwork, conceptual mine design, treatment plant design and baseline environmental studies in preparation for its goal of becoming a significant producer of high-grade zinc concentrates in 2017 selling into what is predicted by many analysts to be a very strong zinc market.



Upcoming Energia Investor Presentations

Energia's Executive Chairman, Mr Alex Burns, and Managing Director, Mr Kim Robinson, will update investors on the Company's zinc development strategy at a Resources Rising Stars investor luncheon series to be held this week in the following cities:

- **Melbourne** – Tuesday, 2 June 2015: 12.00-2.30pm, RACV Club, 501 Bourke Street
- **Sydney** – Wednesday, 3 June: 12.00-2.30pm, Intercontinental Hotel, 117 Macquarie Street
- **Brisbane** – Thursday, 4 June: 12.00-2.30pm, Customs House, 399 Queen Street

For details or additional information, please visit www.resourcesrisingstars.com.au or contact Read Corporate on +61 8 9388 1474.

For and on behalf of the board



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Figure 1 – Enlarged refurbishment program and proposed drill hole locations

