

New geophysical targets identified on the Melton Project

- Independent geophysical review conducted on Marmota Energy's entire Melton Project, Yorke Peninsula, South Australia.
- Discrete coincident magnetic and gravity anomalies comparable to structurally controlled mineralisation at Rex Minerals' Hillside deposit south of the project area have been identified.
- New Melton Central target area, only 2 km north-east of Marmota Energy's Champion prospect where high grade copper intersections up to 2.92% were discovered in the first phase of drilling, has been identified.
- Ground magnetic survey underway on Melton Central to provide higher quality data to assist with defining new drill targets.
- A focused ground based electrical survey planned for the Champion prospect to aid in locating the source of the high grade copper mineralisation and the next phase of drilling.

Melton copper-gold project

(EL's 5122, 5209 Marmota Energy 75%, Monax Mining 25%. EL4648 Marmota Energy 100%)

Following the high grade copper intersections up to 2.92% (see ASX announcement dated May 7 2014) at Marmota's 100% owned Champion prospect, a complete independent geophysical review of the entire Melton project was undertaken. The review provides a clearer understanding of depth to basement, the structural and geological setting for the mineralisation and highlights new targets for further exploration.

High grade copper results from recent drilling on the Champion prospect (see ASX announcement dated May 7 2014) include:

WMAC003

15m at **1.29% copper** from 29m and **0.19 g/t gold** from 42m.

WMAC007

30m at **1.12% copper** from just below surface, inc 12m at **1.5% copper** from 9m and 3m at **2.1% copper and 0.11 g/t gold** from 24m

WMAC024

19m at **1.16% copper** from 48m to end of hole

WMAC025

36m at **1.29% copper** from 21m, inc 18m at **1.76% copper** from 24m and 6m at **2.56% copper** from 27m, ranging up to **2.92% copper**

WMAC026

18m at **1.31% copper** from 15m

These outstanding results from the first phase of drilling form a strong basis for more focused exploration on the prospect and adjacent areas.

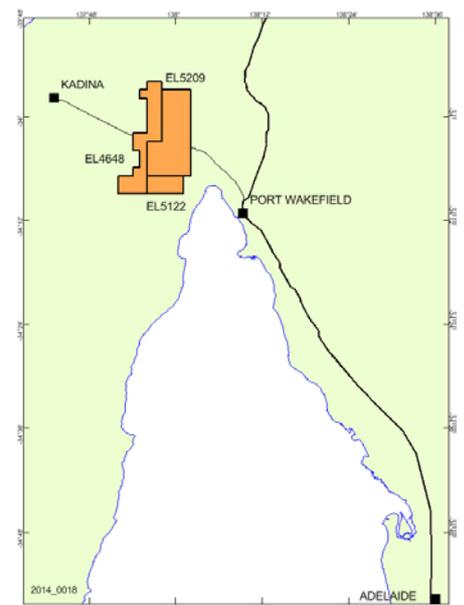


Figure 1: Melton Project locality plan

An exciting new target area, Melton Central, has been identified by the geophysical review. This area contains several clusters of gravity anomalies with coincident discrete magnetic features, comparable to structurally controlled IOCG style mineralisation as at Rex Minerals' Hillside deposit south of the project area. Gravity and magnetic modelling indicate the likely presence of intrusives rocks within deformed and faulted Wallaroo Group metasediments, consistent with the geological setting of copper-gold mineralisation in the Moonta and Kadina areas.

Melton Central geophysical data shows strongly folded and faulted strata considered prospective for IOCG style mineralisation. High grade copper mineralisation at the nearby Champion prospect confirms that this geological setting is also a high priority exploration target for Marmota.

The geophysical anomalies coincide with a structurally complex zone on the western side of an interpreted regional fault. The magnetic anomalies have a gravity response of up to 1 mgal, indicative of the presence of an intrusive body, modelled at a depth of less than 200 metres. This newly defined structural location provides excellent potential for fault bounded mineralisation (Figure 2).

(This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.)

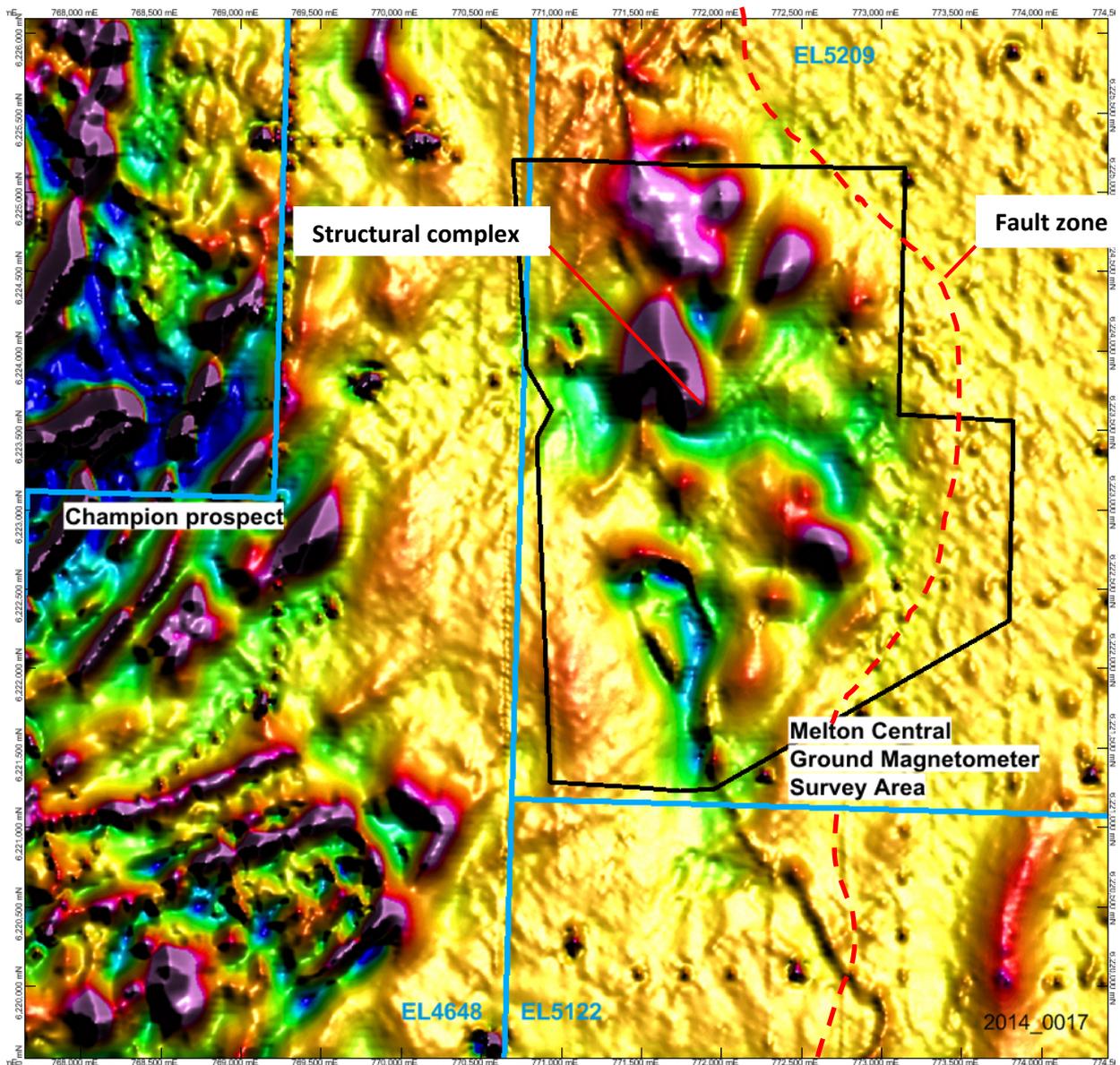


Figure 2: Magnetic image highlighting the geophysical anomalies at Melton Central. Ground magnetic survey area outlined in black. Possible intrusive bodies can be interpreted from this image, highlighted by the magnetic highs (pink and red). Geophysical anomalies located within a structural complex on the western side of an interpreted fault zone shown by red dashed line.

Exploration plan

A ground based magnetic survey is underway at Melton Central which will greatly enhance the identification of specific drill sites. Ground based magnetics played a pivotal role in the discovery of the nearby Champion prospect.

As part of the independent geophysical review, a concurrent review of the drilling results and geochemical data from the Champion prospect was also undertaken. As a result of this review, Marmota plans to undertake a focused ground based electrical survey to further define the target areas for the next phase of drilling at the Champion prospect. Electrical surveys such as electromagnetic (EM) and induced polarisation (IP) can aid in identifying chargeable bodies at depth, such as sulphides, which could be the source of the copper at Champion.

The Company believes, that given the high grade of copper occurring at very shallow depths within the project, an EM or IP survey could be cost effective and greatly aid in drill targeting.

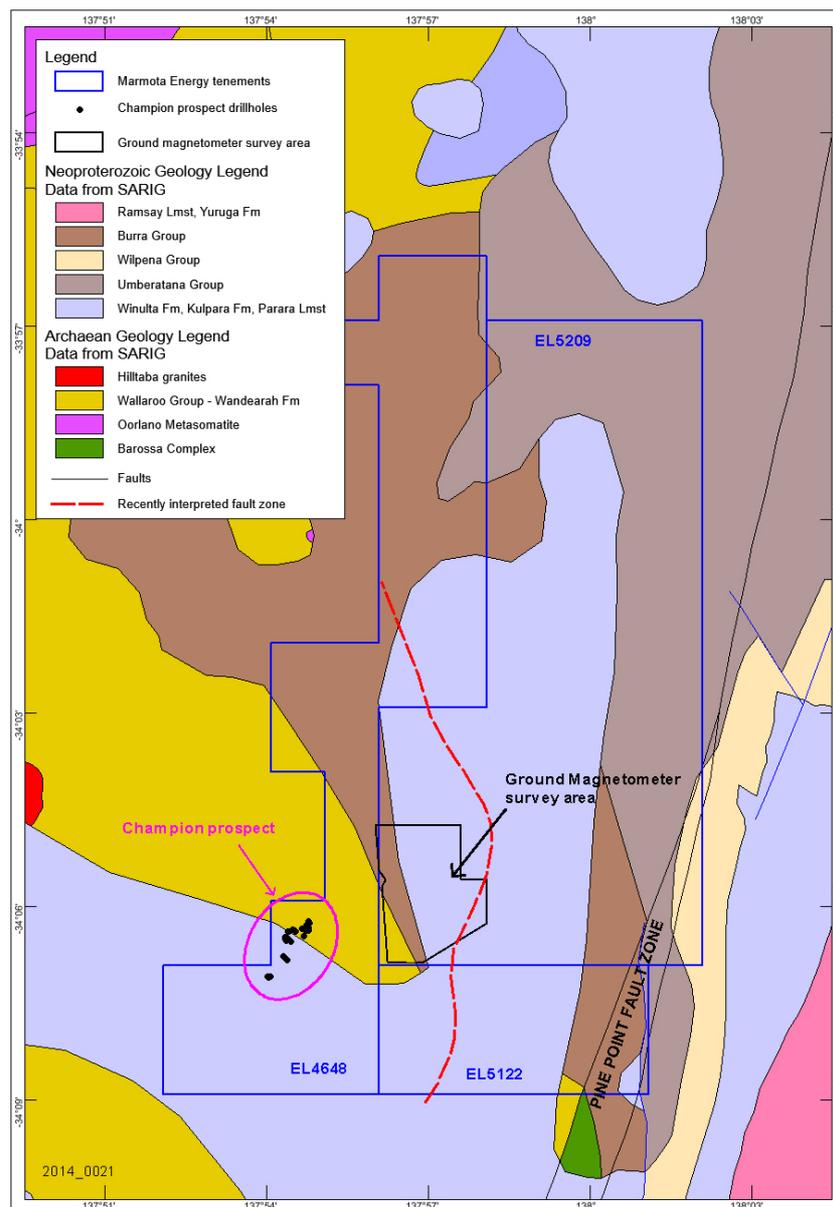


Figure 3: Geological image of the Melton project. Melton Central, shown by the area outlined in black where the ground based magnetic survey is underway, is located on the edge of a regional fault zone (shown here by the red dashed line).

About Marmota and the project

Marmota Energy Limited is a mineral exploration company that aims to be an internationally respected explorer and developer of base and precious metals and uranium projects. The Company's Melton project is its key copper-gold project.

The Melton project is strategically located on northern Yorke Peninsula in South Australia, less than 200km from Adelaide, with good access to infrastructure which includes road and ports. The project also lies within the world class, Olympic Copper Gold Province (Figure 4). The province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits and contains Olympic Dam, Prominent Hill, Carrapateena and Hillside as well as the historic Moonta-Wallaroo mines.

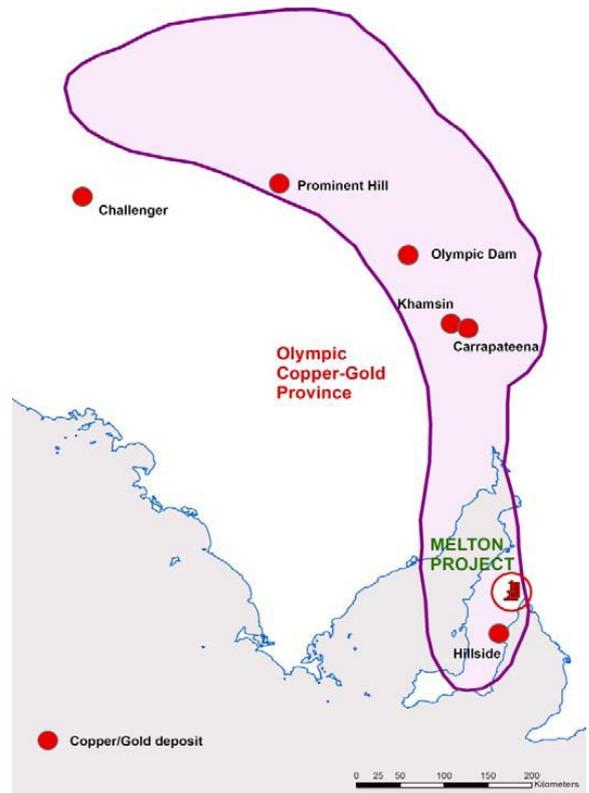


Figure 4: Olympic Copper Gold Province

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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 Dan Gray as Senior Project Geologist 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. Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.