

## ASX ANNOUNCEMENT

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.*



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### MARMOTA BEGINS PHASE 2 DRILLING AT JUNCTION DAM URANIUM PROJECT IN SOUTH AUSTRALIA

- Phase two drill testing of high grade uranium targets has commenced on the Saffron prospect at the Junction Dam project near Broken Hill.
- New high resolution ground electromagnetic survey extends potential high grade target zone size for follow up testing.
- Marmota is set to complete 51% earn-in for project's uranium rights from joint venture partners.

#### Junction Dam uranium project

*(On Junction Dam, Marmota earning 51% under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)*

Marmota Energy Limited (ASX: MEU) is pleased to announce that it has commenced a follow up drilling campaign, to further test high grade sedimentary uranium targets at the Saffron prospect at Junction Dam. The drilling follows on from the successful maiden drilling campaign completed by Marmota in late in 2009 at the Junction Dam project. Multiple high grade occurrences were encountered in 80% of drill holes completed as part of the broad spaced maiden program.

The phase 2 drilling follows the completion in March 2010 of a high resolution ground electromagnetic survey over the high grade target zones. The survey was designed to define potential extensions to high grade areas on the project for continued drill testing.

The results of the survey, when combined with other high resolution geophysical datasets that Marmota has acquired over the project (Figure 2), have successfully defined potential extensions to the high grade target zones where drilling has previously confirmed mineralisation.

Seventy shallow rotary mud drill holes are planned as part of this program, and are expected to be completed in mid-September 2010. It is planned that drilling updates will be made every three weeks as part of this program. eU<sub>3</sub>O<sub>8</sub> readings from down-hole gamma probe processes will be collected at each hole and analysed as each hole is drilled.

The aim of the Phase 2 program is to continue to define the size and extent of mineralisation discovered at Junction Dam by Marmota. It is anticipated that the results from the drilling will assist the Company in preliminary resource calculations at the conclusion of this phase of the program.

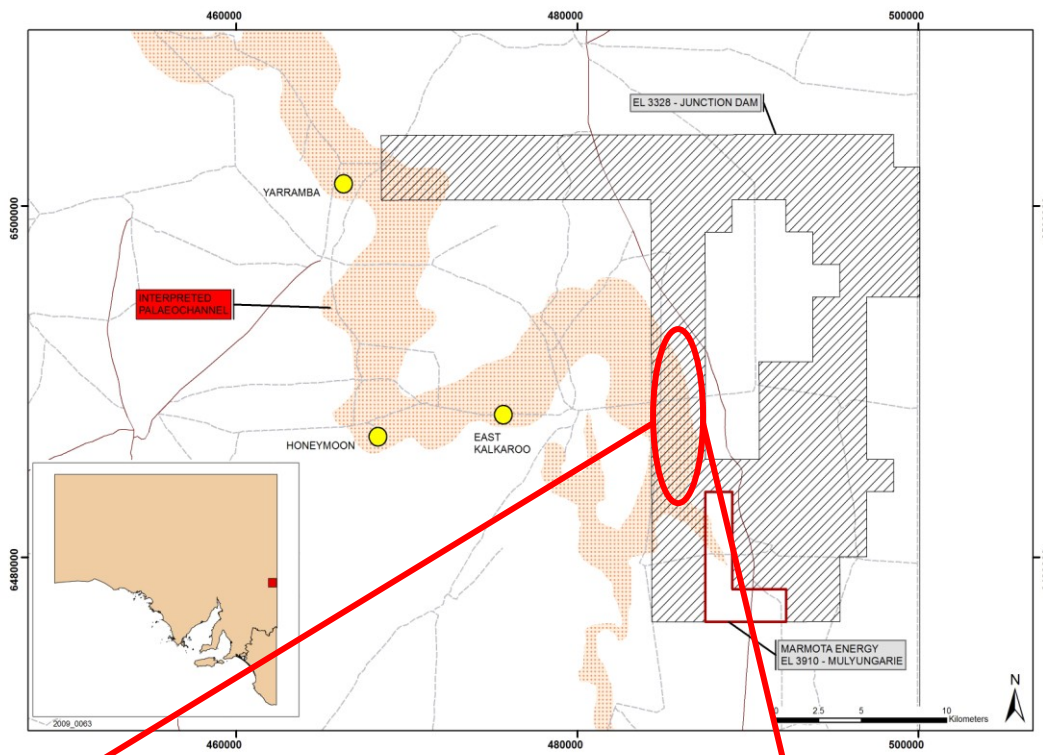


Figure 1: Location of the Junction Dam project, with previous channel map coverage and priority target area circled in red.

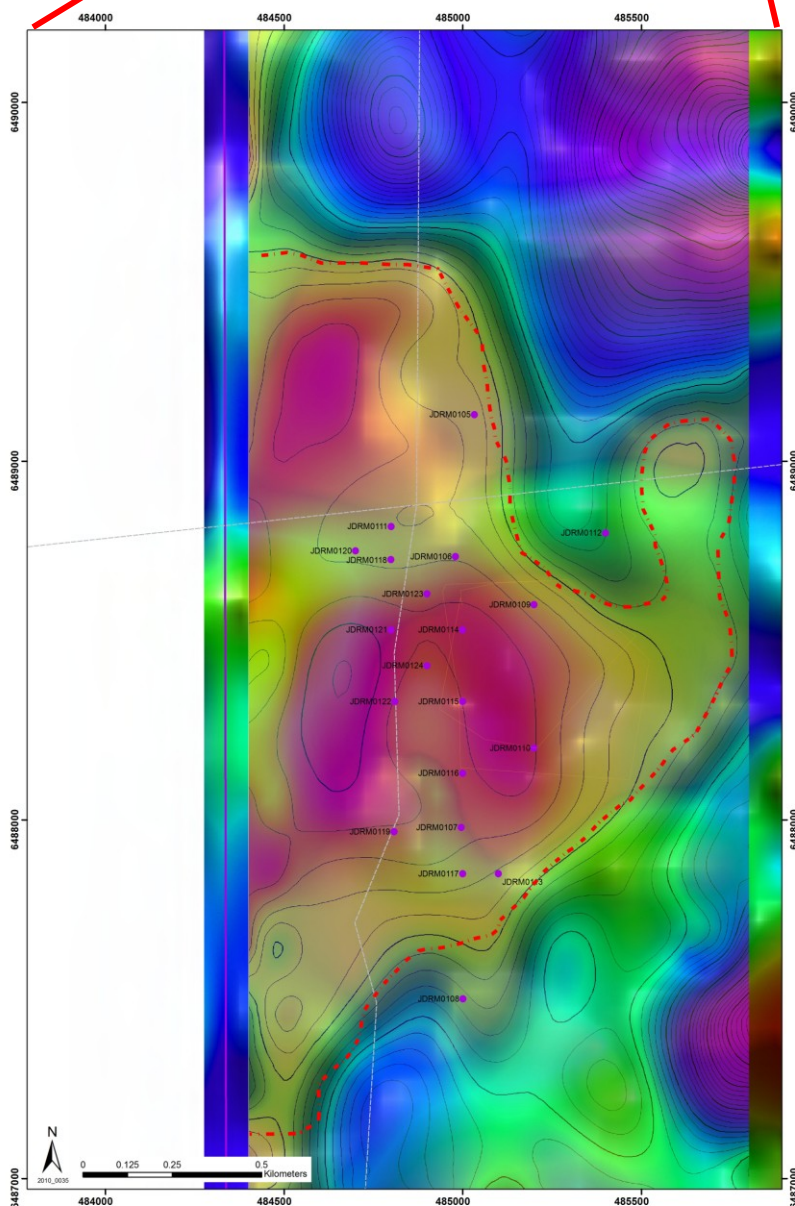


Figure 2: Conductivity colour filled contours draped over high resolution gravity. Conductive zones highlighted by yellow to pink colours, coincident with channel architectures mapped in previous Marmota surveys. Phase 1 drill hole positions, many of which intersected mineralisation, also shown. Expanded target zone at the Saffron prospect bound by red dashed line.

Marmota has earned a 30% interest in the uranium rights on this highly prospective project and is anticipated to meet its full 51% earn in interest for the uranium rights early during the current phase of drilling.

The Junction Dam project is considered to be highly strategic by Marmota Energy, given its proximity to the major centre of Broken Hill. Junction Dam is in close proximity to existing uranium mining infrastructure and has good access to major road and rail links.



**Mr Dom Calandro**  
**MANAGING DIRECTOR**

**12 May 2010**