Marmota extends project footprint into NSW with three new uranium prospective projects

- **Three new uranium prospective project areas successfully applied for in NSW nearby to flagship Junction Dam uranium project in SA.**
- **Increasing Marmota's significant uranium prospective tenement footprint in the SA-NSW border region.**
- **First mover advantage closely follows NSW's recent lifting of State ban on uranium.**

NSW uranium exploration projects

(100% Marmota Energy)

Marmota Energy Limited has become one of the first Australian explorers to seek an early foothold in the New South Wales border area near Broken Hill following the lifting of the long standing ban on uranium exploration. Marmota has utilised its early mover advantage to successfully apply for three new uranium prospective tenements in NSW nearby to the Junction Dam uranium project (Figure 1).

ELA 4484 consists of three areas that the Company considers being close to uranium bearing source rocks and which contain palaeochannel systems (Figure 2). Marmota believes the three areas to be as prospective for sandstone-hosted uranium as evident in Junction Dam.

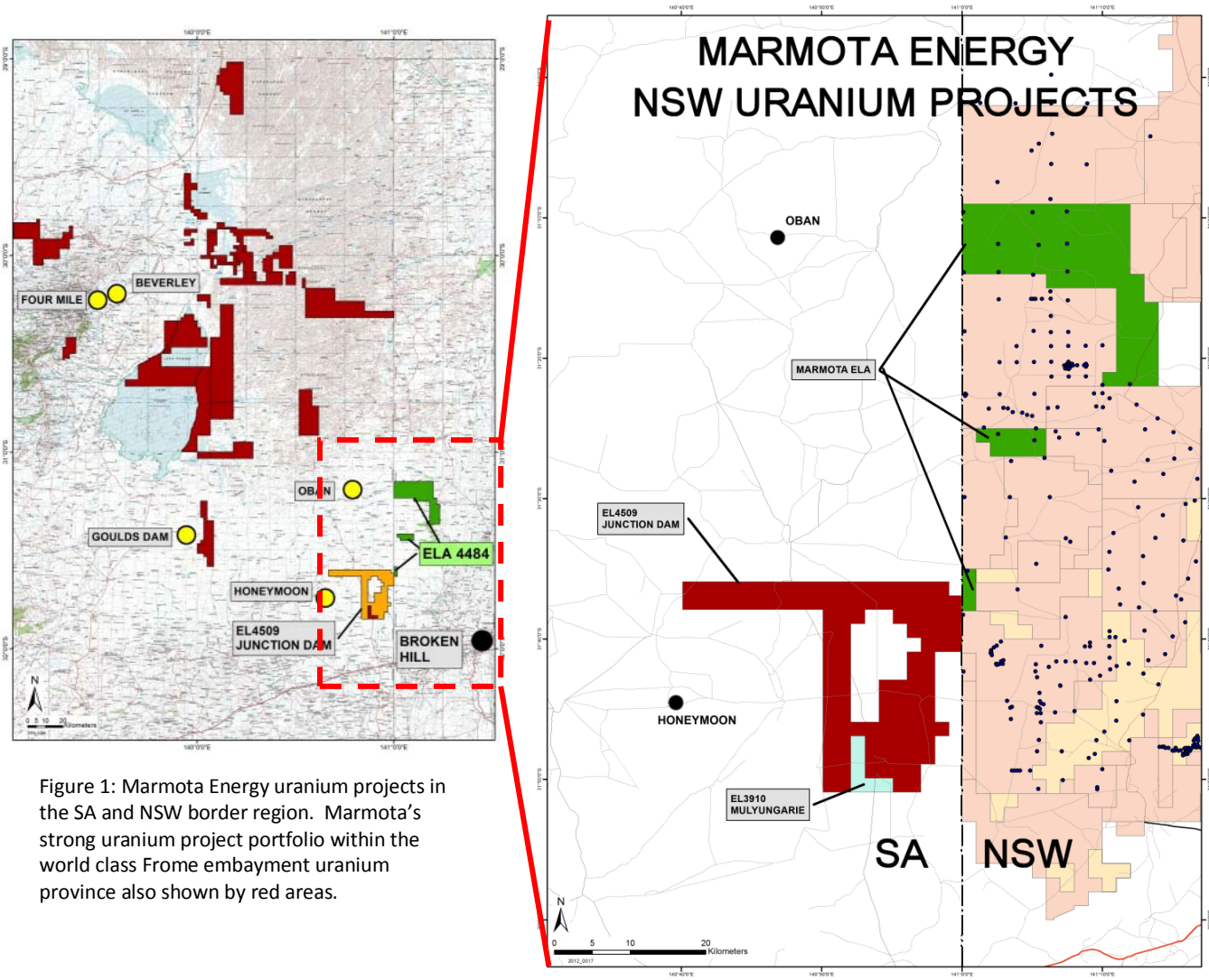

Figure 1: Marmota Energy uranium projects in the SA and NSW border region. Marmota's strong uranium project portfolio within the world class Frome embayment uranium province also shown by red areas.

Strategically, the project areas are located in close proximity to good infrastructure and within approximately 70 kilometres of the regional centre of Broken Hill. It also lies within the Lake Frome Embayment, the same geological province that hosts other world class sandstone-hosted uranium deposits. The project is located nearby to existing Marmota exploration operations where Marmota is well established locally, enabling efficient roll out of exploration programs.

The project areas lie on the eastern edge of the Lake Frome Embayment, in which uranium prospective sediments exist. Sediments from the Namba Formation which host the Beverley Uranium mine and the Eyre Formation which hosts the Honeymoon mine, Four Mile and Oban uranium deposits, along with Marmota's Junction Dam uranium deposit, are within the area and show why the NSW project area is considered highly prospective. Another key factor is its close proximity to uranium-bearing source rocks. Rocks of the Barrier Ranges are a radioactively high source where uranium bearing minerals are interpreted to have been eroded from and then deposited within sediments underlying the Lake Frome Embayment where Marmota's NSW projects are situated (Figure 2).

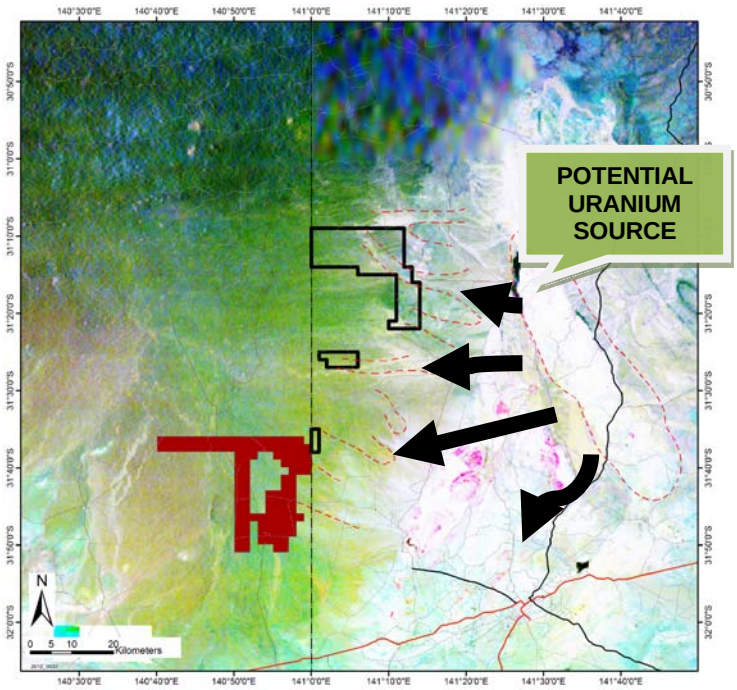

Figure 2: NSW uranium project locations over uranium, potassium, thorium ternary image. Interpreted uranium shedding pattern into basin region denoted by black arrows.

The area was explored in the 1970's by BP Minerals Australia Pty Ltd (BP), targeting sandstone-hosted uranium deposits on the eastern edge of the Lake Frome lowland. Exploration drilling completed by BP in 1976 confirmed the presence of uranium prospective Namba and Eyre Formation sediments in the area, along with returning anomalous uranium results. Historic drilling results highlighted areas less than 5 kilometres from the boundary of Marmota's NSW project area, providing geochemical assay results of up to 760ppm uranium over 4 metres within the Eyre Formation sediments. As a result of the longstanding ban on uranium in NSW, Marmota believes that the NSW project areas remain quite underexplored, preserving potential uranium deposits for discovery utilising modern exploration methods.

The three individual areas that make up Marmota's NSW project, are all considered to be as prospective as Junction Dam. Once fully granted in coming months, Marmota plans to apply the same proven and successful exploration method across its NSW project as has been utilised at Junction Dam.

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 sufficient 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.

Mr Dom Calandro
MANAGING DIRECTOR

20 April 2012