QUARTERLY REPORT
Quarter ending
30 June 2010

MARMOTA ENERGY LIMITED
A.B.N. 38 119 270 816

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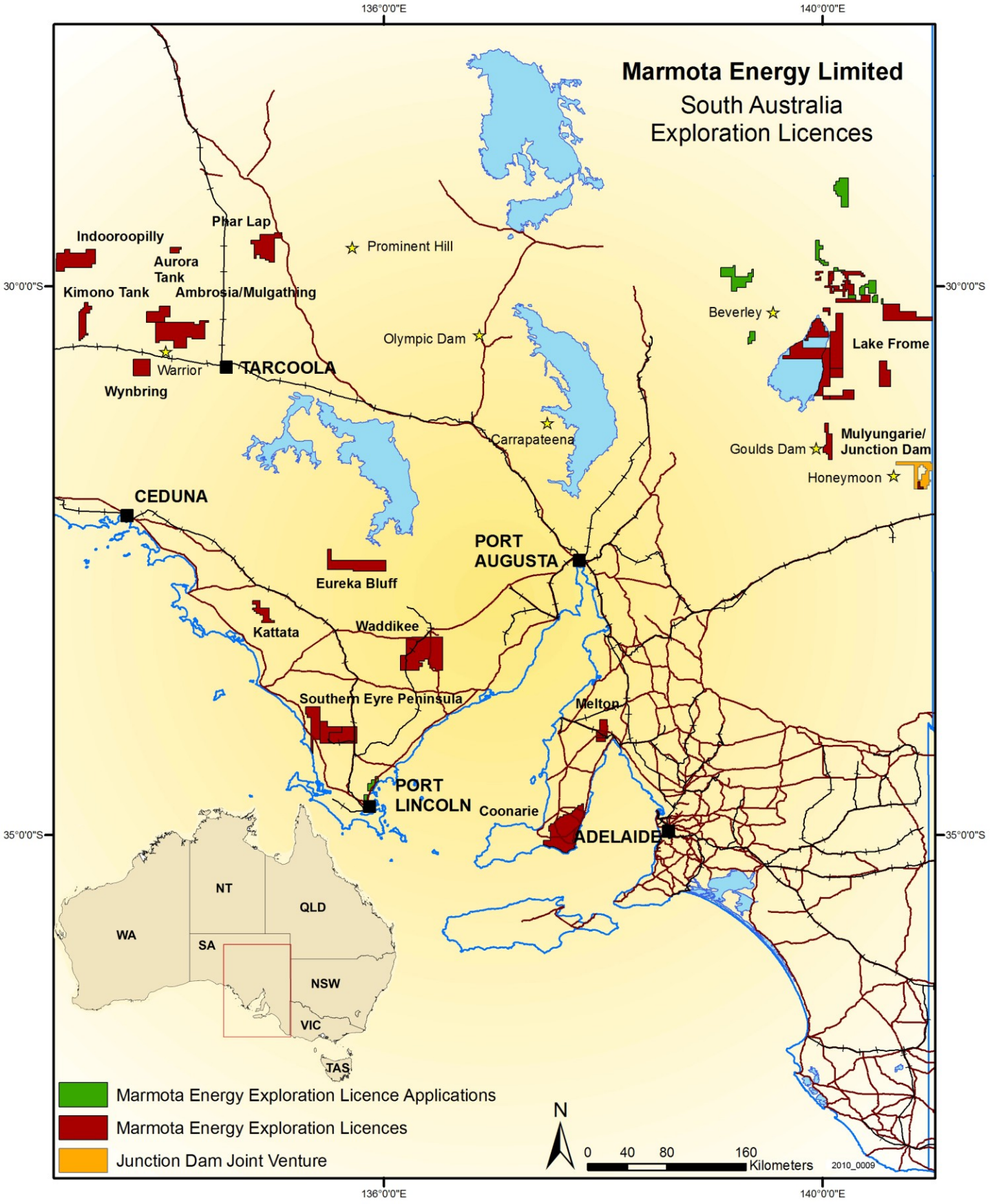
ASX RELEASE

Marmota Energy Limited (ASX: MEU)

Highlights

- **Maiden drilling program completed at Melton copper-gold project on the northern Yorke Peninsula.**
  - **Seven holes completed.**
  - **Two drill holes returning copper from assay.**
  - **Awaiting further assay results.**
- **Junction Dam uranium project**
  - **51% interest earned in joint venture for the Junction Dam uranium project. Marmota set to earn 75.5% interest in the uranium rights at the completion of this current phase of exploration.**
  - **Phase two drilling program underway at the Junction Dam high grade uranium project. High grades over thick intervals continue to be intersected.**
- **Marmota elects to participate with Ramelius Resources in high grade gold project in Nevada.**



Marmota Energy tenement locations

Review of Operations

"the Company continued its exploration across two high potential and strategic projects in South Australia."

Corporate Activities
In the June Quarter of 2010, the Company continued its exploration across two high potential and strategic projects in South Australia. Marmota commenced the next round of drill testing on the Saffron prospect at its high grade uranium project at Junction Dam near Broken Hill. Completion of phase 1 drill testing of the first three of five large scale anomalies with copper - gold potential at the company's Melton Project on the northern Yorke Peninsula.

Marmota is continuing to focus its resources on a strategy to develop a pipeline of projects that will offer a combination of short-term and sustainable longer term revenue potential. This strategy will assist in maintaining Marmota's strong cash position while promoting an expanded program of focused exploration. Tenements have been to be granted to Marmota in the highly prospective Lake Frome region near the Beverley and Four Mile developments. Marmota's projects here are 100% owned and are considered by the Company to be prospective for both uranium and precious metals.

Finance
As at 30 June 2010, Marmota Energy had available funds of $9.5 million, of which the majority is held in term deposits with Australian Banks. During the June Quarter, total net operating expenditure by the company was $1.1 million.

Exploration Activities

Melton Copper-Gold Project *(including update)*

(Marmota 50% under Melton JV Agreement with Monax Mining Limited)

Marmota Energy Limited *(ASX: MEU)* completed its maiden drilling program on the highly prospective Melton copper-gold project in May 2010. The drilling program was designed to test for the presence of copper mineralisation in the first three of five targets on the project. Seven drill holes were completed, totaling 3378.4 metres.

Marmota Energy considers this region highly prospective for the discovery of new deposits of copper and gold. Recently the prospectivity of the region and in particular the Pine Point Fault has been demonstrated by the discovery of significant copper-gold mineralisation by Rex Minerals at their Hillside Project immediately south of Marmota's Melton project .

The two Melton tenements (EL3911 and EL4000), cover the northern extension of the Pine Point Fault and contain a number of discrete magnetic and gravity features consistent with copper-gold mineralisation elsewhere along the fault.

The Melton joint venture with Monax Mining is in line with Marmota's corporate strategy of creating shareholder value and reducing exploration risk by acquiring projects with a high discovery potential or a known resource with significant expansion potential.

The project's proximity to major centres and good access to port, road and rail infrastructure makes this a very strategic project for Marmota Energy.

Assays have returned copper mineralisation from two drill holes, which had been drilled into the southern end of the 'Miranda' geophysical target (Table 1). Drill holes MIRDD01 and MIRDD04 intersected the potential margin of a large low grade halo of alteration.

Drill holes MIRDD01, and MIRDD04 intersected observable sulphide mineralisation (pyrite and chalcopyrite). Drill holes in the Miranda target intersected copper mineralisation associated with an amphibole – magnetite – pyrite - chalcopyrite alteration system. The alteration is interpreted to be related to the intrusion of an extensive mafic body into metasediments and granites.

The Miranda Target is a large geophysical anomaly demonstrating a significant magnetic and a larger sized coincident gravity response which extends for more than four kilomtres in length (Figure 2). Four holes were drilled into the Miranda Target to test for copper - gold mineralisation at different parts of the large anomaly. MIRDD02 and MIRDD03 had similar geological relationships to

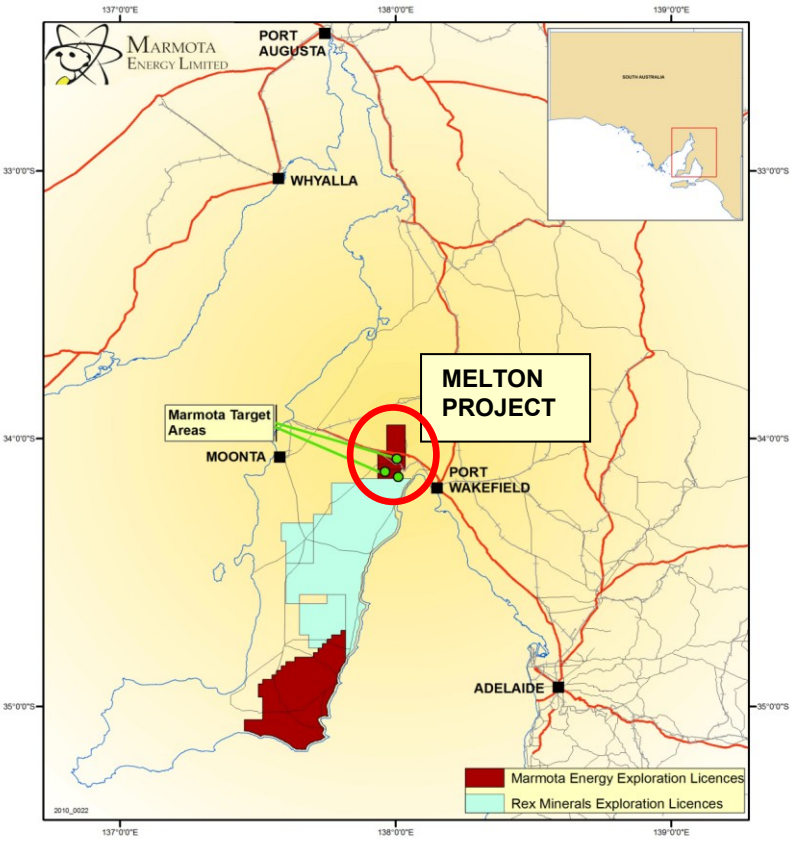


Figure 1. Melton project area

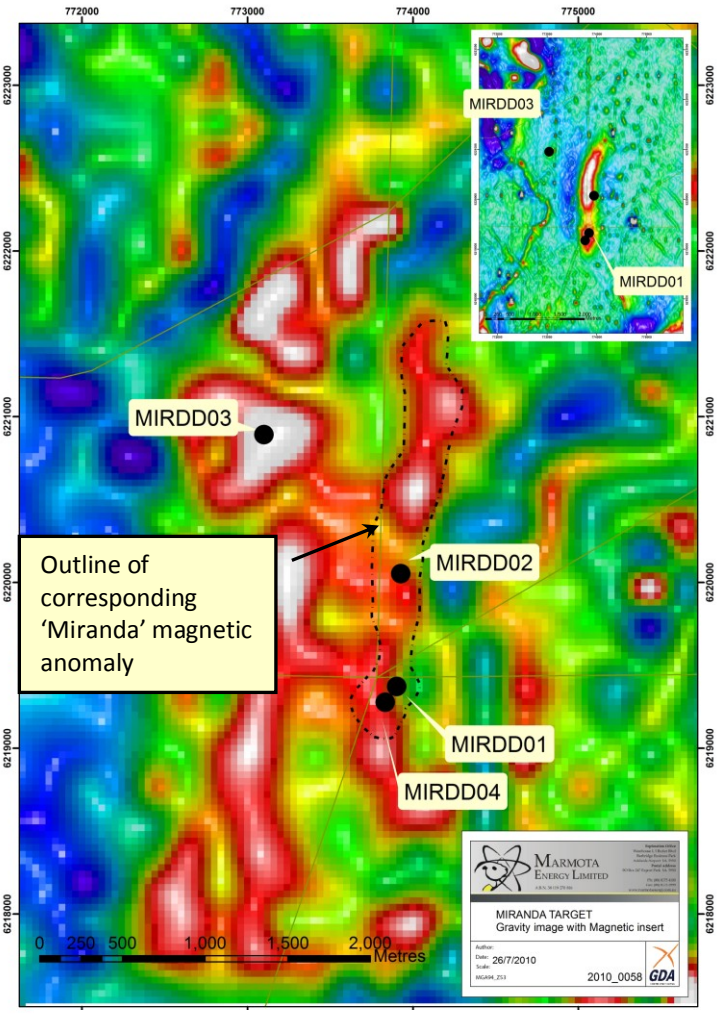


Figure 2. Reprocessed gravity data (red - white: high gravity response), Miranda target area with coincident magnetic anomaly location outlined in black dashed line.

those at MIRDD01 and MIRDD04, but returned only low copper levels over the intervals assayed. The presence of copper in this large target is considered highly encouraging with further exploration planned in 2010. Down hole geophysics is planned for MIRDD01 and MIRDD04 in July 2010, which will offer the ability to map the extents potential copper mineralisation between the two holes and beyond in 3D. This data may also assist in locating higher grade zones which will be important to Marmota's planning for follow up drill testing early in 2011.

Ultra detailed infill magnetic surveys are also planned over the Miranda target to further improve structural detail of the anomaly and in differentiating critical bedrock lithologies.

The schematic diagrams below are a representation of the down hole intercepts encountered in drilling at MIRDD01 and MIRDD04 (figure 3a and b). Figure 3a displays both holes from surface with copper intercepts highlighted and interpreted copper zone shallowing to the west illustrated by the red envelope.

Figure 3b on the right is a zoom of the copper intercept zones. It can be observed from the blue histogram that a large low grade copper zone has been intercepted from 400 metres. Peak copper grades intercepted are also shown in the figure.

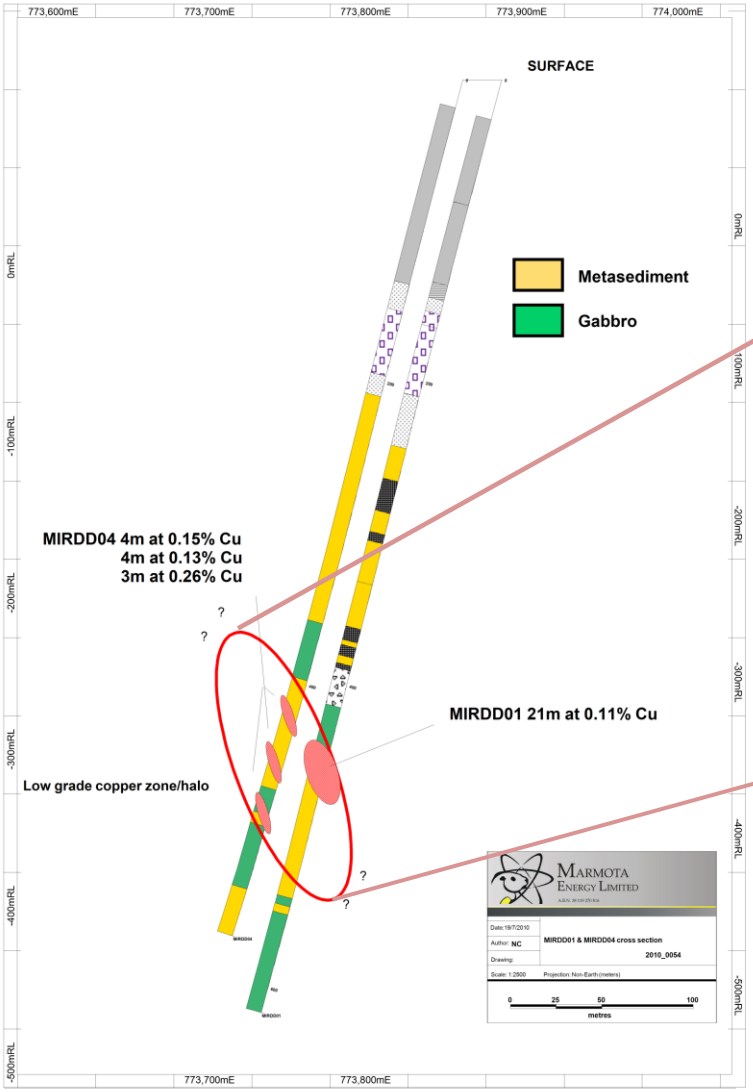


Figure 3a. Miranda drill hole schematic from surface.

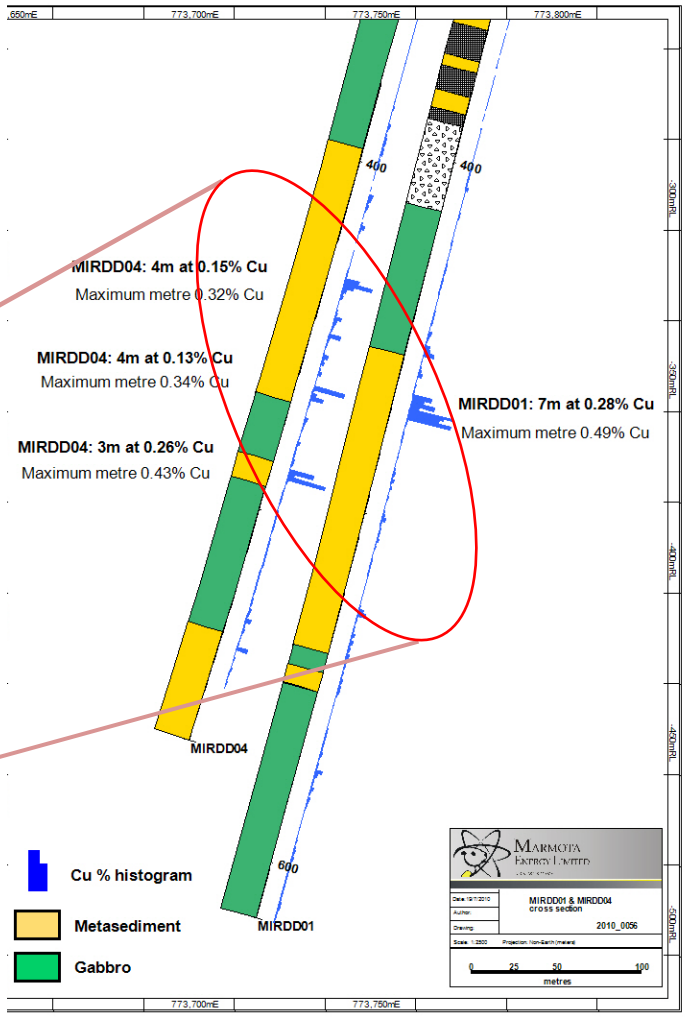


Figure 3b. Miranda drill hole schematic zoom into copper zones.

Hole	m From	m To	Interval	Cu (ppm)	Cu %
MIRDD01	**447**	**507**	**60**	**451**	**0.045**
including	*451*	*472*	*21*	*1115*	*0.11*
MIRDD04	**432**	**490**	**58**	**471**	**0.047**
including	*432*	*436*	*4*	*1584*	*0.15*
including	*463*	*467*	*4*	*1352*	*0.13*
including	*487*	*490*	*3*	*2587*	*0.26*

Table 1. Miranda drill holes
MIRDD01 and 04 best assay results.

Samples from selected intervals of drill core at the other two targets at North White Cliffs and Melton are currently being assayed. Depth to basement at these two targets varied between 400 and 500 metres.

The downhole electrical geophysical survey planned for MIRDD01 and 04 should map conductive zones between the two holes and beyond. It is anticipated that the survey results will assist in mapping the potential zone of mineralisation as proposed in the above diagram (Figure 3a).

The results achieved in this phase of drilling are encouraging. The objective of this, our first year of drilling at Melton, was simply to see if there is copper present which the latest assays have certainly confirmed. We will continue further exploration work for the rest of the year with a view to recommencing drilling at Melton early in the New Year once the summer cropping season is completed.

Junction Dam uranium project

(Marmota 51% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd)

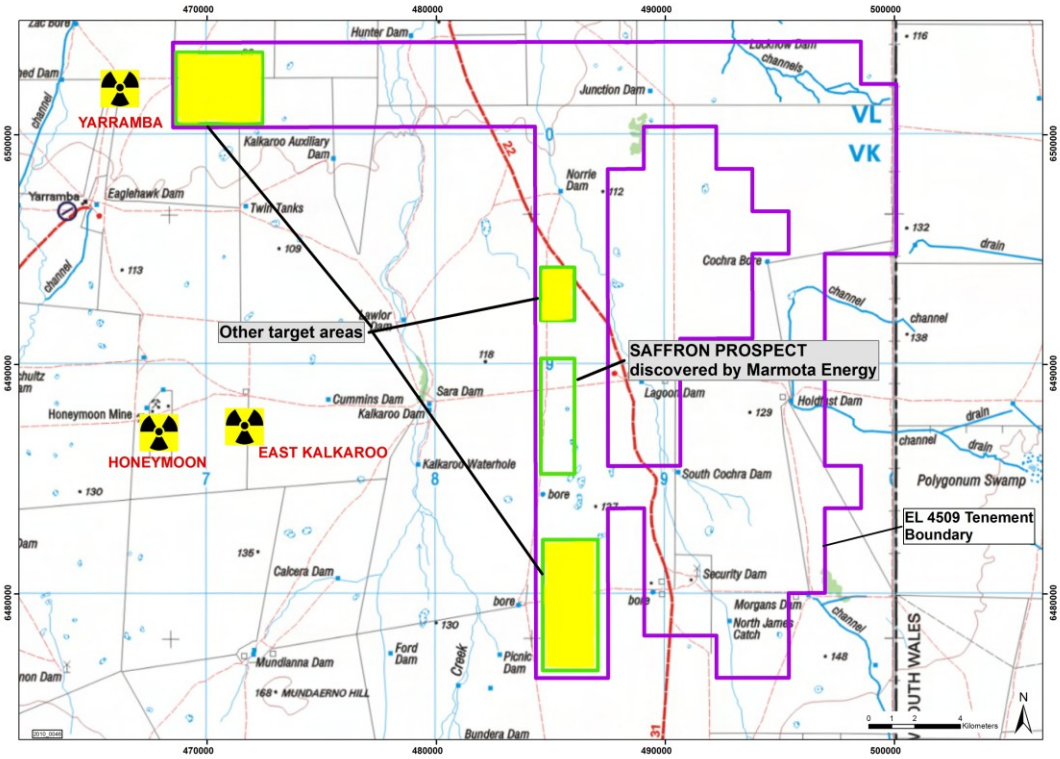
As reported previously, Marmota Energy Limited ('the Company') has earned a 51% interest in the high grade uranium prospect on the Junction Dam uranium project ('the project') in northeastern South Australia. On the project, Marmota is set to earn a 75.5% interest in the uranium rights from Teck Australia Pty Ltd, PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd.

Marmota satisfied the 51% earn-in commitment on the project as part of its agreement with Teck and its partners in the previous quarter. The Company is on track to achieve a further 24.5% interest in the uranium rights through its planned exploration expenditure in 2010.

Outstanding results continue to be obtained from drill holes completed at the Saffron prospect on Junction Dam as part of the Company's sixty hole drilling program. Downhole gamma readings indicating substantial uranium mineralisation of potential economic significance continue to be returned from what has been interpreted as Eyre Formation carbonaceous and pyritic sands. These sands offer an ideal environment for sandstone hosted uranium. The Eyre Formation hosts the nearby Honeymoon Uranium Mine and Beverley Four Mile uranium project to the north of Junction Dam.

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.

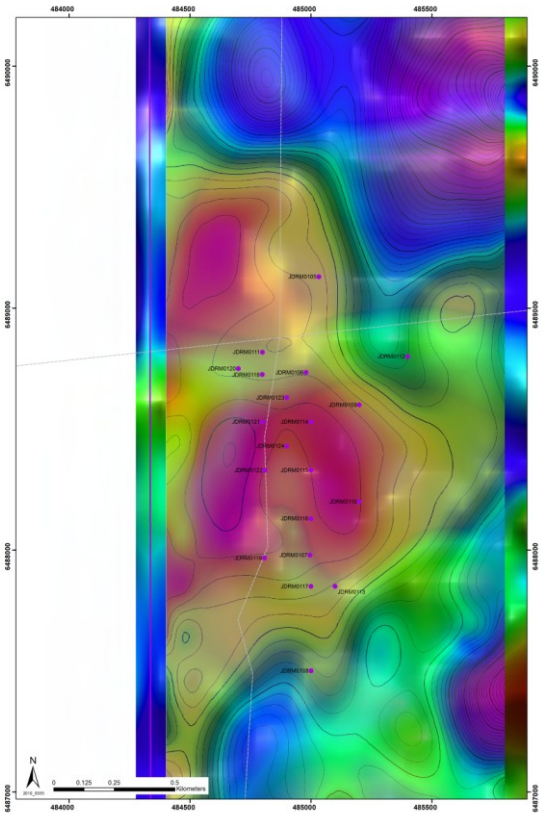
Other target area's of high potential to be tested in phase 3



Junction Dam location map

The results of the survey, when combined with other high resolution geophysical datasets that Marmota has acquired over the project, have successfully defined potential extensions to the high grade target zones where drilling has previously confirmed mineralisation. Sixty shallow rotary mud drill holes are planned as part of this program, with 87 % of holes drilled to date in this current phase intersecting uranium mineralisation.

Multiple holes have returned peak uranium grades of more than 1000 ppm eU_3O_8*. Outstanding high grade intercepts coupled with significant intervals of mineralisation continue to be intersected in this current phase of drilling (Table 2). A number of holes drilled have reported grade-thickness accumulations in excess of 0.045 m% eU_3O_8 and up to 0.242 m% eU_3O_8 (intersections of greater than 0.045 m% eU_3O_8 are considered significant and important in evaluating the economic viability).



Left: 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.

Right: drill rig at Junction Dam.

Three additional target areas have been identified on the Junction Dam project that Marmota considers to be just as prospective as the Saffron prospect. Further exploration including preliminary drill testing is planned in early 2011 on those additional target areas.

The continued high grade results achieved at Saffron are extremely significant as they confirm the Company's belief that results achieved to date are analogous with the mineralisation model at the nearby Honeymoon Uranium Mine.

At the completion of this phase Marmota will assess all drill results in order to calculate a preliminary inferred resource which the Company intends to extend upon in the next phase of drilling.

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
SARM002	484784	6488669	124.69	6.85	67.845	135	0.046
SARM003	484794	6488617	123.88	5.5	106.763	459	0.059
SARM004	484798	6488567	129.84	0.85	825.935	2510	0.070
SARM007	484805	6488385	128.2	1.85	693.498	1935	0.128
SARM008	484749	6488715	124.75	1.7	1272.899	5192	0.216
SARM009	484749	6488533	125.7	6.55	117.728	935	0.077
SARM012	484596	6488740	125.32	4	156.526	888	0.063
SARM013	484594	6488645	123.66	3.15	633.658	2720	0.200
SARM021	484706	6488438	126.16	3.85	357.926	2565	0.138
SARM022	484695	6488358	126.15	4.15	584.18	3674	0.242
SARM027	484803	6488038	118.65	1	459.641	1204	0.046
SARM029	484646	6488402	125.15	4.05	328.41	1927	0.133
SARM039	484373	6488010	129.44	0.85	535.907	1163	0.046

Uranium peak grade greater than 1000 ppm
Grade thickness greater than .045 m%eU3O8

Table 2: Best Grade Thickness (GT) readings to date in Marmota's drill holes on Junction Dam from 2010-Phase 2 drilling program. The widths shown are true widths with a 100 ppm cut off applied.

**Hole prefix 'SAR': *Equivalent grades (eU_3O_8) from Borehole Wireline Pty Ltd gamma probe 3785, calibrated at Adelaide Test Pits. Dead time 4.27264e-6, k factor 2.2702e-5, 108mm hole, water filled.*

Project generation alliance with Ramelius Resources

Big Blue Joint Venture Nevada (US) *(Ramelius and Marmota earning 70%)*

Ramelius Resources (ASX: RMS) announced previously that it had executed a letter of acceptance with Miranda Gold Corp where RMS with Marmota will have the right to earn a 70% interest in the Big Blue gold project in Nevada. The Big Blue project is considered highly prospective for large sediment hosted gold deposits. Surface sampling over the project has yielded significant gold anomalism that RMS intends to drill test later in 2010.

Under the terms of the previously announced project generation alliance with Ramelius, Marmota has the right to earn 40% interest in the RMS rights under the agreement with Miranda.

During the Quarter Ramelius' joint venture partner, Miranda Gold Corp completed 100x50m infill soil sampling, geological mapping and a detailed gravity survey over the West Cottonwood prospect area, where a coincident plus 9ppb gold in soil anomaly and anomalous rock chips up to 56g/t Au have been identified to date.

An aggregate 1,237 soil samples were collected. Assay results are awaited.

A preliminary image of the 200x100m survey station gravity survey is shown in the figure below. This highlights a gravity high feature within the centre of the project area, suggesting uplifted basement or buried intrusive rocks. An interpretation of the results will be available at the end of July.

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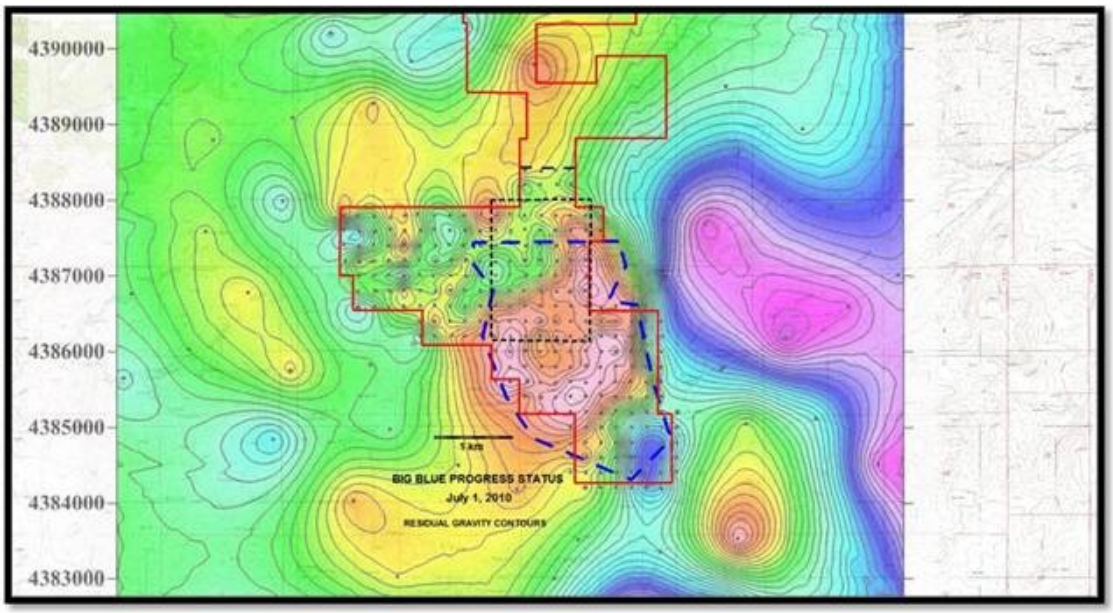

Above: 200x100m network station gravity survey contour map for the 'Big Blue' project in Nevada - USA.

Forward Program

Drill testing of copper - gold potential targets at Melton was completed during this quarter and remaining assays are due over coming weeks. Down hole geophysical logging of MIRDD01 and MIRDD04 will be completed in July.

Further definition of high grade uranium mineralisation on Junction Dam is underway and will be completed by start of September 2010. Data from Junction Dam will be assessed for its suitability to calculate a preliminary inferred resource.

Timing	Project	Project
February - May 2010	Melton	Drill testing of anomalies commences
March 2010	Junction Dam	Ground EM survey
May - September 2010	Junction Dam	Phase 2 drilling to commence
June - July 2010	Melton	Downhole geophysical loggong of MIRDD01 and MIRDD04

COMPLETED
COMPLETED
UNDERWAY

Mr Dom Calandro
MANAGING DIRECTOR

30 July 2010

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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Marmota Energy Limited

ABN	Quarter ended ("current quarter")
38 119 270 816	**30 June 2010**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(1,124)	(2,426)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(158)	(794)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	167	499
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material))		
	GST	(41)	(43)
	Other	71	96
	Net Operating Cash Flows	(1,085)	(2,668)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(92)	(195)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	9	2
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)		
	Loans repaid to other entities	-	-
	Net investing cash flows	(83)	(193)
1.13	Total operating and investing cash flows (carried forward)	(1,168)	(2,861)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,168)	(2,861)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,053
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)		
	Payments relating to issue of shares / options	-	(192)
	Net financing cash flows	-	3,861
	Net increase (decrease) in cash held	(1,168)	1,000
1.20	Cash at beginning of quarter/year to date	10,615	8,447
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	9,447	9,447

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 $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	152
1.24	Aggregate amount of loans to the parties included in item 1.10	9

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 exploration costs reimbursed to a director related entity.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities, from a related entity.

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

Nil

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

$544,500 contributed by Monax Mining Limited for exploration under joint venture agreement, for all minerals on EL 4000 and EL 3911.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Note:

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
	Total	**1,000**

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 $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	427	396
5.2	Deposits at call	9,020	10,219
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	9,447	10,615

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				

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased.	EL 4517 (formerly ELA 2009/00286)	Granted	100%	100%
		EL 4526 (formerly ELA 2009/00363)	Granted	100%	100%
		EL 4521 (formerly ELA 2009/00383)	Granted	100%	100%
		EL 4528 (formerly ELA 240/09)	Granted	100%	100%
		EL 3328	JV – Uranium only	30%	51%

+ 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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	149,909,490	149,909,490		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	28,000,000 290,000 400,000	- - -	*Exercise Price* $0.40 $0.04 $0.1016	*Expiry Date* 11/07/12 23/12/13 5/03/15
7.8	Issued during quarter		-		
7.9	Exercised during quarter			*Exercise Price*	*Expiry Date*
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

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 /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date: ....30/07/2010.....
(~~Director~~/Company Secretary)

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.

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