

Drilling underway of large scale copper target at West Melton – Yorke Peninsula, South Australia

- Maiden drilling of a large scale coincident copper and gold in calcrete and geophysical anomaly underway
- Planned 2000 metre drilling program expected to extend for 3 weeks
- Drilling to also include target zone adjacent to shallow mine workings where copper ore was extracted in the late 1800s

West Melton copper-gold project

(Marmota Energy Limited 100%)

Marmota Energy Limited is pleased to report drilling has commenced on the Company's West Melton Copper-Gold Project on SA's Yorke Peninsula. The program is designed to test for the source of a significant copper and gold geochemical anomaly defined on the project only this year (see ASX announcement dated March 4). The target is also strongly coincident with shallow modelled geophysical anomalies.

A 2000 metre maiden drilling program is underway which is expected to take three weeks to complete. The drilling will focus on key target areas within a 1.2 kilometre long coincident gold and copper-in-calcrete zone (Figure 1) where individual sample assays ranging up to 197ppm copper were returned.

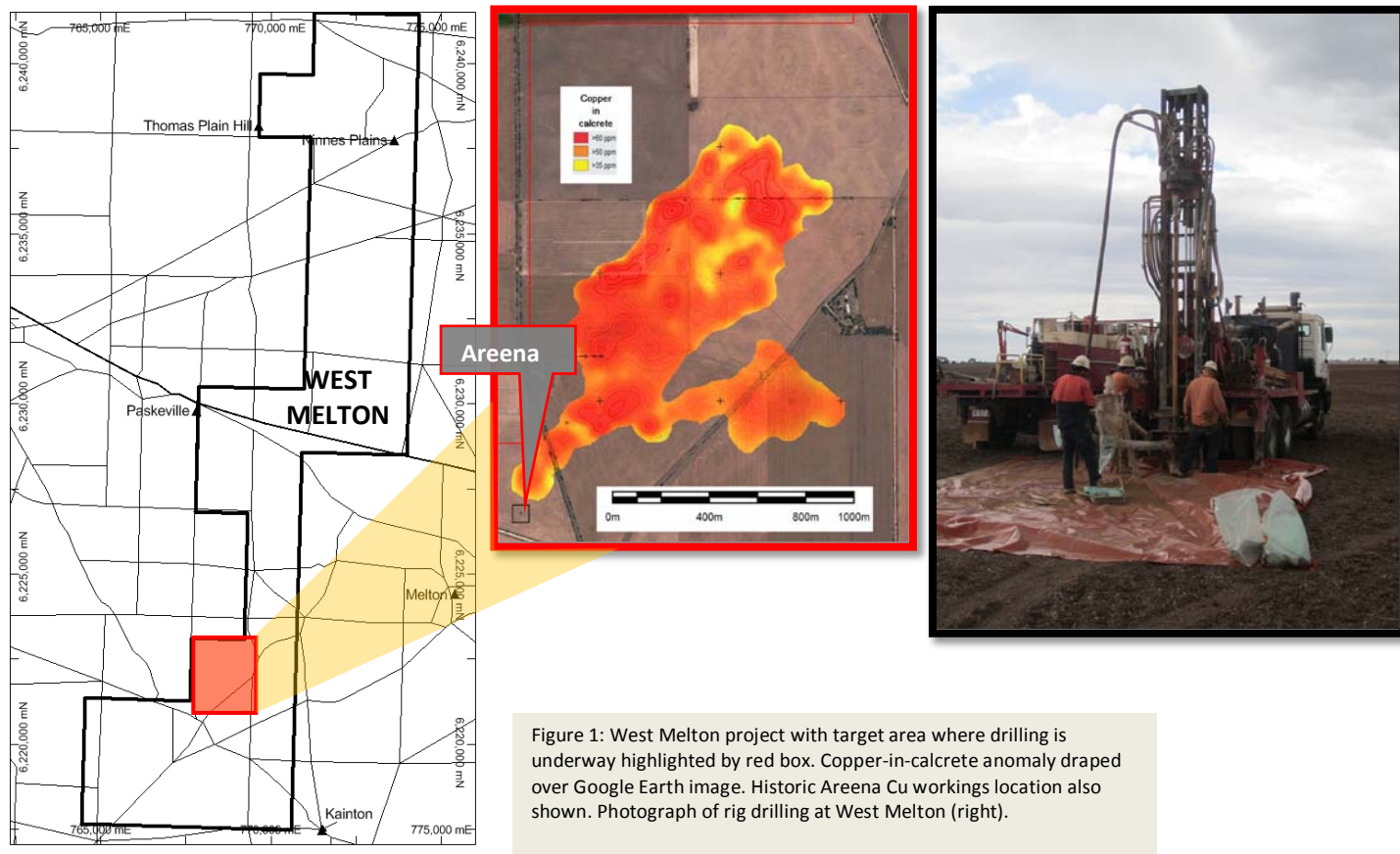


Figure 1: West Melton project with target area where drilling is underway highlighted by red box. Copper-in-calcrete anomaly draped over Google Earth image. Historic Areena Cu workings location also shown. Photograph of rig drilling at West Melton (right).

Modeling 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. This is an untested anomaly with the nearest historic drill hole being 4 kilometres away. Drill holes are also planned adjacent to the historic Areena copper workings.



Dom Calandro
MANAGING DIRECTOR

About the project

The West Melton copper-gold project is located on 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 2). 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.

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.

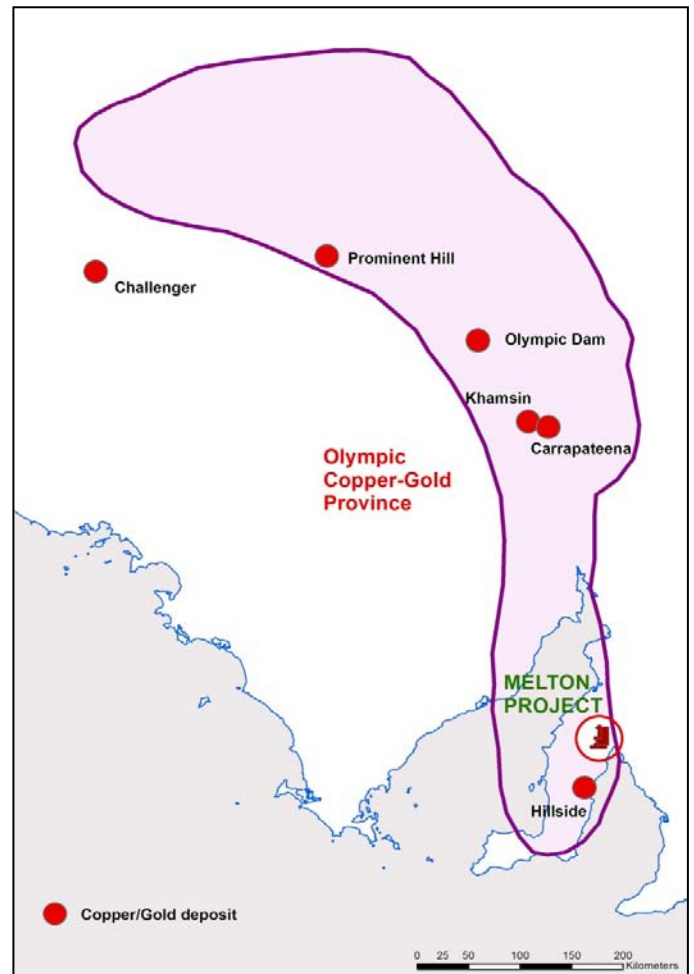


Figure 2: Location of Melton projects, with Olympic Copper-Gold Province displayed.

Historic copper mine information

Workings were undertaken in 1863 at the Areena mine shaft located on the West Melton tenement. 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 chalcopryite were extracted from the Areena workings.

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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