

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.



**MARMOTA
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Marmota's ground EM identifies multiple targets for testing in upcoming Phase 3 drilling at Junction Dam – South Australia

- **Multiple targets defined for testing within the 5 km long 'Bridget' prospect at the Junction Dam uranium project.**
- **Marmota set to further increase its ownership interest in the uranium rights at Junction Dam.**

Junction Dam uranium project

(On Junction Dam, Marmota 74.5% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited (ASX: "MEU") has completed additional ground electromagnetic (EM) surveys at Junction Dam in preparation for Phase 3 drilling planned to commence shortly.

The ground EM survey was completed over the 5km long 'Bridget' prospect immediately to the north of the 'Saffron' prospect (Figure 1). Ground EM data played a significant role in drill target vectoring processes over Saffron where high grades of uranium have been intercepted by Marmota.

Multiple strong conductive zones have been mapped by the new EM survey, defining this part of the Yarramba Palaeochannel, which also hosts the nearby Honeymoon development. The EM data from the recently completed survey compares favorably to EM data previously acquired over the adjoining Saffron prospect. EM signatures returned from the depth of uranium mineralisation at the Saffron prospect are interpreted to be the same as at the Bridget prospect (Figure 2). This is considered very encouraging for significantly increasing the size of the current zone of mineralisation.

One hundred holes are planned for Phase three drilling, scheduled to commence in the first weeks of April. Twenty of the drill holes will be used to test targets at the Bridget prospect, with the remaining holes to be utilised for expansion drilling at Saffron.

Bridget is one of three additional areas considered by Marmota to be as prospective as the Saffron prospect for high grade uranium mineralisation.

Increase in ownership interest

Marmota Energy is pleased to announce that it is set to further increase its ownership interest for the uranium rights at Junction Dam. Marmota has been notified by Teck and its partners that they do not intend to contribute to the 2011, Phase 3 drilling program. Following planned expenditure on the Junction Dam project in 2011, Marmota is set to further increase its ownership interest in the uranium rights from the **current 74.5%** interest it holds in the joint venture.


 Target areas of high potential planned to be tested in phase 3

Figure 1: Junction Dam project with target areas highlighted.

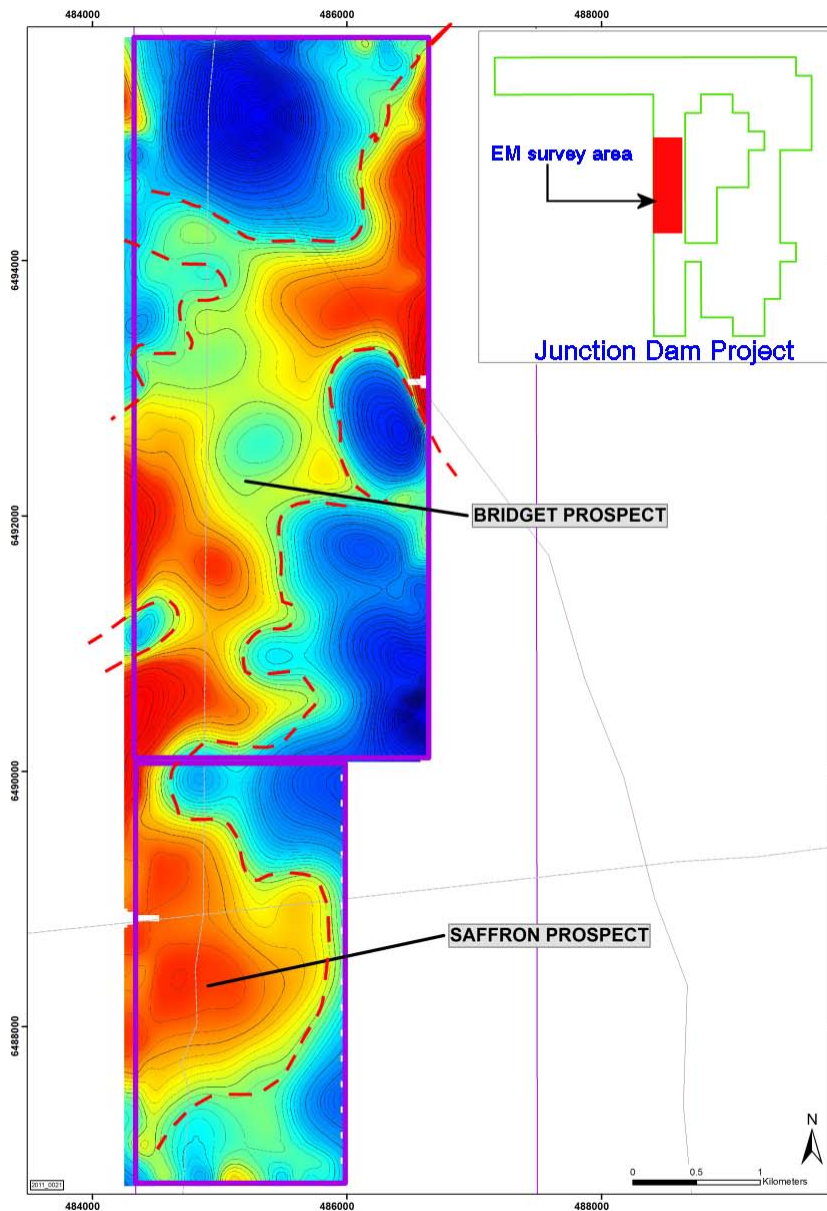
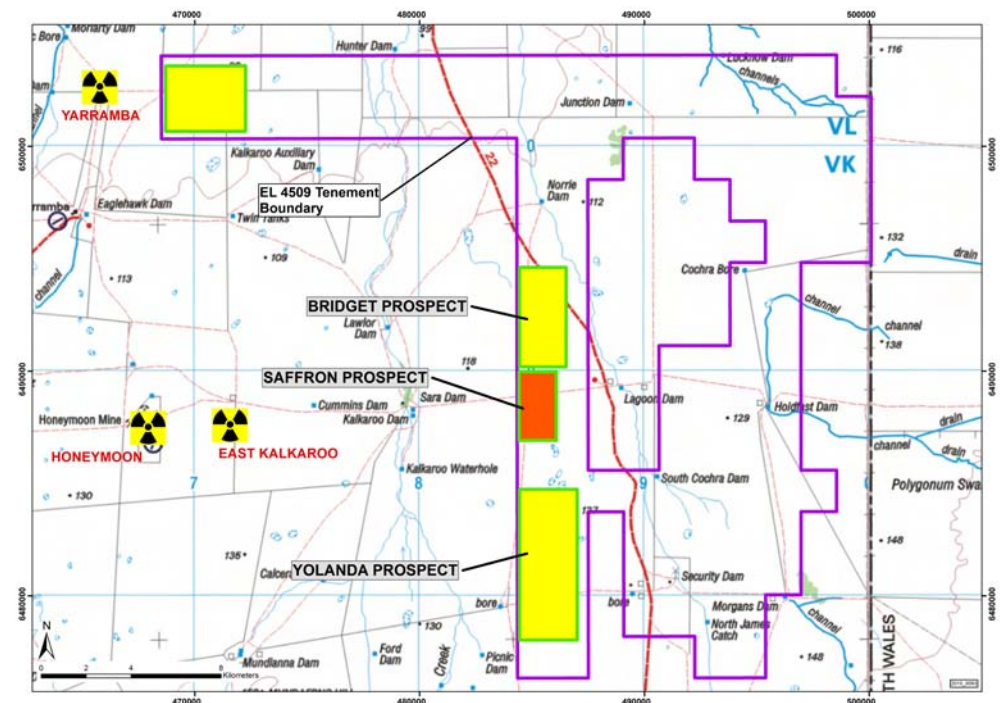


Figure 2: Ground EM survey result over Saffron and Bridget prospects. Interpreted palaeochannel outlined with red dash line.

About the Junction Dam uranium project

The Saffron uranium prospect on Junction Dam was discovered by Marmota Energy in late 2009.

The project is strategically located less than an hour drive from the major regional centre of Broken Hill (Figure 3), and is approximately twelve kilometres from the soon to be commissioned Honeymoon uranium mine. Marmota has earned a 74.5% interest in the uranium rights on this highly prospective project.

Drilling completed in the 2010 Phase 2 program confirmed an extension to the strike length of the Saffron prospect to approximately **two kilometres**, open to the north and south. Uranium mineralisation at Junction Dam is predominantly contained in uraninite, coffinite, and uranium phosphate minerals, suggesting amenability to in-situ leach extraction.

Further drilling is planned at the Saffron and adjoining larger Bridget prospect over coming months.

From the results achieved to date, Marmota believes there is significant potential for further extension to the Saffron prospect and the discovery of additional zones of uranium on Junction Dam.

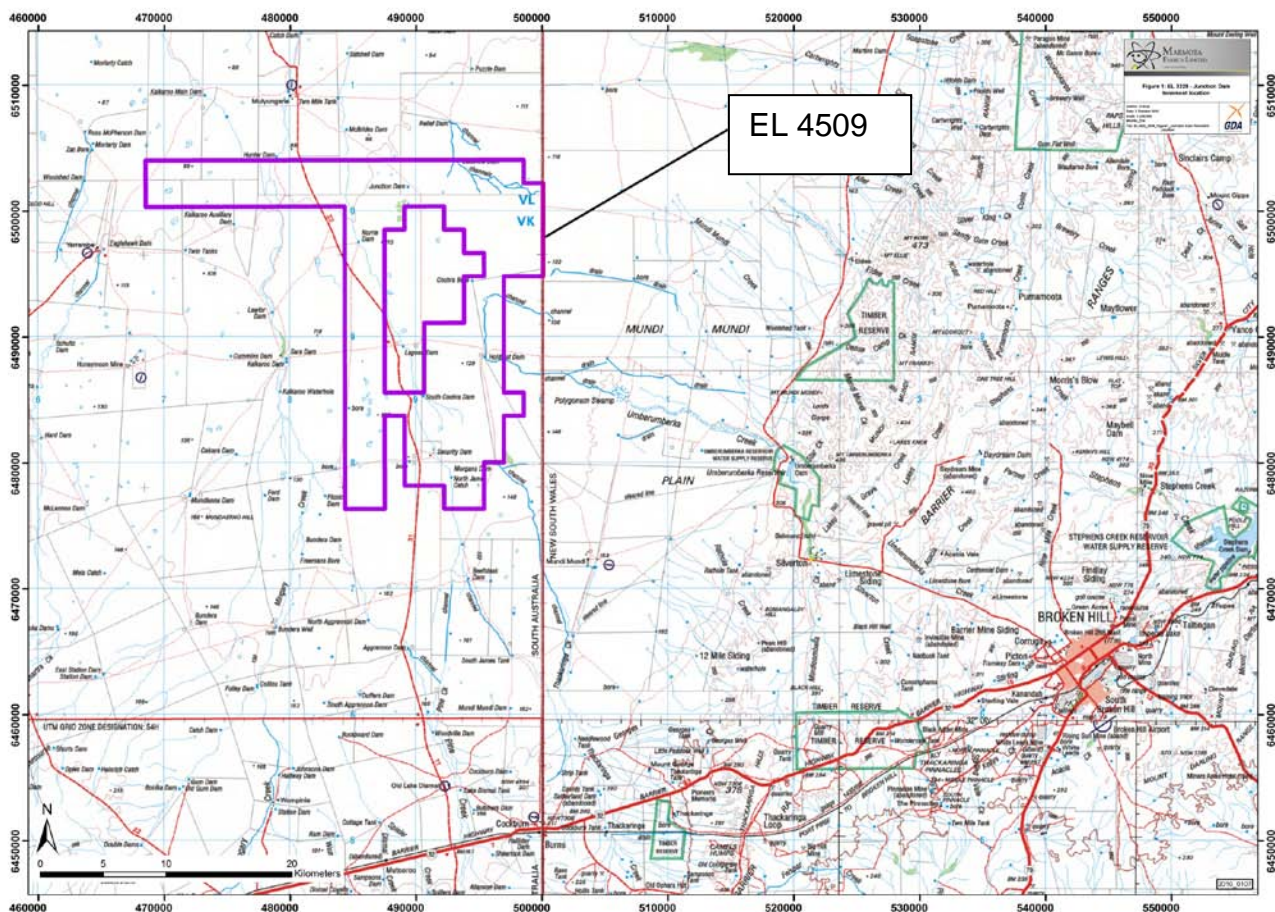


Figure 3. Junction Dam location map

Mr Dom Calandro

**Mr Dom Calandro
MANAGING DIRECTOR**

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