



ASX ANNOUNCEMENT

12 November 2019

Share Purchase Plan (SPP) with Bonus JMEI Tax Credits

HIGHLIGHTS

- Marmota to undertake Share Purchase Plan (SPP)
- **Discount:** Provides eligible shareholders with the opportunity to participate at a **15% discount** to close of trading price
- **JMEI credits:** Eligible Australian holders will **also** be entitled to receive **JMEI Credits of up to 27.5% of their successful application**
- **Proceeds to fund:**
 - **Phase 2 Aurora Tank Gold RC Drilling program** [see ASX:MEU **11 Nov 2019**]
 - **Working Capital**

Marmota Limited (ASX code: MEU) ('Marmota' or the 'Company') is pleased to advise that a Share Purchase Plan ('SPP') is to be offered to eligible shareholders.

The SPP announced today is designed to allow ordinary shareholders to subscribe to shares at a discounted price of **2.3c per share** — a price which **is 15% lower** than the closing price of 2.7c on Monday 11 November 2019. Eligible Australian shareholders will **ALSO** and additionally be entitled to receive tax credits from the Australian Federal Government of **up to 27.5%** of their successful investment.

Share Trading History

In September 2019: MEU shares traded in the range: 2.6c to 3.9c

In October 2019: MEU shares traded in the range: 2.4c to 3.5c

Dr Colin Rose, Chairman of Marmota, said:

“ The combination of the SPP mechanism with the Federal Government’s JMEI Tax Credits represents an unprecedented opportunity to our eligible shareholders to subscribe to new shares in the Company. Suffice to say that I intend to apply for my full allocation. ”

KEY POINTS

- This is the first time in 3 years that Marmota is offering an opportunity to ordinary shareholders to subscribe for shares.
- **JMEI Tax Credits**
This is the first time ever that the Company is extending the benefit of the Federal Government's **Junior Mineral Exploration Incentive (JMEI)** Taxation Credits to ordinary eligible shareholders. In the past, these benefits have passed entirely to sophisticated and institutional investors. The JMEI program offers benefits of **up to 27.5%** of a successful investment in new shares in the Company back to the shareholder.
- **Combined effect:**
Shareholders may wish to consider the combined effect of:
 - i) the SPP discount (15%) **AND**
 - ii) the independent Federal Government JMEI tax credit (for eligible Australian shareholders).
In 2017/2018, the JMEI credit to eligible MEU investors was 27.5% of the amount invested.
In 2018/2019, the JMEI credit to eligible MEU investors was 27.5% of the amount invested.
In 2019/2020, the maximum JMEI credit that the Company can issue to its eligible shareholders is again 27.5% – but it is too early in the year to calculate what the final rate will be (which is dependent on exploration expenditure *etc*). In the event that the JMEI credit in 2019/2020 again works out at 27.5%, the net effect of the combined discount and JMEI credit would appear, *ex ante*, to be around 40%. The JMEI tax credits are independent of any fluctuations in the Company's share price and are administered by the Federal Government.
- **Directors eligible:** The directors of a Company are eligible to participate in a SPP.
- **First and Final opportunity:**
This will be *the first, final and only opportunity* for ordinary eligible shareholders to enjoy the benefits of the JMEI program in the 2019-2020 financial year. There will be no further general raisings in Marmota in the 2019/2020 financial year.

Junior Minerals Exploration Incentive (JMEI) – Tax Credits to Shareholders

Marmota has been approved by the Federal Government to issue tax credits to Australian resident applicants who are successful in applying to the SPP, pursuant to the Federal Government's *Junior Mineral Exploration Incentive (JMEI)* Program for the 2019-20 financial year. Successful eligible participants receive back a taxation credit that can be up to 27.5% of the amount they invest.

Example:

In the event that the maximum rate of 27.5% again applies in 2019/2020, then a party that is issued with \$20,000 of MEU shares in the SPP may be eligible for a *fully franked* taxation credit of 27.5% of \$20,000 (i.e. \$5,500 back) from the Federal Government for the 2019-2020 financial year, through their tax return (or if an institution, then a franking credit).

Marmota is delighted to have again been formally approved by the Federal Government to participate in the JMEI program, and has already been allocated Tax Credits for the 2019-2020 year to issue to successful eligible subscribers of new shares.

For full details, please see: www.ato.gov.au/JMEI

Purpose of SPP

- Phase 1 2019 AC drilling yielded outstanding gold 1m intersections of **120 g/t gold**.
- Phase 2 2019 RC drilling is about to commence in two weeks time. It will be the Company's largest ever RC Drilling program at Aurora Tank (commencing around 27 Nov 2019).
- The SPP has been specially designed to provide an attractive way for *existing shareholders who are interested to increase their holding in the Company* to do so at an exciting time for the Company and its shareholders, and fund the drilling program.

Caveats

The SPP has not been designed as a mechanism for shareholders to engage in so-called arbitrage activities to the disadvantage of other shareholders. It is designed for shareholders who are interested to increase their holding and exposure to the prospectivity of the Aurora Tank gold discovery that has been returning outstanding gold intersections. Under the Terms and Conditions of the Offer, shareholders who sell stock during the Offer Period (between Announcement today and Closure) and simultaneously apply to take part in the SPP will have their applications scaled-back and/or rejected, in preference for shareholders who genuinely wish to increase their holdings. The Company expects that the SPP Offer will be favourably received, and anticipates that the offer will be both capped and scaled-back.

SPP Details

Marmota will make an offer of shares to eligible shareholders via a Share Purchase Plan (**SPP**). The right to participate in the SPP is optional and is available exclusively to shareholders who:

- are registered as holders of fully paid ordinary shares in the capital of Marmota Ltd on the **Record Date** of 11 November 2019 and
- whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Eligible shareholders will be given the opportunity to acquire shares to the value of A\$5,000, A\$7,500, A\$10,000, A\$15,000, A\$20,000, or A\$30,000, at an issue price of 2.3c per Share, free of any brokerage or commission (**Offer**). The issue price represents an approximate 15% discount to the last traded price of 2.7c immediately prior to the announcement date of the offer. No shareholder may purchase more than A\$30,000 worth of shares under the SPP. Applications are subject to scale-back at the discretion of the Board.

SPP Important Dates

Record Date	Monday	11 November 2019
Offer OPENS	Friday	15 November 2019
Offer CLOSES	Friday	29 November 2019
Scale-back announced	Thursday	5 December 2019
Allotment	Monday	9 December 2019

N.B. This timetable is indicative only and Marmota may, at its discretion and subject to the Listing Rules, vary any of the above dates by sending a revised timetable to the ASX.

Documents relating to the SPP will be posted shortly to eligible shareholders.

For further information, please contact:

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About Marmota Limited

Marmota Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's copper project is based at the Melton project on the Yorke Peninsula. The Company's uranium project is at Junction Dam adjacent to the Honeymoon mine. For more information, please visit: www.marmota.com.au

Important Information

The offer of New Shares under the SPP is made in accordance with ASIC Corporations (Share and Instrument Purchase Plans) Instrument 2019/547 which grants relief from the requirement to issue a disclosure document for the SPP. The SPP booklet contains further information about the SPP. The Board recommends you read the booklet carefully. Please note that neither this announcement nor the booklet provide financial advice and they have been prepared without taking account of any person's investment objectives, financial situation or particular needs.

If you apply to participate in the SPP, you should be aware, and accept the risk, that the market price of Shares may change between the date of the SPP offer and the date when New Shares are issued to you under the SPP. As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than under the SPP. We encourage you to seek your own professional advice regarding your participation in the SPP.

Before you apply for New Shares under the Share Purchase Plan, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the Share Purchase Plan (taking into account your own financial situation, needs and objectives). Marmota and its officers make no recommendation about whether or not you should apply for New Shares under the Share Purchase Plan, and nothing in this announcement or the SPP Booklet (including the Application Form) or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the Share Purchase Plan.