



ASX ANNOUNCEMENT

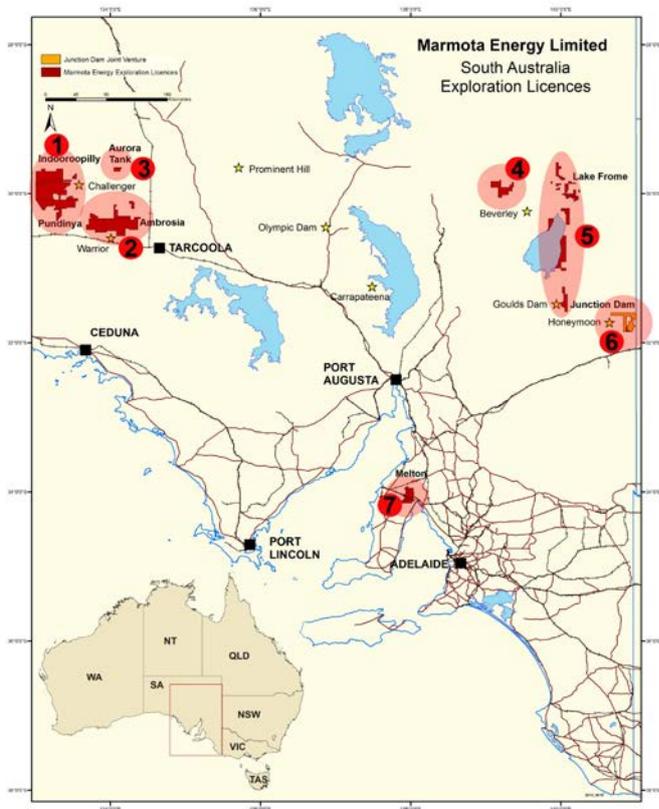
31 October 2014

## QUARTERLY ACTIVITIES REPORT SEPTEMBER QUARTER 2014

### HIGHLIGHTS:

- Marmota was given consent by NSW Government to apply for an exploration licence for uranium covering certain areas in NSW near Broken Hill
- Geological logging of the drill samples from the Yorke Peninsula Project observed copper mineralisation as supergene malachite and primary chalcopyrite
- Apollo Minerals commenced drilling at Aurora Tank
- Mr David Williams was appointed as Managing Director of the Company

### Exploration Activities



**PROJECT - Junction Dam and Mulyungarie (Area 6)**

*Tenements and interest*

- EL4510 (Junction Dam) (100% of uranium)
- EL5124 (Mulyungarie) (100%)

*Commodity focus*

- Uranium

*Work undertaken during reporting period*

- Nil

*Future exploration focus*

- Marmota will be re-commencing the work required to move the Saffron prospect to a Retention Lease status and to undertake work on samples from previous drilling to evaluate the nature of the resource and its pathway to commercialisation.

**PROJECT - New South Wales**

*Tenements and interest*

- Expression of Interest Area (100%)

*Commodity focus*

- Uranium

*Work undertaken during reporting period*

- During the Quarter, Marmota was given consent under section 13(3) of the NSW *Mining Act 1992* to apply for an exploration licence for Group 11 minerals (uranium) covering some of the areas near Broken Hill in which it showed an expression of interest for uranium exploration. Marmota believes that the area that such consent was granted for has excellent potential for sandstone hosted uranium mineralisation similar to the Junction Dam project. The area has historically proven from drilling information to contain geological formations that are known to host uranium mineralisation and is within close proximity to the Junction Dam project. All of these factors are very encouraging for the NSW project area, which would provide an adjunct to the Junction Dam Project.

*Future exploration focus*

- Marmota will review the application process during the next Quarter in order to evaluate whether to move forward with the next stage.

## PROJECT - Yorke Peninsula (Area 7)

### *Tenements and interest*

- EL4648 (West Melton) (100%)
- EL5122 (Melton) (Marmota 75%, Monax Mining Limited [ASX:MOX] 25%)
- EL5209 (North Melton) (Marmota 75%, Monax Mining Limited [ASX:MOX] 25%)

### *Commodity focus*

- Copper - gold

### *Work undertaken during reporting period*

- Detailed lithological logging of drill samples was completed from the drilling campaign undertaken over the Champion prospect. The logging observed copper mineralisation in the form of supergene malachite and primary chalcopyrite. In addition, pyrite was common across the prospect, which can be an indicator that the copper encountered at Champion may be bordering a larger mineralising system. Up to 43 metres of disseminated sulphides (both pyrite and chalcopyrite) were logged in drill hole WMAC011 with the hole ending in sulphides. Eight holes intercepted significant grades of copper from near surface, and four drill holes ended in copper mineralisation.  
Assessment of the rock lithologies, showed the host bedrock to be broadly metasediments of the Wandearah Formation, with minor occurrences of felsic and mafic intrusives. The Wandearah Formation hosts copper and gold mineralisation at the Wallaroo mines. Basement was encountered in all drillholes from depths as shallow as 2 metres.
- After an independent geophysical review was conducted on the entire project area, a ground based magnetometer survey commenced over the Melton Central target area. The survey is in progress and is due for completion once harvesting has completed during the next Quarter.

### *Future exploration focus*

- Geophysical interpretation and modelling will be conducted of the magnetometer data to determine the potential for further mineralisation on the project area.
- Planning is underway to conduct an electromagnetic (EM) or an induced polarisation (IP) survey over high priority targets within the project area. A follow up drilling program is anticipated once results of the geophysical survey have been received.

**PROJECT - Aurora Tank JV (Area 3)**

*Tenements and interest*

- EL4433 (Aurora Tank) (Marmota 100%, Apollo Minerals Limited Group [ASX:AON] earning up to 75%)

*Commodity focus*

- Gold and IOCG (Iron oxide copper gold)

*Work undertaken during reporting period*

- Following on from geophysical surveys conducted that highlighted large scale IOCG targets, work undertaken by Apollo during the previous Quarter (shallow rotary air blast drilling program and an induced polarisation survey) confirmed the possibility of IOCG style mineralisation. A drilling program was undertaken by Apollo to test a strong chargeability anomaly highlighted from the IP survey, as well as testing a non-magnetic and dense body in close proximity to historic drilling. Results from that drilling program were being reviewed during the Quarter.

*Future exploration focus*

- Once results from the recent drilling program have been received, an assessment will be undertaken to determine the future exploration stages of the project.

**PROJECT - Central Gawler Craton (Area 2)**

*Tenements and interest*

- EL4510 (Ambrosia) (100%)
- EL4526 (Pundinya) (100%)
- EL5195 (Muckinippie) (100%)

*Commodity focus*

- Multi commodity potential (gold, copper, nickel, zinc, uranium)

*Work undertaken during reporting period*

- Nil

*Future exploration focus*

- Reviewing results from past work on the Durkin prospect and determining what future exploration activity is warranted.

**PROJECT - Western Gawler Craton (Area 1)**

*Tenements and interests*

- EL4702 (Indooroopilly) (100%)
- EL4995 (Mt Christie) (100%)
- EL5060 (Lake Anthony) (100%)
- EL5377 (Cudyea) (100%)

*Commodity focus*

- Multi commodity potential (gold, iron ore, uranium, tungsten)

*Work undertaken during reporting period*

- Field trips were undertaken to the project area with possible joint venture partners.

*Future exploration focus*

- Reviewing past work and determining what future exploration activity is warranted.

**PROJECT - Western Spur (Area 4)**

*Tenements and interest*

- EL4528 (Western Spur) (100%)

*Commodity focus*

- iron ore and uranium

*Work undertaken during reporting period*

- Nil

*Future exploration focus*

- Reviewing past work and determining what future exploration activity is warranted.

**PROJECT - Lake Frome Region (Area 5)**

*Tenements and interest*

- EL4254 (Lake Callabonna Nth), EL4255 (Lake Callabonna Sth), EL4276 (Poontana), EL4319 (Mudguard Swamp West), EL4320 (Lake Frome), EL4383 (Billeroo), EL4412 (Moolawatana), EL4521 (Yandama Creek), EL4572 (Mulligan Hill), EL4625 (Christmas Bore), EL5275 (Woolatchi), EL5318 (Old Moolawatana) (100%)

*Commodity focus*

- Uranium

*Work undertaken during reporting period*

- Nil

*Future exploration focus*

- Reviewing past work and determining what future exploration activity is warranted.

**Corporate Activities**

During the Quarter Marmota appointed Mr David Williams as Managing Director. Mr Williams brings 20 years' experience in the energy and resources industries with recent roles as Executive Chairman of ASX listed Lithex Resources Limited, a graphite nickel and base metals explorer, and as President of Heathgate Resources, the owner and operator of the Beverley uranium mine. Mr Williams commenced full time employment on 29 September 2014. Mr Williams has indicated that the first task he is undertaking is to review all of the Company's tenements with a view to rationalising the tenement holdings to reduce costs and provide a focused approach going forward so as to provide the best value from the funds held by the Company.

The Company will hold its AGM on 25 November 2014 at 11.00am. Notice of Meeting and Annual Report have been despatched after the Quarter.

**For further information please contact:**

**David Williams**

Managing Director

Marmota Energy

Limited [dwilliams@marmotaenergy.com.au](mailto:dwilliams@marmotaenergy.com.au)

m.au

(08) 8245 4000

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***Competent Persons Statement***

*Information in this report relating to Exploration Results is based on information compiled by Mr. Daniel Gray as Senior Project Geologist for Marmota Energy Limited, who is a Member of the Australasian Institute of Geoscientists, and who is a full-time employee of the Company. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Gray consents to the inclusion of the information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Marmota Energy Limited

ABN

38 119 270 816

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | (135)                      | (135)                                 |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (157)                      | (157)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 8                          | 8                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         |                            |                                       |
| Other - termination payment                                     | (162)                      | (162)                                 |
| <b>Net Operating Cash Flows</b>                                 | <b>(446)</b>               | <b>(446)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of: (a) prospects                     | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | -                          | -                                     |
| 1.9 Proceeds from sale of: (a) prospects                        | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other (provide details if material)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>-</b>                              |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(446)</b>               | <b>(446)</b>                          |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |   |       |       |
|------|---|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward)                      | (446) | (446) |
|      | <b>Cash flows related to financing activities</b>                               |       |       |
| 1.14 | Proceeds from issues of shares, options, etc.                                   | -     | -     |
| 1.15 | Proceeds from sale of forfeited shares  | -     | -     |
| 1.16 | Proceeds from borrowings  | -     | -     |
| 1.17 | Repayment of borrowings   | -     | -     |
| 1.18 | Dividends paid  | -     | -     |
| 1.19 | Other (provide details if material)<br>- Costs associated with issues of shares | -     | -     |
|      | <b>Net financing cash flows</b>   | -     | -     |
|      | <b>Net increase (decrease) in cash held</b>                                     | (446) | (446) |
| 1.20 | Cash at beginning of quarter/year to date                                       | 1,573 | 1,573 |
| 1.21 | Exchange rate adjustments to item 1.20  | -     | -     |
| 1.22 | <b>Cash at end of quarter</b>   | 1,127 | 1,127 |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 and 1.7 | 267                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10           | -                          |

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner and payments to a related party for shared facilities and staff.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

\$49,995 contributed by Apollo Minerals Limited for exploration under joint venture agreement, for all minerals on EL 4433.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | Nil                         | Nil                    |
| 3.2 Credit standby arrangements | Nil                         | Nil                    |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 150        |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 250        |
| <b>Total</b>                   | <b>400</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 277                        | 153                         |
| 5.2 Deposits at call                             | 850                        | 1,420                       |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>1,127</b>               | <b>1,573</b>                |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Changes in interests in mining tenements**

|     | Tenement reference  | Nature of interest (note (2))    | Interest at beginning of quarter                        | Interest at end of quarter |
|-----|---|----------------------------------|---|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                                  |   |                            |
| 6.2 | Interests in mining tenements acquired or increased           | EL5438 (formerly ELA 2014/00038) | 100%  | 100%                       |
|     |   | EL5489 (formerly ELA 2014/00107) | 100%  | 100%                       |
|     |   | EL5490 (formerly ELA 2014/00108) | 100%  | 100%                       |
|     |   | ELA 2014/00184                   | Application (Subsequent licence application for EL4383) | 100%                       |

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+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number                             | Number quoted    | Issue price per security (see note 3) (cents)                      | Amount paid up per security (see note 3) (cents)                   |
|--|--|------------------|--|--|
| 7.1 <b>Preference +securities</b><br><i>(description)</i>  |  |                  |  |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |  |                  |  |  |
| 7.3 <b>+Ordinary securities</b>  | 263,759,235                              | 263,759,235      |  |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |  |                  |  |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |  |                  |  |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |  |                  |  |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   | 250,000<br>125,000<br>225,000<br>100,000 | -<br>-<br>-<br>- | <i>Exercise price</i><br>\$0.1016<br>\$0.083<br>\$0.073<br>\$0.036 | <i>Expiry date</i><br>05/03/15<br>21/12/15<br>29/07/16<br>24/07/17 |
| 7.8 Issued during quarter  |  |                  |  |  |
| 7.9 Exercised during quarter   |  |                  |  |  |
| 7.10 Expired during quarter  | 75,000<br>25,000<br>25,000               | -<br>-<br>-      | \$0.1016<br>\$0.036<br>\$0.073                                     | 05/03/15<br>24/07/17<br>29/07/16                                   |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |   |  |  |
|------|---|--|--|
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>   |  |  |
| 7.12 | <b>Unsecured notes</b> <i>(totals only)</i> |  |  |

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act **or other standards acceptable to ASX** (see note 4).
- 2 This statement does ~~not~~\* *(delete one)* give a true and fair view of the matters disclosed.



Sign here: .....  
 (~~Director~~/Company secretary)

Date: 31/10/14

Print name: Virginia Suttell.....

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

## Schedule of Tenement holdings

as at 30 September 2014

### South Australia

| Project name                            | Tenement              | No   | Tenure holder / applicant   | Details  | Nature of Company's interest %        |
|---|-----------------------|--|---|--|---------------------------------------|
| <b>Junction Dam</b>                     | Junction Dam          | EL 4509  | Teck Australia Pty Ltd 51%,<br>Variscan Mines 39.2%,<br>Eaglehawk Geological<br>Consulting Pty Ltd 9.8% | JV with Teck Australia, Variscan<br>Mines & Eaglehawk Geological<br>Consulting | 100% of the uranium<br>mineral rights |
| <b>Melton</b>                           | Melton                | EL 5122  | Marmosa P/L   | JV with Monax Mining   | 75% of all minerals                   |
|   | North Melton          | EL 5209  | Marmota Energy  | JV with Monax Mining   | 75% of all minerals                   |
|   | West Melton           | EL 4648  | Marmota Energy  |  | 100%                                  |
| <b>Ambrosia</b>                         | Ambrosia              | EL 4510  | Marmosa P/L   |  | 100%                                  |
|   | Muckanippie           | EL 5195  | Marmota Energy  |  | 100%                                  |
| <b>Pundinya</b>                         | Pundinya              | EL 4526  | Marmota Energy  |  | 100%                                  |
| <b>Western Spur</b>                     | Western Spur          | EL 4528  | Marmota Energy  |  | 100%                                  |
| <b>Aurora Tank</b>                      | Aurora Tank           | EL 4433  | Marmota Energy  | JV with Southern Exploration   | 100%                                  |
| <b>Indooroopilly -<br/>Lake Anthony</b> | Indooroopilly         | EL 4702  | Marmota Energy  |  | 100%                                  |
|   | Mt Christie           | EL 4995  | Marmota Energy  |  | 100%                                  |
|   | Lake Anthony          | EL 5060  | Marmota Energy  |  | 100%                                  |
|   | Cudyea                | EL5377   | Marmota Energy  |  | 100%                                  |
| <b>Lake Frome</b>                       | Lake Callabonna North | EL5416   | Marmota Energy  |  | 100%                                  |
|   | Lake Callabonna South | EL5415   | Marmota Energy  |  | 100%                                  |
|   | Poontana              | EL 5438  | Marmota Energy  |  | 100%                                  |
|   | Mudguard Swamp West   | EL5489   | Marmota Energy  |  | 100%                                  |
|   | Lake Frome            | EL 5490  | Marmota Energy  |  | 100%                                  |
|   | Billeroo              | EL 4383  | Marmota Energy  |  | 100%                                  |
|   | Billeroo              | ELA 2014/00184<br>(subsequent licence<br>application to<br>EL4383) | Marmota Energy  |  | 100%                                  |
|   | Moolawatana           | EL 4412  | Marmota Energy  |  | 100%                                  |
|   | Yandama Creek         | EL 4521  | Marmota Energy  |  | 100%                                  |
|   | Mulligan Hill         | EL 4572  | Marmota Energy  |  | 100%                                  |
|   | Christmas Bore        | EL 4625  | Marmota Energy  |  | 100%                                  |
| Woolatchi                               | EL 5275               | Marmota Energy   |   | 100%   |                                       |
| Old Moolawatana                         | EL 5318               | Marmota Energy   |   | 100%   |                                       |
| <b>Mulyungarie</b>                      | Mulyungarie           | EL 5124  | Marmosa P/L   |  | 100%                                  |

Marmosa Pty Ltd is a wholly owned subsidiary of Marmota Energy Limited

### Western Australia

| Project            | Tenement           | No.        | Tenure holder          | Details                | Nature of Company's interest %  |
|--------------------|--------------------|------------|------------------------|------------------------|---|
| <b>Rudall East</b> | <b>Rudall East</b> | E45 / 3088 | Teck Australia Pty Ltd | JV with Teck Australia | Option to acquire an<br>initial 51% interest in the<br>uranium rights |
|                    |                    | E45 / 3090 | Teck Australia Pty Ltd | JV with Teck Australia |   |
|                    |                    | E45 / 3170 | Teck Australia Pty Ltd | JV with Teck Australia |   |
|                    |                    | E45 / 3294 | Teck Australia Pty Ltd | JV with Teck Australia |   |
|                    |                    | E45 / 3520 | Teck Australia Pty Ltd | JV with Teck Australia |   |
|                    |                    | E45 / 3521 | Teck Australia Pty Ltd | JV with Teck Australia |   |
|                    |                    | E45 / 3602 | Teck Australia Pty Ltd | JV with Teck Australia |   |