

Large scale copper target defined for immediate drill testing at West Melton – Yorke Peninsula

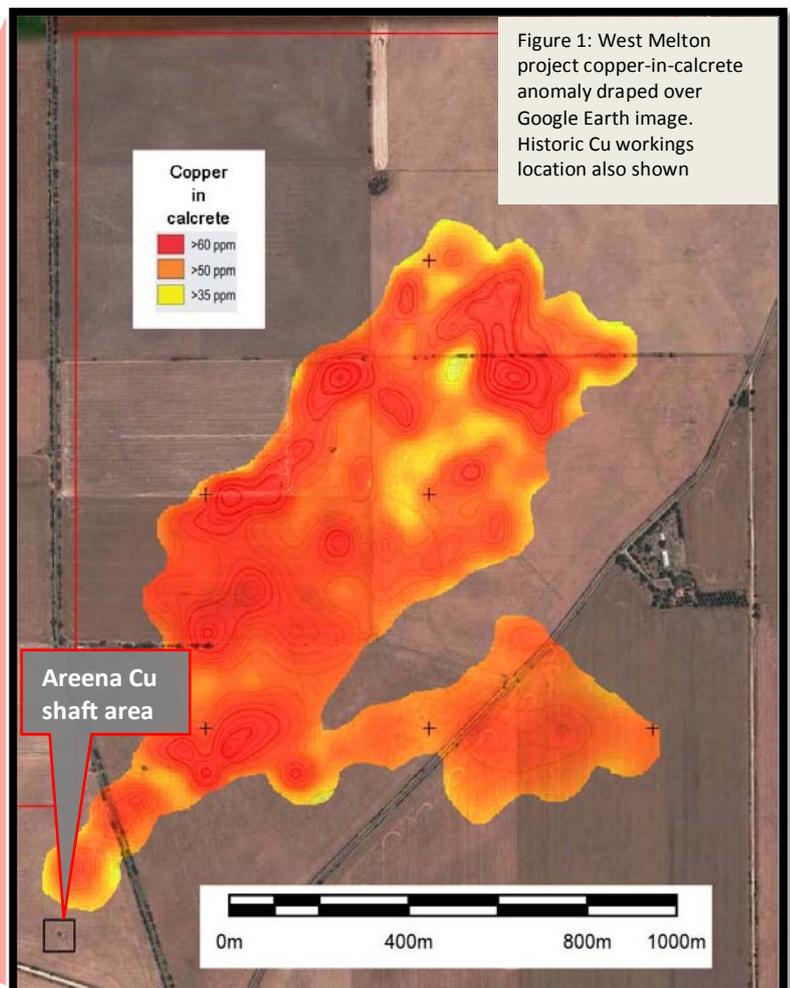
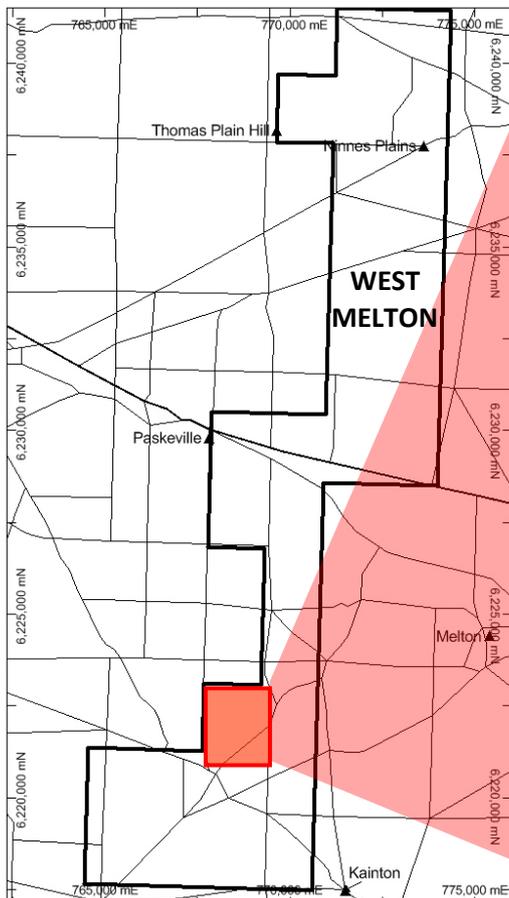
- Infill geochemical sampling confirms large scale copper and gold in calcrete geochemical anomaly
- Greater than 1.2 km geochemical anomaly parallels coincident shallow geophysical anomalies
- Target zone adjacent to shallow historic copper workings where copper ore was extracted in the late 1800's
- Drilling scheduled to commence 11 March

West Melton copper-gold project

(Marmota Energy Limited 100%)

Marmota Energy Limited is pleased to report that a program of infill geochemical sampling and geophysical surveys on the West Melton Copper-Gold Project on SA's Yorke Peninsula has defined a significant geochemical target ready for immediate drill testing.

A key target area (Figure 1) that returned strongly anomalous coincident gold and copper-in-calcrete results was defined on the Company's wholly owned West Melton tenement. The target area was considered a high priority for immediate low cost aircore drill testing.



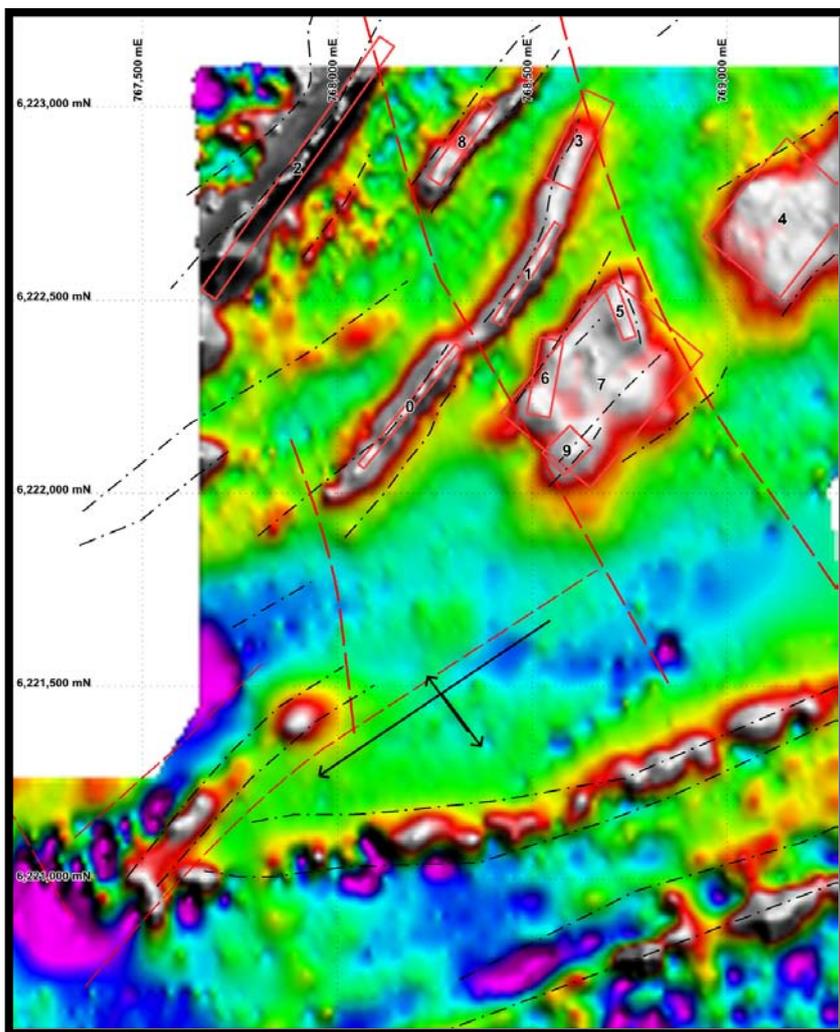
Follow-up exploration commenced in late 2013 comprising of infill ground magnetic surveys and calcrete sampling, completed by Marmota over the target zone.

Assay results from 25 metre spaced infill calcrete sampling have confirmed an exceptional copper in-calcrete anomaly coincident with gravity and magnetic features, which extends for more than 1.2 kilometres (Figure 1). Historic shallow copper workings lie at the south western end of the copper anomaly.

Individual calcrete sample assays ranging up to 197ppm copper were returned. This is comparable to results recorded at other prospects on neighbouring tenements where follow up drilling of geochemical anomalies of this tenor has intercepted high grade mineralisation.

Niton XRF* spot readings of calcrete samples from the Areena workings area range up to 423 ppm copper.

Ground geophysical surveys were commissioned in early 2014 complementing Marmota's acquired data, defining coincident gravity and magnetic anomalies associated with the copper and gold-in-calcrete anomaly.



Modelling of the results indicates that potentially mineralised bodies could be as shallow as 15 metres. This is in line with mineralisation at the nearby surface working at Areena. No drill holes have tested this anomaly with the nearest historic drill hole 4 kilometres away.

Shallow aircore drill testing of priority targets within the defined copper anomaly is planned to commence March 11 (Figure 2).

Several drill holes are also planned adjacent to the historic Areena workings.

Historic copper mine information

Workings were undertaken in 1863 at the Areena mine shaft located on the West Melton tenement (Figure 1). It was reported in a newspaper at the time, that 'very good quality yellow and grey ore with green carbonate intermixed' was extracted and was named the 'Champion Load'. The DMITRE database reports that malachite and chalcopyrite were extracted from the Areena workings.

Dom Calandro
MANAGING DIRECTOR

Figure 2: Microlevelled RTP magnetic image – target area ground magnetic survey.
Red dashed line - interpreted faults, black dash - magnetic trend lines; solid black line - antiform symbol; red boxes - target bodies within the copper geochemical anomaly; projection GDA94 UTM zone 53.

*Niton XRF Analyser : The readings of Cu in calcrete for the Areena sample only referred to in this release are based on an average of multiple readings on in situ calcrete using a Niton XL3t portable XRF analyser. Whilst Marmota believes that these readings are indicative of grade, the Company wishes to make clear that the Niton results are not formal assays and are an estimate of Cu grades only.

About the project

The West Melton copper-gold project is located on the northern Yorke Peninsula in South Australia adjacent to recent copper-gold discoveries. The project also lies within the world class, Olympic Copper Gold Province (Figure 3). The province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits, with Olympic Dam, Prominent Hill mines, Carrapateena, Hillside projects and the historic Moonta-Wallaroo mines.

The Olympic Province hosts the three most significant copper discoveries in the past 10 years in Australia including Prominent Hill, Carrapateena and Hillside (in terms of total contained resource).

In addition to these discoveries, the Olympic Dam resource has grown significantly by 48 Mt of contained copper in the past ten years - more than the aggregate of all significant Australian copper discoveries in that time. (DMITRE, M16 information sheet, Dec 2013)

The Melton projects are strategically located on Yorke Peninsula in South Australia, less than 200 km from Adelaide, with good access to infrastructure which includes road and ports. The Melton projects also 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.

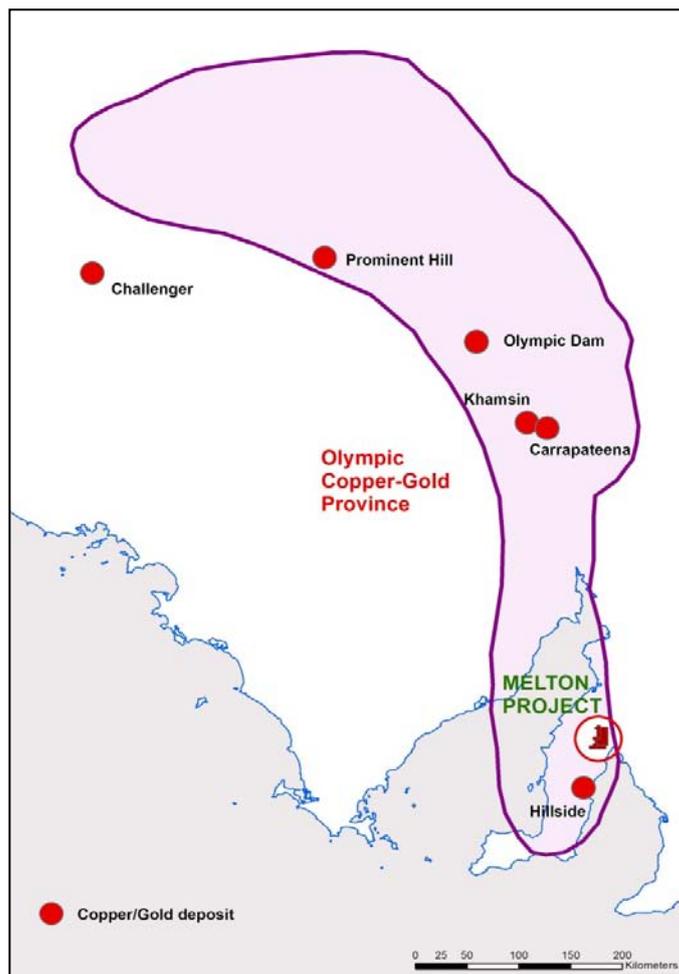


Figure 3: Location of Melton projects, with Olympic Copper-Gold Province displayed.

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Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dom Calandro as Managing Director of Marmota Energy Limited who is a member of the Australasian Institute of Geoscientists. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Calandro consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Appendix 1

Table 1: Jorc Code 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Ground magnetic surveys carried out using Geometrics G-856 magnetometer. Data acquired on 50 metre spaced lines with 25 metre lines spaced infill in east-west direction. With north - south tie lines. • Ground Gravity acquired over the target zone at 200 x 200 m regular grid. • Spot Niton XRF readings undertaken with handheld Niton XRFXL3t instrument at the Areena site only, no calibration factors applied to the results reported. • Calcrete sampling was undertaken as part of reconnaissance mapping and prospecting. Samples were taken on a 25 metre spaced network over the target area. Outside target zone samples were collected on 400m x400m network. • Sample was obtained utilising a motorised hand auger to achieve the appropriate depth penetration to ensure high quality 1 kg calcrete sample was obtained for chemical assay. Samples pulverised to produce a 1 g sample for Aqua Regia Digest and 100 g sample for Cyanide Leach.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • No drilling undertaken.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</i> 	<ul style="list-style-type: none"> • No drilling undertaken

Criteria	JORC Code explanation	Commentary
	<i>loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • No drilling undertaken.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Sample was obtained utilising a motorised hand auger to achieve the appropriate depth penetration to ensure high quality 1 kg calcrete sample was obtained for chemical assay.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Calcrete sample submitted for chemical assay were analysed in the following manner: <ul style="list-style-type: none"> ○ All metals (except Gold) AR01/OE Aqua Regia Digest. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. ○ Gold CN100/MS – 24 hour Bulk Cyanide Leach (0.1kg sample). Analysed by Inductively Coupled Plasma Mass Spectrometry. • Spot XRF readings undertaken with handheld Niton XRFXL3t instrument at the Areena site only, no calibration factors applied to the results reported.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. 	<ul style="list-style-type: none"> • N/A

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All coordinate information was collected using hand held GPS utilising GDA 94, Zone 53.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Calcrete samples were collected on a 25x25 metre network over the target zone. Outside target zone samples were collected on 400m x400m network. Ground magnetic survey data acquired on 50 metre spaced lines with 25 metre line spaced infill in E-W direction. With tie lines completed perpendicular to survey direction. Ground Gravity acquired over the target zone at 200 x 200 m regular grid.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Sample network and ground geophysical surveys oriented east-west. Line and sample spacing's adequate to define sizable geochemical and geophysical anomalies.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> N/A
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> See attached release.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • West Melton (EL 4648) is 100% owned by Marmota Energy Limited. EL 4648 is located northern Yorke Peninsula in South Australia. • There are no third party agreements, non govt royalties, historical sites or environmental issues. • Underlying land title is Freehold land. • EL 4648 is in good standing.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Marmota has reviewed past exploration data over the region. The region in which EL 4648 is located has been the subject of mineral exploration in the past by various companies including Western Mining Corporation, North Broken Hill, MIM Exploration, BHP Minerals, and Phelps Dodge Corporation. The project also has a listed historic copper working (Areena) which was undertaken in 1863.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Style of mineralisation in the region is considered to be either of Iron Oxide Copper Gold (IOCG) affinity, related to the 1590Ma Hiltaba/GRV tectonothermal event, or Moonta Style where Cu-Au mineralisation is structurally controlled and maybe associated with significant metasomatic alteration of host rocks.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from</i> 	<ul style="list-style-type: none"> • N/A, no drilling conducted.

Criteria	JORC Code explanation	Commentary
	<i>the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> N/A, no drilling conducted.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> N/A, no drilling conducted.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See figures in release attached.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Geochemical data was gridded and contoured.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> See attached release.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> See attached release.