



ASX RELEASE

QUARTERLY REPORT

Period ending September 2013

Highlights

Durkin copper/nickel prospect

- Nickel grades of up to 1.38% from individual metre samples from two drill holes with shallow mineralisation starting at 22 m depth, confirming that the system is capable of hosting higher grade
- Petrology demonstrates that the nickel bearing mafic rock types are typical of layered mafic rocks commonly found in subduction zones
- Durkin is part of a larger nickel province within the Fowler Domain of the Gawler Craton

Indooroopilly project – Moonbi prospect

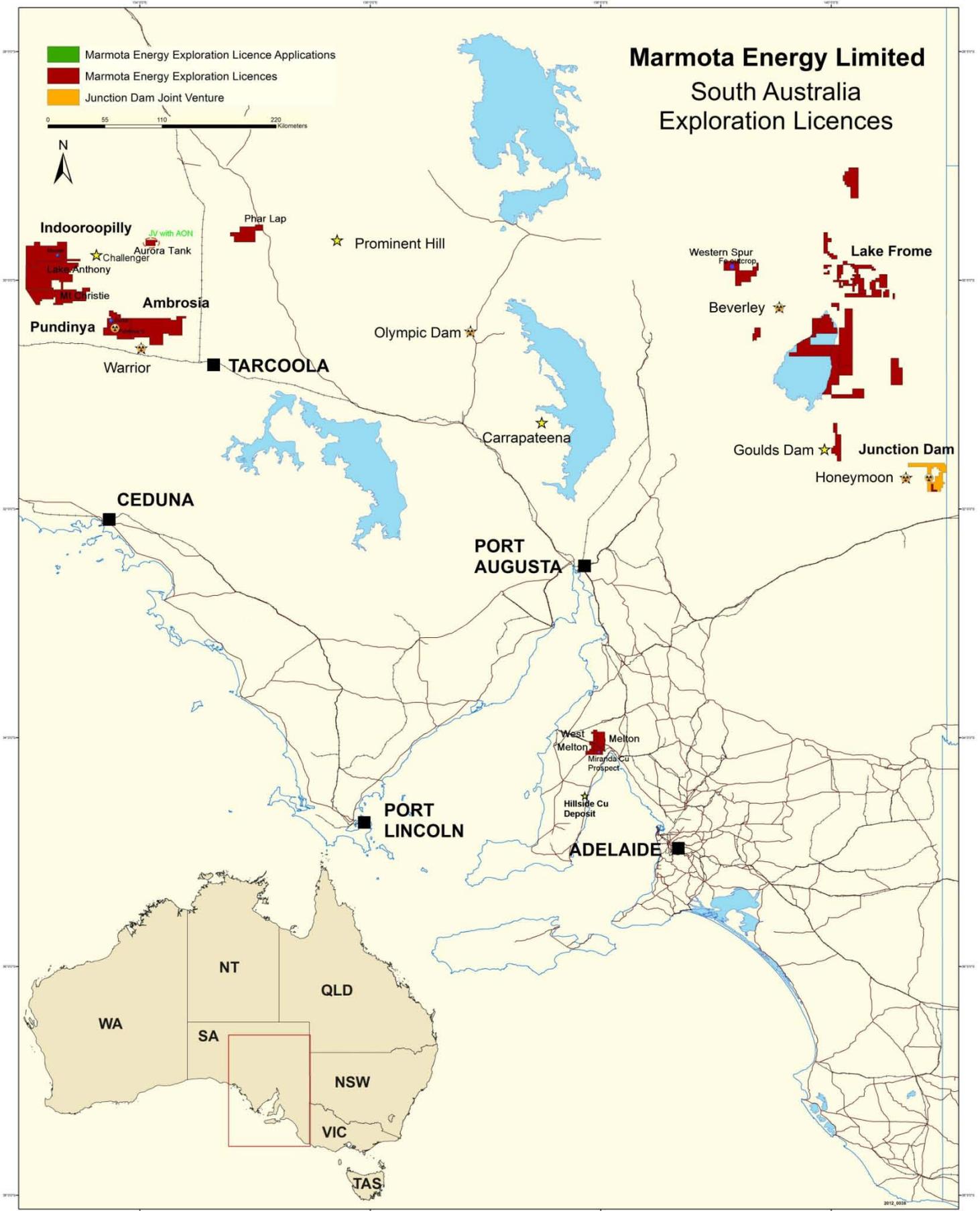
- High grade tungsten ranging up to 1.9 % WO_3
- Tungsten intercepted in widely spaced holes over significant strike
- New results reinforce the significance of the discovery of a high value commodity at the Moonbi target

Muckanippie (EL 5195) copper project

- New tenement granted east of Durkin with IOCG potential.
- EL 5195 hosts a listed shallow copper and zinc occurrence identified from Government drilling
- Low cost exploration planned focussed on the copper/zinc occurrence location

West Melton copper-gold project

- High priority anomalous copper-in-calcrete zones associated with high frequency geophysical anomalies
- Follow up exploration planned for late November post harvest
- Low cost aircore drilling program potential



Strategic Overview

Marmota's strategic objective is to increase the value of the company through the discovery and development of new mineral resources. Marmota has a high quality set of exploration assets and growth opportunities. We aim for a multi commodity exploration portfolio composed of the best opportunities available to the Company.

Marmota is actively exploring in South Australia, for uranium, copper, gold, iron ore, and nickel. Marmota has established joint ventures with Teck and Apollo Minerals for projects in South Australia and is actively pursuing partnering opportunities to accelerate the development of its other exploration assets.

Since listing, Marmota has demonstrated that it has a robust and successful exploration methodology that can be applied to a variety of commodities across different terrains. Discoveries include the Junction Dam uranium, Melton copper-gold, Durkin nickel and Western Spur iron projects.

Marmota's key projects can be characterised on a strategic commodity basis:

Uranium	Copper/Gold/Nickel and IOCG	Iron Ore	Strategic Rare Minerals (or Metals)
Frome Sedimentary uranium province: <ul style="list-style-type: none"> ▪ <u>Flagship project</u> Junction Dam and southern Frome ▪ Northern Frome 	Olympic Domain <ul style="list-style-type: none"> ▪ Melton and West Melton Central Gawler Craton <ul style="list-style-type: none"> ▪ Durkin ▪ Ambrosia ▪ Muckanippie ▪ Aurora Tank ▪ Indooroopilly 	<ul style="list-style-type: none"> ▪ Western Spur ▪ Lake Anthony / Mt Christie 	<ul style="list-style-type: none"> ▪ Moonbi tungsten
Eucla Palaeochannel province: <ul style="list-style-type: none"> ▪ Pundinya 			
WA (Rudall East)			

Uranium market conditions

Despite the low uranium spot price, sentiment toward the commodity it is returning to a positive stance and spot price has started to rise. It is anticipated that several key catalysts will be the drivers of a recovery in the uranium sector over coming months. These include Japan beginning to restart its nuclear power plants by year-end. The return of these reactors to the global fleet would increase uranium demand by approximately 12%. Another is the end of the U.S.-Russian Highly Enriched Uranium (HEU) Purchase Agreement in 2013. Globally, there are 435 nuclear reactors that consume about 180–190 Mlb/year of uranium, and world mine production is currently only 150 Mlb. Uranium fundamentals have remained strong with Marmota ready to move quickly with its advanced uranium projects as the sector recovers over coming months.

While the uranium price recovers, Marmota has sought to add value to its highly prospective nickel, iron, copper and gold exploration assets. The Company has been preparing these assets for further

exploration development, or to attract potential partners for joint venture. During the Quarter, significant results were achieved at the Durkin nickel and Moonbi tungsten projects. A new exploration licence co-located with Marmota's other Gawler Craton projects was granted, on which has a listed shallow copper and zinc occurrence and has strong IOCG potential. Further discussion of this project and results achieved on Marmota's non uranium assets during the Quarter are contained within this report.

Exploration Activities

Durkin copper/nickel prospect

(Marmota Energy Limited 100%)

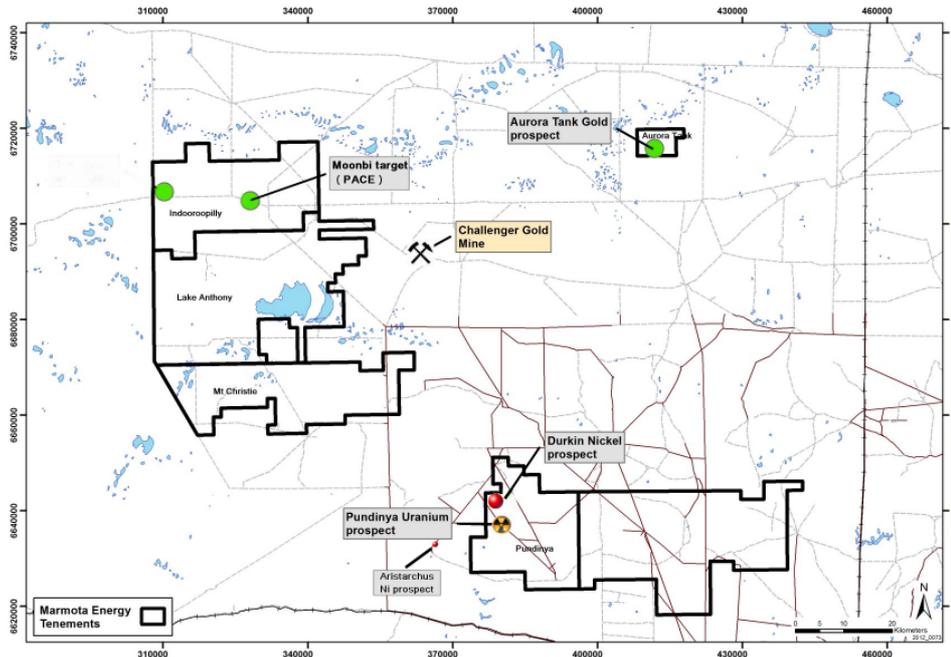
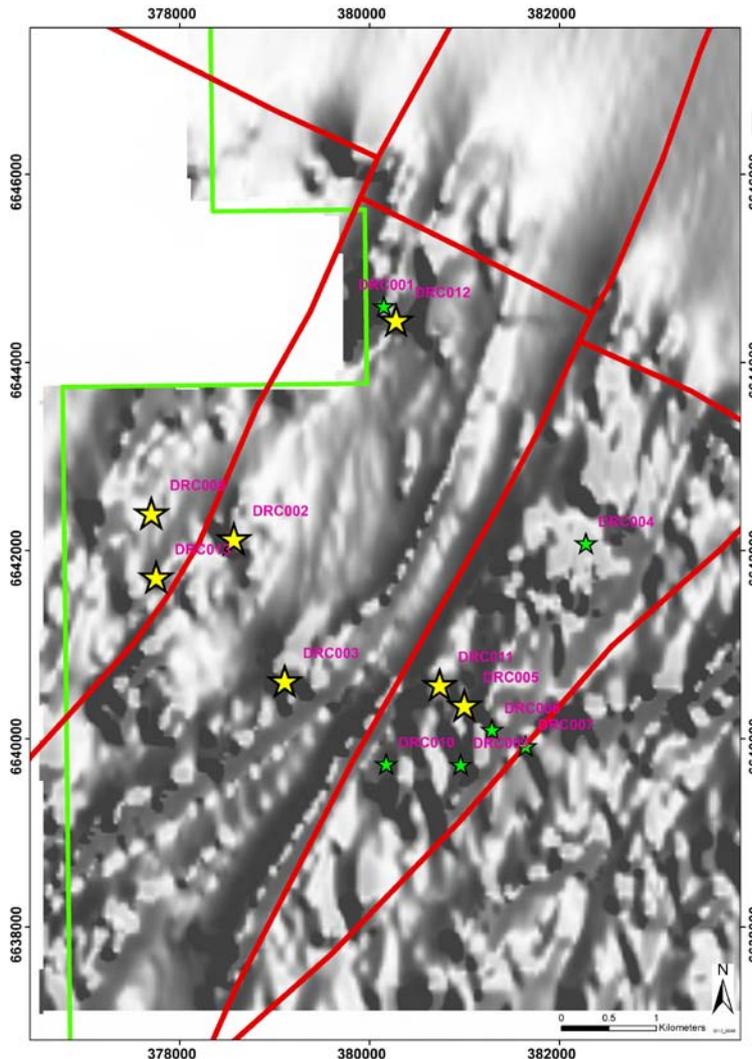


Figure 1: Durkin copper/nickel prospect location, Aristarchus nickel prospect also shown.

First pass RC drilling intercepted large intervals of copper and nickel sulphides in targets along a 3 kilometre trend.



Seven drill holes intercepted significant intervals of nickel and copper (Figure 2) along with common associated elements such as gold, palladium, chromium and magnesium. The largest intercept of nickel is 75 metres thick in drill hole DRC012.

Best results achieved from the geochemical analysis were **3 metres at 0.9% nickel from 22 metres depth including 1 metre at 1.38% nickel** (drill hole DRC013). These early stage exploration results clearly indicate that Durkin can host high grade mineralisation. This peak grade of 1.38% also represents the highest grade of nickel intercepted by drilling within this part of the Gawler Craton (Figure 3).

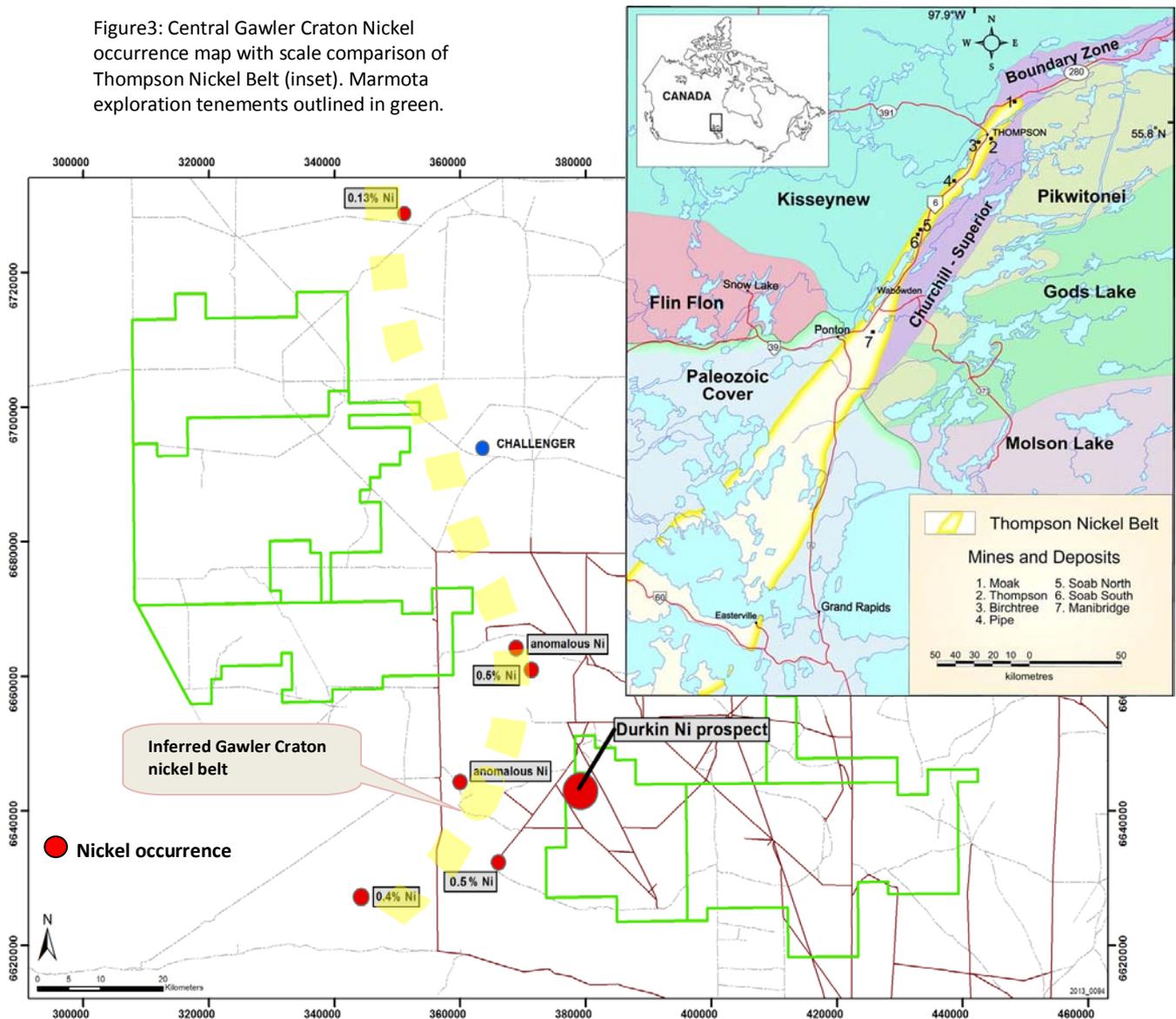
Figure 2: Location of drill holes from Phase 1, with holes containing anomalous nickel and copper denoted by yellow stars over greyscale TMI. Published regional faults shown in red considered to be mantle tapping structures and fluid conduits.

Petrological analysis concluded that the mafic rock types at Durkin are similar to the mafic-ultramafic rocks at the nearby Aristarchus nickel prospect (12km to the SW) (Figure 3).

The analysis also confirms that the mafic rocks containing the higher grade nickel are a hornblende gabbro-norite, a mafic rock commonly associated with nickel sulphide mineralisation. The rock units may be part of a large-scale mafic igneous body in a subduction-related zone which are often found in layered igneous rocks as a result of the magmatic differentiation process in arc magmas. Gabbro-norite is also the host of the world class Nebo-Babel nickel deposit located in the West Musgraves in Western Australia.

The Durkin mineralisation is in rocks of the Fowler Domain, a region believed to have many similarities to the world class Thompson Nickel Belt in Canada. Both regions have many structural and lithological similarities and evidence suggests that both areas have experienced similar geological histories and contain mafic and ultramafic bodies. Both areas contain sulphidic schists and iron formations, locally intruded by nickel rich mafic and ultramafics in a complex collisional-subduction zone. The extent of the zone within the Gawler Craton that contains the Durkin, Aristarchus and other nickel occurrences as shown below (Figure 3) extends for approximately 100 kilometres. This is similar to the extent of the Thompson nickel belt in Canada which hosts multiple deposits.

Figure3: Central Gawler Craton Nickel occurrence map with scale comparison of Thompson Nickel Belt (inset). Marmota exploration tenements outlined in green.



Further low cost exploration is planned to be completed at Durkin. Infill geophysics focussed on the zone defined by yellow stars in Figure 2 is planned during the next Quarter. The survey will be conducted as part of a coordinated program which will also include surveys at other Marmota tenements nearby in the region. The results will be modelled and utilised for drill target optimisation.

Indooroopilly project- Moonbi prospect (SA)

(Marmota Energy Limited 100%)

During the Quarter, assay results containing high grades of tungsten were returned from two drill holes (MRC005 and 006) at the Moonbi target. Significant results include:

MRC005: 2m at 1.27% WO₃ from 142m depth (incl. 1m at 1.94% WO₃)

MRC006: 3m at 0.17% WO₃ from 90m depth (incl. 1m at 0.43% WO₃)

6m at 0.54% WO₃ from 96m depth (incl. 1m at 1.13% WO₃)

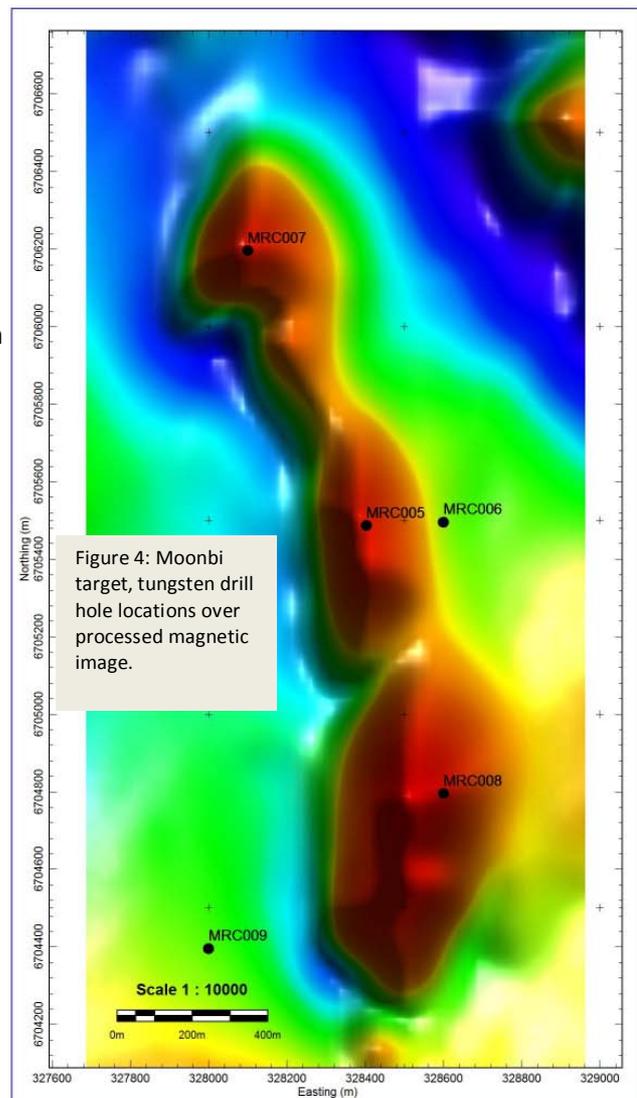
The drilling was part of a PACE co-funded project to investigate geophysical anomalies identified by the Company at the Moonbi prospect, located within Marmota's Indooroopilly gold and base metals tenement in the highly prospective Gawler Craton.

RC Drilling program assay results

Six widely spaced drill holes intercepted intervals of tungsten mineralisation in the first phase of drilling at the Moonbi prospect. Five of the drill holes that have intercepted tungsten lie along a large geophysical target extending for approximately 1.6 km (Figure 4). The largest interval of 21 metres of tungsten occurred in drill hole MRC006. The results from the hole show higher grade tungsten intervals occur within significant widths of lower grade.

Priority follow-up assay employing Lithium Borate Fusion ICP-MS geochemical analysis technique was placed on targeted individual metre intervals from hole MRC005 and 006. This assay method is known to give more accurate results for tungsten.

High tungsten grades were returned from both MRC005 and MRC006 located approximately 200 metres apart (Figure 4). Minor tin and rare earth vectoring elements were also associated with the assay results. Three wide spaced drill holes MRC005, 6 and 8 all end in tungsten mineralisation. This is a very positive sign for more tungsten mineralisation to be realised with further drilling. The zone of tungsten mineralisation intercepted in the Phase 1 drilling appears to be shallowing to the east and closely related to granitic rock.



Muckanippie Project (EL 5195)

(Marmota Energy Limited 100%)

Marmota has been granted the Muckanippie tenement (EL 5195) which is co-located within the Company's suite of Gawler Craton projects. Muckanippie has a listed copper and zinc occurrence with previous Government stratigraphic drilling intercepting copper and zinc mineralisation at shallow depths (Figure 5).

In late 1991, the South Australian Department of Mines and Energy (SADME) carried out a regional reverse circulation (RC) bedrock drilling program targeting Archaean to mid Proterozoic rocks of the north-western Gawler Craton in SA. Some of these drill holes are located within the EL 5195 Muckanippie project area. Geochemical assays of drill hole sample returned anomalous results for base metals, precious metals and other commodities.

EL5195 is located on the southern margin of the Muckanippie anorthosite complex, an early Proterozoic intermediate to basic intrusive complex, prospective for a variety of mineralisation types, similar to other anorthosite complex's in the world. CAR 086 was drilled near the southern margin of the Muckanippie anorthosite complex, in which anomalous copper and zinc (2035ppm and 1300ppm respectively) over a 4 metre interval from 50 metres depth was encountered. The host rock for these anomalous results was from part of the Hiltaba Suite, a Mid Proterozoic intrusive rock unit which also hosts the Olympic Dam copper-gold-uranium deposit.

Low cost infill ground geophysical surveys are being designed, in particular infill gravity surveys to replace the historic broad spaced 4 mile spaced gravity network. Infill gravity and magnetic survey results will be used to identify dense, non-magnetic rock units which may be host to IOCG mineralisation. The Muckanippie tenement adjoins the northern side of the Company's Ambrosia tenement which has a number of potential IOCG targets identified from exploration completed.

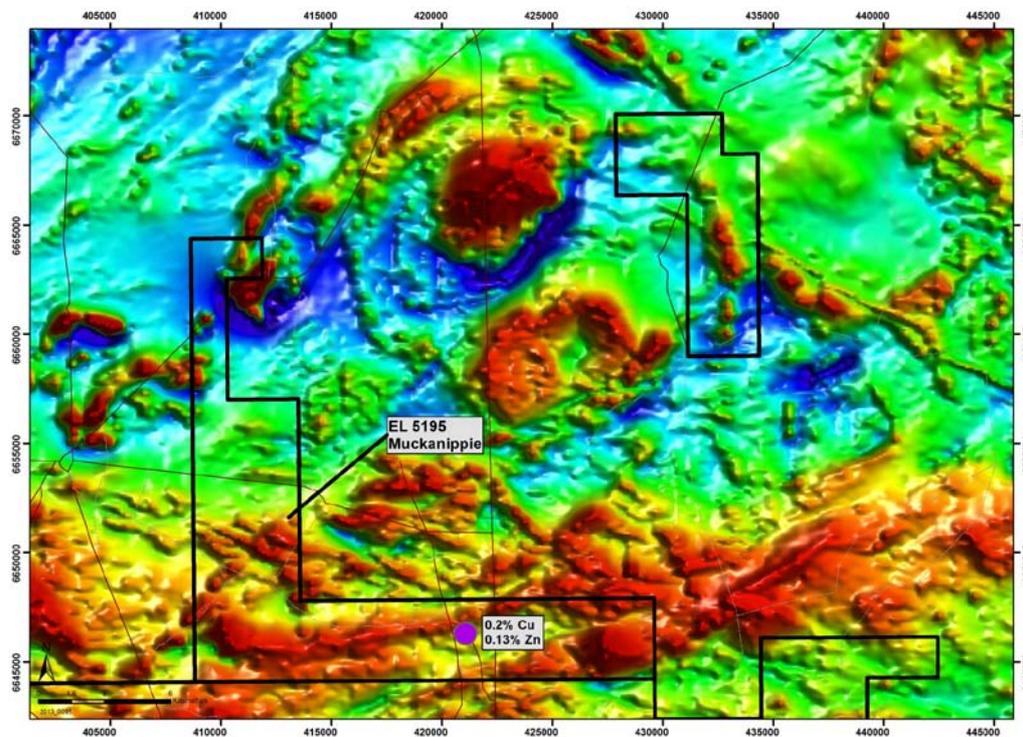


Figure 5: Muckanippie tenement location over regional total magnetic intensity image.

CAR 086 drill hole location also shown.

The Muckanippie project is a strategically important addition to Marmota's copper/gold/IOCG portfolio in the Gawler Craton.

West Melton copper – gold project

(Marmota Energy Limited 100%)

Calcrete sampling completed in early 2013 has identified key target zones on the West Melton and Melton EL's that warrant low cost follow up exploration.

A key target area that returned strongly anomalous coincident gold and copper-in-calcrete has been identified as a high priority for infill geophysical surveys and low cost aircore drill testing (Figure 6).

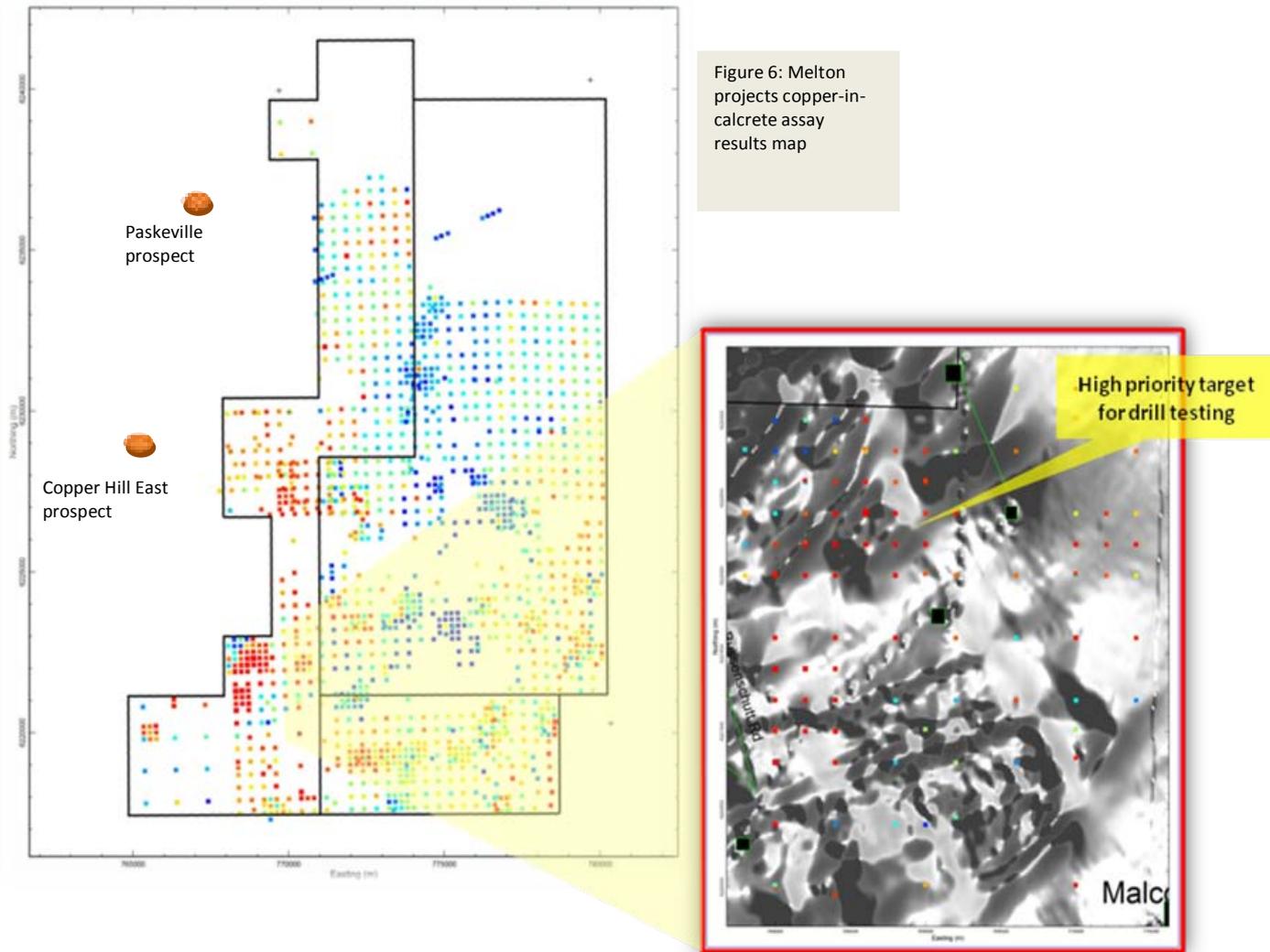


Figure 6: Melton projects copper-in-calcrete assay results map

Landholder consultation is underway, where it is anticipated that harvest in the region should be completed by end of November 2013.

It is planned that high resolution ground magnetic surveys will be completed by Marmota over the target, along with infill calcrete sampling in late November-early December 2013. The results will be used in the planning of a low cost shallow air core drilling program planned for early 2014.

Angel Wing Gold project

Angel Wing JV Nevada (USA) (Ramelius and Marmota withdrawn)

Ramelius and Marmota elected to withdraw from the Angel Wing Joint Venture Agreement following gold exploration drill results during the Quarter.

An aggregate 1234.44m of low cost RC drilling was completed during the Quarter from 5 holes in and around the Grass Hollow magnetic anomaly at Angel Wing.

The drilling extended the anomalous blanket of gold mineralisation to over 9ha. The anomaly appears spatially related to a 600m long, north-northwest striking resistive trend. The resistive trend correlates with intense silicification within the conglomerate and the underlying limestone, but no discrete epithermal veins or breccias were intersected in any drilling to date.

The best result reports from the most recent campaign; AW13-05 returned **16.7m at 2.16 g/t Au**, but given the depth of overburden the results were not considered sufficiently encouraging to continue funding exploration.

A table of anomalous results from the September 2013 quarter drilling programme is presented in Appendix 1.

Indicative exploration program

Coordinated infill geophysical surveys are planned to be completed at Marmota's Gawler Craton tenements in the next Quarter. Infill surveys are planned for Durkin, Lake Anthony and Mt Christie tenements. The results will be modeled and used to assist in drill target allocations. Land access consultation will be undertaken for the newly granted Muckanippie tenement.

Infill ground geophysics and calcrete sampling are planned for the West Melton copper project. Planning is underway to obtain bulk samples for bottle roll tests at the Junction Dam uranium project.

Discussions also continue with a number of parties relating to partnering opportunities for its key projects across the nickel, copper, iron ore and uranium spaces.

Timing	Project	Project
Q3 2013	Durkin Cu/Ni project COMPLETED	<ul style="list-style-type: none"> Analyse assay results from RC drilling program Submission of one metre sample for assay
	Moonbi project COMPLETED	<ul style="list-style-type: none"> Analyse assay results from RC drilling program Submission of one metre sample for assay
Q4 2013	Durkin Cu/Ni project UNDERWAY	<ul style="list-style-type: none"> Infill geophysical surveys along defined Ni trend Modelling of results
	Lake Anthony / Mt Christie	<ul style="list-style-type: none"> Infill ground geophysics Outcrop sampling
	Melton / West Melton	<ul style="list-style-type: none"> Landholder consultation Infill ground geophysics Infill calcrete sampling Data modelling, drill target selection
	Muckanippie	<ul style="list-style-type: none"> Land access consultation Infill ground geophysics
Q1 2014	West Melton	<ul style="list-style-type: none"> Shallow aircore drill testing of targets



Mr Dom Calandro
MANAGING DIRECTOR

Appendix 1

Anomalous (>0.10 g/t Au) 1.52m RC drilling results for the Angel Wing JV Project in Nevada USA

Hole Id	Easting	Northing	RL (m)	Az/Dip	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
AW13-01	742571	4619255	2182	080/-55	316.99	128.02	129.54	1.52	0.107
						147.83	149.35	1.52	0.163
						245.36	254.51	9.15	1.716
						Incl. 245.36	248.41	3.05	4.765
AW13-02	742886	4619286	2176	330/-60	231.65	160.02	161.54	1.52	0.273
AW13-03	743330	4619422	2219	075/-60	243.84	109.73	111.25	1.52	0.113
						115.82	118.87	3.05	0.111
						120.40	121.92	1.52	0.100
						149.35	158.49	9.14	0.176
						219.46	220.98	1.52	0.158
AW13-04	742955	4619684	2164	200/-60	106.68	62.48	64.00	1.52	0.124
AW13-05	742568	4619251	2182	201/-70	335.28	230.12	233.17	3.05	0.114
						245.36	262.12	16.76	2.167
						Incl. 246.88	252.98	6.10	3.075
						+ 257.55	260.60	3.05	4.760
						265.18	269.75	4.57	0.200
275.84	298.70	22.86	0.119						

Reported anomalous gold assay intersections (using a 0.10 g/t Au lower cut) are calculated over a minimum down hole interval of 1.52m at plus 0.10 g/t gold and may contain up to 3.05m of internal dilution. Gold determination was by Fire Assay using a 30 gram charge and AAS finish, with a lower limit of detection of 0.001 g/t Au. True widths are estimated to be +90% of the reported down hole intersections for all intervals apart from 275.84m to 298.70m in AW13-05 where true widths are assumed to be around 60% of the reported down hole interval.

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 the 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.

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 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(284)	(284)
(b) development	-	-
(c) production	-	-
(d) administration	(237)	(237)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
GST	46	46
Other	-	-
Net Operating Cash Flows	(456)	(456)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(67)	(67)
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)	-	-
Net investing cash flows	(67)	(67)
1.13 Total operating and investing cash flows (carried forward)	(523)	(523)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(523)	(523)
	Cash flows related to financing activities		
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)	-	-
	- Costs associated with issues of shares	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(523)	(523)
1.20	Cash at beginning of quarter/year to date	3,477	3,477
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,954	2,954

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	238
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, exploration costs reimbursed to a director related entity and payments to a related party for shared facilities and staff.

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

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+ See chapter 19 for defined terms.

- 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

\$5,517 contributed by Apollo Minerals Limited for exploration under joint venture agreement, for all minerals on EL 4433.

US\$173,161 contributed by Ramelius Nevada LLC for exploration on Angel Wing projects in Nevada.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

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	204	227
5.2 Deposits at call	2,750	3,250
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,954	3,477

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	EL 5318 (formerly ELA 2013/00055)	100%	100%

+ 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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	263,759,235	263,759,235		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	700,000	700,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	250,000 325,000 125,000 250,000 125,000	- - - - -	<i>Exercise price</i> \$0.040 \$0.1016 \$0.083 \$0.073 \$0.036	<i>Expiry date</i> 23/12/13 05/03/15 21/12/15 29/07/16 24/07/17
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)		
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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.



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

Date: 31/10/2013

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.

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+ See chapter 19 for defined terms.