Marmota Energy Limited

Consolidated Entity

ABN 38 119 270 816

Consolidated Financial Statements for the year ended 30 June 2014

CORPORATE DIRECTORY

Marmota Energy Limited

ACN 119 270 816
ABN 38 119 270 816
Incorporated in SA

Registered Office

140 Greenhill Road
UNLEY SA 5061
Telephone: (08) 8373 5588
Facsimile: (08) 8375 3999

Email: info@marmotaenergy.com.au

Share Registrar

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: 1300 556 151
(For overseas shareholders 61 3 9415 5000)
Facsimile: (08) 8236 2305

Email: info@computershare.com.au

Auditor

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

The Directors present their report on Marmota Energy Limited – consolidated entity ('Group') for the year ended 30 June 2014 and the auditor's report thereon.

Directors

The Directors of Marmota Energy Limited ('the Company') at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows:

Mr Robert Michael Kennedy *ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD*
Independent Non-Executive Chairman
Experience and expertise
Mr Kennedy has been non-executive chairman of Marmota Energy Limited since April 2006.
He is a Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded.
Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.
He conducts the review of the Board including the Managing Director in his executive role. Mr Kennedy leads the development of strategies for the development and future growth of the Company. Apart from his attendance at Board and Committee meetings Mr Kennedy leads the Board's external engagement of the Company meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms.
Current and former directorships in the last 3 years
Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since 2001),Maximus Resources Limited (since 2004), Tychean Resources Limited (since 2006), Monax Mining Limited (since 2004), Tellus Resources Limited (since 2013) and formerly Beach Energy Limited (from 1991 until November 2012), Somerton Energy Limited (from 2010 to 2012), Adelaide Energy Limited (from 2011 to 2012) and Impress Energy Limited (from 2011 to 2012). He was appointed the Chairman of the University of Adelaide's Institute of Minerals and Energy Resources in 2008 and his term ended early in 2014.
Responsibilities
His special responsibilities include membership of the Audit, Governance and Remuneration Committee.
Interests in Shares and Options – 5,661,764 ordinary shares of Marmota Energy Limited.

Mr Glenn Stuart Davis *LLB, BEc, FAICD*
Non-executive Director
Experience and expertise
Board member since 28 April 2006. A solicitor and partner in DMAW Lawyers. He has considerable expertise and experience in capital raisings, capital reductions, acquisitions and takeovers, managed investment schemes, Director's duties and the requirements of the Corporations Act and the ASX listing rules. He also has specialist skills and knowledge about the resources industry.
Responsibilities
Special responsibilities include membership of the Audit, Governance and Remuneration Committee.
Current and former directorships in the last 3 years
Beach Energy Limited (Chairman since November 2012 and a director since July 2007) and Monax Mining Limited (since 2004).
Interests in Shares and Options – 3,277,731 ordinary shares of Marmota Energy.

Directors (continued)

Dr Neville Foster Alley *Phd, PSM*
Executive Technical Director
Experience and expertise
Board member since 28 April 2006. Dr Alley is an internationally known earth science researcher and was awarded the Verco Medal for his contribution and leadership in the earth sciences and the Public Service Medal (PSM) in 2005 for outstanding contribution to geology and the minerals industry. He has extensive experience at senior levels in Government in Canada and as Director, Minerals, MESA and PIRSA and has a high level understanding of Government policy, regulation and legislation. He made a significant contribution in setting the SA Government's strategies for reinvigorating the minerals industry and led the development of Government initiatives such as TEISA and PACE. Dr Alley has worked closely with Aboriginal people and the community in developing a higher profile for the resources industry.
Current and former directorships in the last 3 years
Beach Energy Limited (since July 2007 until November 2012), Monax Mining Limited (since 2005 until November 2011) and ERO Mining Limited (from January 2011 until June 2011) and is a Visiting Research Fellow, School of Earth and Environmental Sciences, The University of Adelaide.
Interests in Shares and Options – 2,977,858 ordinary shares of Marmota Energy Limited.

Mr Lindsay David Hale Williams *AICD*
Managing Director
Experience and expertise
Board member since 9 September 2014. Mr Williams has held the position of Managing Director of a number of ASX listed and unlisted companies in a various sectors and brings 20 years of experience in the energy and resource industry. This has included a number of minerals companies in exploration, production, developing new mines and reviewing commerciality of existing operations. Energy sector experience has ranged from operation and expansion of gas transport infrastructure, buying and selling gas, exploration and production of oil and gas. He has demonstrated ability to develop and implement major strategic directional changes including capital raisings, acquisitions and mergers, cost and labour reductions.
Mr Williams was Chairman of Lithex Resources Limited (ASX: LTX), a graphite and nickel explorer, and President of Heathgate Resources Pty Ltd, the owner and operator of the Beverley uranium mine in South Australia.
Interests in Shares and Options – nil

Mr Domenic Joseph Calandro BSc, AIG, ASEG
Managing Director
Experience and expertise
Board member from 9 July 2007 until 30 May 2014. Experience of 16 years in the management, processing, and provision of geophysical data and information with a strong record of project outcome delivery. He has significant geoscience expertise, with experience advising mineral explorers on appropriate geophysical methods and tools to use in exploration for a variety of commodities. He has previously held the position of Chief Mineral Geophysicist for the South Australian Government where he was responsible for the design and management of a variety of large-scale Government geophysical acquisition programs, which were successfully completed as part of the SAEI and TEISA initiatives. As Manager of the geoscience data and information systems for the South Australian Government, he contributed to the reduction of exploration risk for mineral explorers in the state. Mr Calandro was also the Manager of the highly successful PACE initiative, which featured a collaborative drilling program, large-scale geophysical acquisition projects and innovative data management and delivery improvement programs.
Interests in Shares and Options – 3,580,000 ordinary shares of Marmota Energy Limited and options to acquire a further 125,000 ordinary shares.

Directors' meetings

The Company held 12 meetings of Directors (including committees of Directors) during the financial year. The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

	Directors' Meetings		**Audit, Governance and Remuneration Committee Meetings**	
	Number Eligible to attend	*Number attended*	*Number Eligible to attend*	*Number attended*
Director				
Robert Michael Kennedy	9	9	3	3
Glenn Stuart Davis	9	9	3	3
Neville Foster Alley	9	8	-	-
Domenic Joseph Calandro	8	8	-	-

Messrs Davis and Kennedy are members of the Audit, Governance and Remuneration Committee.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Virginia Katherine Suttell – *B.Comm., ACA., GAICD., GradDipACG* Appointed Company Secretary and Chief Financial Officer on 21 November 2007. A Chartered Accountant with over 20 years' experience working in public practice and in commerce with publicly listed entities.

Principal activities

The Group's principal activity is minerals exploration.

Review and results of operations

Marmota has continued to focus on exploration activities that were considered the most prospective with the greatest opportunity to build shareholder wealth.

At the Company's Junction Dam project, Marmota completed its final earn-in of the joint venture. Marmota now has 100% of the uranium rights on the project where the Company continues to hold its uranium interests and when applicable apply its successful exploration strategies to progress these assets, positioning the company strongly for the anticipated revival in uranium commodity pricing. Despite the presence of an inferred resource of mineralisation estimated to contain 5.43 million pounds of U_3O_8 due to the low commodity price it has been decided to impair this asset fully. In no way does this diminish the value of the resource to the company when Uranium prices recover.

During the year, Marmota and Monax Mining Limited ("Monax") executed a Sale and Purchase Agreement, which involved a combination of the transfer of tenement ownership and mineral rights between the two companies across their South Australian holdings. As part of the transaction, Marmota has secured the transfer of all ownership and mineral rights relating to the highly promising Ambrosia and Mulyungarie tenements and increased its interest in the Melton tenements from 50% to 75% in exchange for the transfer of Marmota's interest in the Phar Lap tenement to Monax.

Also during the year key target zones were defined on the West Melton and Melton Exploration Licenses. The West Melton copper-gold project is located on the northern Yorke Peninsula in South Australia adjacent to recent copper-gold discoveries. The project is situated at the southern end of the world class, Olympic Copper Gold Province. The province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits, with Olympic Dam, Prominent Hill, Carrapateena, Hillside and the historic Moonta-Wallaroo mines, all located within this province. Drill testing of copper targets highlighted by coincident copper and gold surface geochemical anomalism and shallow modelled geophysical features, produced significant copper results. Copper grades of up to 2.92% intercepted from just below surface and over large intervals up to 73 metres thick, were encountered in multiple holes from the initial phase of drilling. 19 of the 29 holes drilled, intercepted copper mineralisation greater than 0.1% Cu.

Exploration at the Company's Lake Anthony project defined a zone of outcropping hematite iron mineralisation. Petrological analysis confirmed the presence of massive coarse crystalline hematite in outcrop located on the project. This followed on from high grade iron assay results from outcrop samples with low levels of impurities. Geophysical surveys indicated the presence of possible dense bodies from within the zone of outcropping iron mineralisation, and traditional owner heritage clearance surveys undertaken, cleared the area for further low impact exploration and follow up drill testing.

Competent person statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Daniel Gray as Senior Exploration 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.

Results

During the year, the Group continued exploration activities at its tenements. Total cash expenditure on exploration and evaluation activities totalled $1,410,434.

The net profit/(loss) of the group after income tax was a loss of $18,623,655 (2013: loss $903,459).

The net assets of the group have decreased by $18,625,655 during the financial year from $22,596,039 at 30 June 2013 to $3,970,384 at 30 June 2014.

Dividends

No dividends have been paid or provided by the Group since the end of the previous financial year (2013: nil).

State of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events subsequent to reporting date

There has not arisen any matters or circumstances, since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the Group in future years.

Likely developments

The Group's strategy is to explore for high grade base metals and uranium within the Company's highly prospective portfolio of projects.

The Board of Marmota Energy Limited considers in the current environment of constrained capital, the best interests of shareholders in the company will be served by employing a balanced approach between direct self-funded exploration and exploration via strategic partnerships and funding arrangements.

The primary focus of exploration will be directed at further progressing the Melton Copper project and the Junction Dam uranium projects. The Company believes that these projects can be progressed by the prudent application of funds and have a good chance of delivering successful outcomes for shareholders.

Environmental regulation and performance statement

The Group's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Group on any of its tenements. To date the Group has only carried out exploration activities and there have been no known breaches of any environmental obligations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other Officers of the Company against any liabilities incurred by the Directors and Officers that may arise from their position as Directors and Officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Options

At the date of this report unissued ordinary shares of Marmota Energy Limited under option are:

Expiry date*	Exercise price	Number of Options	Vested	Unvested	Amount paid/payable by recipient ($)
05/03/2015	$0.1016	325,000	325,000	-	-
21/12/2015	$0.083	125,000	125,000	-	-
29/07/2016	$0.073	250,000	250,000	-	-
24/07/2017	$0.036	125,000	125,000	-	-

* All options may be exercised at any time before expiry subject to escrow restrictions. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year, no ordinary shares were issued by the Company as a result of the exercise of options. There were no amounts unpaid on shares issued.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

There were no non-audit services provided by the external auditors of the Parent or its related entities during the year ended 30 June 2014.

Auditor of the Company

The auditor of the Company for the financial year was Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2014 is set out immediately following the end of the Directors' report.

Remuneration policy
The remuneration policy of Marmota Energy Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Marmota Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other key management personnel of the Company is as follows.

Remuneration and Nomination

The Audit, Governance and Remuneration Committee oversees remuneration matters and makes recommendations to the Board on remuneration policy, fees and remuneration packages for non-executive directors and senior executives. Details of the committee's members and its responsibilities are set out in the Corporate Governance Statement.

Non-executive Remuneration Policies

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at $400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of board committees. The fees are set by the Audit, Governance and Remuneration Committee which consults independent advice from time to time.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Managing Director is determined by the Non-executive Directors on the Audit, Governance and Remuneration Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Audit, Governance and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel. The remuneration structure and packages offered to executives are summarised below:

- Fixed remuneration

- Short term incentive - The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota Energy Limited given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

Executive Remuneration Policies (continued)

- Long term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention rights as considered appropriate by the Audit, Governance and Remuneration Committee and the Board, as a long term incentive for key management personnel. These rights are subject to shareholder approval at the Annual General Meeting in the year of grant. The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.

  The Company also has an Employee Share Option Plan approved by shareholders that will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

At this time, there is no relationship between remuneration of Key Management Personnel and the Company's performance over the last five years.

Service Agreements

The employment conditions of Mr Calandro are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement. Mr Calandro's employment ceased effective 30 May 2014. Ms Suttell is employed by Groundhog Services Partnership to act as Chief Financial Officer and Company Secretary of Monax Mining Limited and Marmota Energy Limited. The employment conditions are set out in a contract of employment and include a three month notice period.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the consolidated entity and for the executives receiving the highest remuneration.

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the consolidated entity during the whole of the financial year are:

Directors	**Position**
Mr RM Kennedy	Chairman – Non-executive
Mr GS Davis	Director – Non-executive
Dr NF Alley	Director – Executive
Mr DJ Calandro	Managing Director – Executive (until 30 May 2014)
Key management personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

(b) Directors' remuneration

	Short term employee benefits		Long term employee benefits	Termination payments	Share-based payments		
2014 primary benefits	**Directors' fees $**	**Fixed remuneration $**	**Super contributions $**	**Termination payments $**	**Options/ rights $**	**Total $**	**Proportion of remuneration related to performance**
Directors							
Mr RM Kennedy	76,888	-	7,112	-	-	84,000	-
Mr GS Davis*	48,038	-	-	-	-	48,038	-
Dr NF Alley	-	59,490	34,980	-	-	94,470	-
Mr DJ Calandro	-	243,164	16,294	164,028	-	423,486	-
	124,926	302,654	58,386	164,028	-	649,994	-

2013 primary benefits	**Directors' fees $**	**Fixed remuneration $**	**Super contributions $**	**Termination Payments $**	**Options/ rights $**	**Total $**	**Proportion of remuneration related to performance**
Directors							
Mr RM Kennedy	77,064	-	6,936	-	-	84,000	-
Mr RG Nelson	3,673	-	331	-	-	4,004	-
Mr GS Davis*	48,030	-	-	-	-	48,030	-
Dr NF Alley	-	86,520	7,787	-	-	94,307	-
Mr DJ Calandro	-	264,720	16,470	-	15,208	296,398	5.1%
	128,767	351,240	31,524	-	15,208	526,739	2.8%

There were no cash bonuses paid in 2014 or 2013.

* Director's Fees for Mr Davis are paid to a related entity of the Director.

(c) Key management personnel remuneration

2014 primary benefits	Short term employee benefits Fixed remuneration $	Long term employee benefits Super contributions $	Share-based payments Options/ rights $	Total $	Proportion of remuneration related to performance
Key management personnel excluding Directors					
Ms VK Suttell*	111,228	10,442	-	121,670	-
	111,228	10,442	-	121,670	-

2013 primary benefits	Fixed remuneration $	Super contributions $	Options/ rights $	Total $	Proportion of remuneration related to performance
Key management personnel excluding Directors					
Ms VK Suttell*	110,238	7,888	17,320	135,446	12.7%
	110,238	7,888	17,320	135,446	12.7%

There were no cash bonuses paid in 2014 or 2013.

* Ms Suttell was appointed as Company Secretary and Chief Financial Officer on 21 November 2007. Ms Suttell is employed by Groundhog Services Partnership to act as Company Secretary and Chief Financial Officer for Marmota Energy Limited and Monax Mining Limited. Marmota Energy Limited is charged a service fee by that entity which includes a fee for the provision of her services covering remuneration, on-costs and associated expenses relating to the secretarial and financial services provided to Marmota Energy Limited.

(d) Service agreements

Mr Calandro was appointed in 2007 on an ongoing employment basis. The salary was reviewed in July 2012 and set at $281,000 per annum inclusive of superannuation guarantee contributions and includes a three month notice period. Mr Calandro's employment ceased effective 30 May 2014 and a termination payment made of $164,028.

The Executive Director was appointed in 2007. The Executive Director's employment is on an ongoing employment basis. The Executive Director's remuneration was reviewed effective 1 July 2012 and set at $86,520 per annum plus superannuation guarantee contributions and includes a four week notice period. There were neither post employment retirement or termination benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

(e) Director related entities

Information of amounts paid to director related entities is set out in Note 23 to the financial statements.

(f) Post-employment/retirement and termination benefits
There were no post employment retirement and termination benefits paid or payable to directors and key management personnel other than paid to Mr Calandro as disclosed.

Directors and key management personnel equity remuneration, holdings and transactions
(i) Share holdings
The number of shares in the company held during the financial year by each director of Marmota Energy Limited and other key management personnel of the group, including their personal related parties, are set out below. There were no shares granted to directors or key management personnel during the financial year.

Shares	Balance 1/07/13	Received as remuneration	Options exercised	Net change other[1]	Balance 30/06/14	Total held in escrow 30/06/14
Held by Directors in own name						
Mr RM Kennedy	1	-	-	-	1	-
Mr GS Davis	1	-	-	-	1	-
Dr NF Alley	1	-	-	-	1	-
Mr DJ Calandro	-	-	-	-	-	-
	3	-	-	-	3	-
Held by Directors' personally related entities						
Mr RM Kennedy	5,661,763	-	-	-	5,661,763	-
Mr GS Davis	3,277,730	-	-	-	3,277,730	-
Dr NF Alley	2,977,857	-	-	-	2,977,857	-
Mr DJ Calandro	3,080,000	-	500,000	-	3,580,000	-
Total held by Directors	14,997,353	-	500,000	-	15,497,353	-
Key management personnel excluding Directors						
Ms VK Suttell	555,000	-	200,000	-	755,000	-
Total	15,552,353	-	700,000	-	16,252,353	-

1. Net change other represents shares purchased and/or sold during the financial year.

(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Marmota Energy Limited and any other key management personnel of the group, including their personal related parties are set out below. No options were granted to directors or key management personnel during the financial year.

Options	Option class	Balance 1/07/13	Received as remun-eration	Options exercised	Net change other[1]	Balance 30/06/14	Total vested 30/06/14	Total exercisable 30/06/14
Held by Directors in own name								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Dr NF Alley		-	-	-	-	-	-	-
Mr DJ Calandro		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Directors' personally related entities								
Mr RM Kennedy		-	-	-			-	-
Mr GS Davis		-	-	-			-	-
Dr NF Alley		-	-	-			-	-
Mr DJ Calandro		-	-	-			-	-
Mr DJ Calandro	(a)	250,000	-	-	(250,000)	-	-	-
Mr DJ Calandro	(c)	125,000	-	-	-	125,000	125,000	125,000
Total held by Directors		375,000	-	-	(250,000)	125,000	125,000	125,000
Key management personnel excluding Directors								
Ms VK Suttell	(b)	75,000	-	-	-	75,000	75,000	75,000
Total		450,000	-	-	(250,000)	200,000	200,000	200,000

(a) Unlisted options exercisable at $0.04 by 23/12/2013.
(b) Unlisted options exercisable at $0.1016 by 05/03/2015.
(c) Unlisted options exercisable at $0.083 by 21/12/2015.

(iii) Share rights holdings

The number of rights over ordinary shares in the company held during the financial year by each director of Marmota Energy Limited and any other key management personnel of the group, including their personal related parties are set out below. No share rights were granted to directors or key management personnel during the financial year.

Rights 2014	Opening balance	Received as remun-eration	Vested	Net change other	Balance period end	Total vested period end	Total exercisable period end
Mr RM Kennedy	-	-	-	-	-	-	-
Mr GS Davis	-	-	-	-	-	-	-
Dr NF Alley	-	-	-	-	-	-	-
Mr DJ Calandro	500,000	-	(500,000)	-	-	-	-
Ms VK Suttell	200,000	-	(200,000)	-	-	-	-
Total	700,000	-	(700,000)	-	-	-	-

No options previously granted to Directors or Director related entities were exercised during the year.

During the financial year ended 30 June 2014, Marmota used the legal services of DMAW Lawyers, a legal firm of which Mr Davis is a partner. Marmota paid $19,540 during the financial year (2013 $79,571) to DMAW Lawyers for legal and advisory services. As at 30 June 2014, $5,053 is payable for invoices received but not yet paid. During the financial year ended 30 June 2014, Marmota received from Monax Mining Limited, a company that Mr Kennedy and Mr Davis are directors, an amount of $4,190 (2013 $9,578) for exploration and joint logistics.

Remuneration Report – Audited (continued)

During the financial year ended 30 June 2014, Marmota paid Groundhog Services Pty Ltd and the Groundhog Services Partnership, a company that Mr Calandro was a director, $207,177 (2013 $399,891) for the provision of administration and logistical services.
During the financial year, Marmota paid Ramelius Resources Limited, a Company that Mr Kennedy is a director, $127,096 (2013 $334,891) for exploration expenses on a joint project.

The Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:

Robert Michael Kennedy
Director

Dated at Adelaide this 24th day of September 2014.

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67 Greenhill Rd
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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MARMOTA ENERGY LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Marmota Energy Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Partner – Audit & Assurance

Adelaide, 24 September 2014

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Marmota Energy Limited and Controlled Entities

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Other revenues	2	88,751	151,021
Total revenue		88,751	151,021
Administration expenses	3	242,866	313,505
Consulting expenses	3	67,768	190,924
Depreciation expense	3	33,671	6,315
Employment expenses	3	371,764	258,055
Occupancy expenses	3	8,364	-
Service fees	3	123,208	172,625
Impairment of assets	3	17,864,765	-
(Loss)/profit before income tax expense		(18,623,655)	(790,403)
Income tax (expense)/benefit	4	-	(113,056)
(Loss)/profit for the year		(18,623,655)	(903,459)
Loss attributable to members of the parent entity		(18,623,655)	(903,459)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Changes in fair value of available for sale financial assets		(2,000)	(5,500)
		(2,000)	(5,500)
Total comprehensive income for the year		(18,625,655)	(908,959)
Basic earnings per share (cents)	6	(7.06)	(4.15)
Diluted earnings per share (cents)	6	(7.06)	(4.15)

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities

Consolidated Statement of Financial Position

As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Current assets			
Cash and cash equivalents	7	1,614,782	3,476,757
Trade and other receivables	8	62,520	333,124
Other assets	9	27,651	29,959
Total current assets		1,704,953	3,839,840
Non-current assets			
Plant and equipment	10	233,794	224,538
Investments in associates	11	1	1
Available for sale financial assets	12	8,000	22,000
Exploration and evaluation assets	15	2,369,086	18,782,963
Total non-current assets		2,610,881	19,029,502
Total assets		4,315,834	22,869,342
Current liabilities			
Trade and other payables	16	260,883	132,140
Provisions	17	27,746	48,436
Total current liabilities		288,629	180,576
Non-current liabilities			
Provisions	17	56,821	92,727
Total non-current liabilities		56,821	92,727
Total liabilities		345,450	273,303
Net assets		3,970,384	22,596,039
Equity			
Issued capital	18	31,239,006	31,239,006
Reserves	26	2,709,650	2,711,650
Retained losses		(29,978,272)	(11,354,617)
Total equity		3,970,384	22,596,039

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities

Consolidated Statement of Changes in Equity

For the year ended 30 June 2014

	Issued capital (Note 18) $	Reserves (Note 26) $	Retained losses $	Total $
Consolidated				
Balance at 1 July 2012	26,112,440	2,683,921	(10,451,158)	18,345,203
Loss attributable to the members of the parent entity	-	-	(903,459)	(903,459)
Other comprehensive income	-	(5,500)	-	(5,500)
Total comprehensive income	-	(5,500)	(903,459)	(908,959)
Transactions with owners in their capacity as owners:				
Shares issued during the year	5,392,370	-	-	5,392,370
Options issued during the year	-	33,229	-	33,229
Transaction costs associated with the issue of shares net of tax	(265,804)	-	-	(265,804)
	5,126,566	33,229	-	5,159,795
Balance at 30 June 2013	31,239,006	2,711,650	(11,354,617)	22,596,039
Loss attributable to the members of the parent entity	-	-	(18,623,655)	(18,623,655)
Other comprehensive income	-	(2,000)	-	(2,000)
Total comprehensive income	-	(2,000)	(18,623,655)	(18,625,655)
Transactions with owners in their capacity as owners:				
Shares issued during the year	-	-	-	-
Options issued during the year	-	-	-	-
	-	-	-	-
Balance at 30 June 2014	31,239,006	2,709,650	(29,978,272)	3,970,384

The accompanying notes form part of these financial statements.

Marmota Energy Limited and Controlled Entities

Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Cash receipts in the course of operations		-	18,890
Cash payments in the course of operations		(647,036)	(881,049)
Interest received		107,872	115,319
Net cash (used in) operating activities	22(b)	(539,164)	(746,840)
Cash flows from investing activities			
Payments for plant and equipment		(93,155)	(23,750)
Payments for exploration and evaluation assets		(1,410,434)	(2,984,459)
Loans from related entities		180,778	1,894
Loans repaid to related entities		-	(24,385)
Net cash (used in) investing activities		(1,322,811)	(3,030,700)
Cash flows from financing activities			
Proceeds from issue of shares		-	5,292,370
Payment of transaction costs associated with capital raising		-	(277,007)
Net cash provided by financing activities		-	5,015,363
Net (decrease)/increase in cash held		(1,861,975)	1,237,823
Cash at the beginning of the financial year		3,476,757	2,238,934
Cash at the end of the financial year	22(a)	1,614,782	3,476,757

The accompanying notes form part of these financial statements.

1 *Statement of significant accounting policies*

The financial report includes the consolidated financial statements and notes of Marmota Energy Limited and controlled entities ('consolidated group' or 'Group').

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).The Company is a for-profit entity for the purposes of preparing financial statements.

The following report covers the consolidated entity, Marmota Energy Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(c) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred income tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

(c) Income tax (continued)

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All fixed assets are depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	*Depreciation rate*
Plant and equipment	5% – 33%

The asset’s residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through the profit or loss’, in which case the costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets except for those not expected to mature within 12 months after the end of the reporting period.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

(g) Financial instruments (continued)

(iii) Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They compromise the investments in the equity of other entities where there is neither a fixed maturity nor determinable payments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(h) Impairment of non- financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity settled compensation

The Group operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions. The fair value of retention rights is ascertained using the binomial valuation model.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of goods and services tax (GST).

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Statement of Financial Position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Interests in joint operations

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation. Details of the Group's interests are shown at Note 13.

(o) Investments in associates

Associate companies are companies in which the group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the initial investment at cost and adjusted thereafter for the Group's share of post-acquisition reserves and profits/ (losses) of its associates. Details of the Group's interests in associates is shown at Note 11.

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements - exploration and evaluation expenditure

The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

(t) New and amended standards adopted by the Group

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period as shown below.

- AASB 10 Consolidated Financial Statements which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 10 provides a revised approach to determining which investees should be consolidated. The standard changes the requirements for determining whether an entity is consolidated by revising the definition of control and adding further guiding principles. The application of AASB 10 does not have any impact on the amounts recognised in the consolidated entity's Financial Statements.

- AASB 11 Joint Arrangements which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead JCEs that meet the definition of a joint venture under AASB 11 must be accounted for using the equity method. The application of AASB 11 does not have any impact on the consolidated entity's Financial Statements.

- AASB 12 Disclosure of Interests in Other Entities which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 12 includes all of the disclosures that were previously in AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interest in Joint Ventures. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The revised standard requires a number of disclosures which are consistent with previous disclosures made by the consolidated entity and has no impact on the consolidated entity's financial position or performance.

- AASB 13 Fair value measurement, which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 13 establishes a single source of guidance under accounting standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under AASBs when fair value is required or permitted. The required additional disclosures relating to AASB 13 are provided in Note 28.

- AASB 119 Employee Benefits which has been issued and is effective for accounting periods beginning on or after 1 January 2013. AASB 119 makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The revised standard has no material impact on the consolidated entity's financial position or performance.

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] which has been issued and is effective for accounting periods beginning on or after 1 July 2013. It removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.

The adoption of new and revised Australian Accounting Standards and Interpretations has had no significant impact on the group's accounting policies or the amounts reported during the financial year although it has resulted in minor changes to the group's presentation of its financial statements.

Accounting policies have been consistently applied with those of the previous financial year, unless otherwise stated.

(u) Recently issued accounting standards to be applied in future accounting periods

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group:

The accounting standards that have not been early adopted for the year ended 30 June 2014, but will be applicable to the group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the group.

(u) Recently issued accounting standards to be applied in future accounting periods (continued)

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group's financial statements is provided below.

Year ended 30 June 2015:
AASB 1031: Materiality
AASB 2013-4, Novation of Derivatives and Continuation of Hedge Accounting
AASB 2013-5, Investment Entities
AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments
AASB 2014-1, Amendments to Australian Accounting Standards

These standards make changes to a number of existing Australian Accounting Standards and are not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports.

Year ended 30 June 2017: Amendments to AASB 116 and AASB 138, Clarification of acceptable methods of depreciation and amortisation

This standard will clarify that revenue based methods to calculate depreciation and amortisation are not considered appropriate. This will not result in a change to the manner in which the Group's financial result is determined as no such method is currently in use.

Year ended 30 June 2018: IFRS 15: Revenue from Contracts with Customers

This standard will change the timing and in some cases the quantum of revenue received from customers. IFRS 15 requires an entity to recognise revenue by identifying for each customer contract, the performance obligations in the contract and the transaction price. The transaction price is then allocated against the performance obligations in the contract with revenue recognised when (or as) the entity satisfies each performance obligation. Management are currently assessing the impact of the new standard but it is not expected to have a material impact on the financial performance or financial position of the consolidated entity.

Year ended 30 June 2019: AASB 9: Financial Instruments

This standard introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(u) Recently issued accounting standards to be applied in future accounting periods (continued)

- Where the fair value option is used for financial liabilities the change in fair value is to be accounted by presenting changes in credit risk in other comprehensive income (OCI) and the remaining change in the statement of profit or loss.
- This standard is not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports although the Group will quantify the effect of the application of AASB 9 when the final standard, including all phases, is issued.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) Parent entity financial information

The financial information for the parent entity, Marmota Energy Limited, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements.

(w) Foreign currency translation

(i) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is Marmota Energy Limited's functional and presentational currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(x) ***Going Concern***

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Group indicate that it will require positive cash flows from additional capital for continued operations. The Group incurred a loss of $18,623,655 (2013: loss $903,459) and operations were funded by a net cash outlay of $1,861,975 before capital raised during the period. The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, the going concern basis may not be appropriate, with the results that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

(y) Authorisation for issue of financial statements

The financial statements were authorised for issue by the Board of Directors on 24th September 2014.

		Consolidated	
		2014	2013
		$	$
2	***Revenue***		
	Other revenues:		
	From operating activities		
	Interest received from other parties	88,751	132,131
	Administration fees – joint operations	-	18,890
	Total revenues	88,751	151,021
3	***(Loss)/profit before income tax expense has been determined after***		
	Expenses		
	Administration expenses		
	ASX fees	30,096	42,247
	Share registry fees	32,971	61,846
	Insurance	45,230	51,078
	Audit and other services	28,570	32,320
	Travel	4,643	22,590
	Marketing	7,215	20,595
	Software licences and IT services	25,494	16,247
	Other	68,647	66,582
		242,866	313,505
	Consulting expenses		
	Legal fees	20,948	96,744
	Corporate consulting	40,548	83,830
	Accounting and secretarial services	6,272	10,350
		67,768	190,924
	Depreciation expense		
	Plant and equipment	33,671	6,315
	Employment expenses		
	Salaries and wages	808,098	761,822
	Directors fees	132,038	136,040
	Superannuation	93,504	65,822
	Provisions	(56,018)	22,150
	Share-based payments	-	33,229
	Other	41,512	52,973
	Reallocation to exploration costs	(647,370)	(813,981)
		371,764	258,055
	Occupancy expenses	8,364	-
	Service fees	123,208	172,625
	Impairment expenses		
	Impairment of exploration assets	17,852,765	-
	Impairment of available for sale assets	12,000	-
		17,864,765	-

	Consolidated	
	2014	2013
	$	$

4 *Income tax (expense)*

The components of tax expense comprise:

	2014 $	2013 $
Current income tax	-	-
Deferred tax	-	-
Tax portion of capital raising costs	-	(113,056)
Income tax (expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	(113,056)

The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	2014 $	2013 $
Prima facie income tax (expense) calculated at 30% on loss (2013: 30%)	(5,587,096)	(237,121)
Tax effect of:		
Deferred tax asset in respect of tax losses not brought to account	227,667	237,121
Impairment expense previously brought to account	5,359,429	-
Tax portion of capital raising costs	-	(113,056)
Income tax (expense) attributable to loss	-	(113,056)

Income tax losses

	2014 $	2013 $
Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria		
- tax losses at 30%	6,960,466	6,175,961
Temporary differences	(7,044)	7,229

	Consolidated 2014 $	Consolidated 2013 $
5 Auditors' remuneration		
Audit services:		
Auditors of the Group – Grant Thornton		
Audit and review of the financial reports	28,500	32,250
	28,500	32,250

6 Earnings per share

(a) Classification of securities
All ordinary shares have been included in basic earnings per share.

(b) Classification of securities as potential ordinary shares

- 250,000 unlisted options exercisable at $0.04 by 23/12/2013
- 325,000 unlisted options exercisable at $0.1016 by 05/03/2015
- 125,000 unlisted options exercisable at $0.083 by 21/12/2015
- 250,000 unlisted options exercisable at $0.073 by 29/07/2016
- 125,000 unlisted options exercisable at $0.036 by 24/07/2017

Options granted to employees under the Marmota Energy Limited Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	Consolidated 2014 $	Consolidated 2013 $
(c) Earnings used in the calculation of earnings per share		
(Loss) after income tax expense	(18,623,655)	(903,459)
Weighted average number of shares outstanding during the year in calculating earnings per share		
Number for basic and diluted earnings per share		
Ordinary shares	263,759,235	217,882,544

		Consolidated	
		2014	2013
		$	$
7	***Cash and cash equivalents***		
	Cash at bank	131,423	226,757
	Deposits at call	1,483,359	3,250,000
		1,614,782	3,476,757
8	***Trade and other receivables***		
	Current		
	Other receivables	51,899	127,576
	Loan to related parties	-	420
	Loan to associate	10,621	205,128
		62,520	333,124

Other receivables represent accrued interest receivable and GST refunds. Receivables are not considered past due and/or impaired (2013: nil).

		2014	2013
9	***Other current assets***		
	Prepayments	27,651	29,959
10	***Plant and equipment***		
	Plant and equipment		
	At cost	801,165	708,010
	Accumulated depreciation	(567,371)	(483,472)
	Net book value	233,794	224,538

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

Plant and equipment

	2014	2013
Carrying amount at beginning of year	224,538	266,603
Additions	93,155	23,750
Disposals	-	-
Depreciation	(83,899)	(65,815)
Carrying amount at end of year	233,794	224,538

11 Investments in associates

Interests are held in the following associated companies:

Name	Principal activities	Country of incorporation	Shares	Ownership interest		Carrying amount of investment	
Unlisted				2014	2013	2014 $	2013 $
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50%	50%	1	1

(a) Movements during the year in equity accounted investments in associated entities

There have been no movements of equity accounted investments in associated entities during the year.

(b) Equity accounted profits of associates are broken down as follows:

	Consolidated 2014 $	Consolidated 2013 $
Share of associate's profit before income tax	-	-
Share of associate's income tax expense	-	-
Share of associate's profit after income tax expense	-	-

(c) Summarised presentation of aggregate assets, liabilities and performance associates

The Group's share of the results of its principle associates and its aggregated assets and liabilities are as follows:

Current assets	2	374,980
Non-current assets	-	47,299
Total assets	2	422,279
Current liabilities	-	(339,292)
Non-current liabilities	-	(82,985)
Total liabilities	-	(422,277)
Net assets	2	2

12 Available for sale investments

	Consolidated 2014 $	Consolidated 2013 $
Available for sale investments	8,000	22,000

13 Interests in unincorporated joint operations

Marmota Energy Limited has a direct interest in a number of unincorporated joint operations as follows:

No	State	Agreement name	Parties	Summary
1	SA	Junction Dam Uranium Agreement	Teck Australia Pty Ltd, Variscan Mines Ltd (previously Platsearch NL) and Eaglehawk Geological Consulting Pty Ltd (TPE) and Marmota Energy Limited (MEU).	MEU will have the right to explore for uranium in the area covered by Exploration Licence EL 4509 (formerly EL 3328). MEU achieved its 90% earn in and now holds 100% of the uranium rights under the terms of the Agreement. TPE retains a NSR of 5%.
2	SA	Melton Joint Venture	Monax Mining Limited (MOX) and Marmota Energy Limited (MEU)	MEU will have the right to explore for all minerals in the area covered by Exploration Licences EL 5209 (formerly EL 4000) and EL 5122 (formerly EL 3911). MEU and MOX operate a 75:25 joint venture.
3	WA	Rudall East Project	Teck Australia Pty Ltd and Marmota Energy Limited (MEU)	MEU will have the right to explore for uranium, spending $1m over three years to earn a 51% interest in the uranium rights.
4	SA	Farm-in Agreement – Aurora Tank tenement	Southern Exploration Pty Ltd (Southern) a subsidiary of Apollo Minerals Ltd (AON) and Marmota Energy Limited (MEU)	Under the terms of the Agreement, Southern will have the right to explore for all minerals to earn up to 75% interest in the tenement by sole funding the greater of: a) A minimum of $900,000 of exploration and development activities over a period of up to three years; or b) All exploration and development costs to the Bankable Feasibility Study stage.

14 Controlled entities

(a) Controlled entities consolidated

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity in accordance with the accounting policy described in Note 1(b):

	Country of incorporation	Percentage owned (%)	
		2014	**2013**
Parent entity:			
Marmota Energy Limited	Australia		
Subsidiaries of Marmota Energy Limited:			
Marmosa Pty Ltd	Australia	100	100

15 *Exploration and evaluation assets*

	Consolidated 2014 $	Consolidated 2013 $
Movement:		
Carrying amount at beginning of year	18,782,963	16,190,408
Additional costs capitalised during the year	1,438,888	2,592,555
Impairment[1]	(17,852,765)	-
Carrying amount at end of year	2,369,086	18,782,963
Closing balance comprises:		
Exploration and evaluation		
- 100% owned	512,397	3,742,041
Exploration and evaluation phase		
- Joint Venture	1,856,689	15,040,922
	2,369,086	18,782,963

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

The impairment of the exploration asset in 2014 relates to the impairment of the North American Area of Interest $1,475,301 as exploration discontinued in that area, $8,442,053 in the Gawler Craton, $7,883,971 in the Curnamona area and $51,440 in Western Australia as the company refined its exploration strategy within each Area of Interest and considered recoverability of expenditure to date.

16 *Trade and other payables*

Trade payables	42,387	43,655
Other payables and accruals	213,443	69,283
Amounts payable to Director related entities*	5,053	19,202
	260,883	132,140

* Details of amounts payable to Director related entities are detailed in Note 23.

17 *Provisions*

Current		
Employee benefits	27,746	48,436
Non-current		
Employee benefits	56,821	92,727

Provision for long service leave

A provision for long service leave has been recognised for employee benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Provisions

Opening balance at beginning of year	141,163	82,147
Additional provisions	(56,596)	59,016
Balance at end of year	84,567	141,163

	Consolidated	
	2014	2013
	$	$

18 Issued capital

Issued and paid-up share capital		
263,759,235 (2013: 263,059,235) ordinary shares, fully paid	31,239,006	31,239,006
(a) Ordinary shares		
Balance at the beginning of year	31,239,006	26,112,440
Shares issued during the year:		
Nil (2013: 125,000) shares issued to employees on exercise of options at $0.036	-	4,500
700,000 (2013: 700,000) shares issued to employees on vesting of share rights	-	-
Nil (2013: 6,017,960) shares issued as part of a 1:2 rights issue	-	240,718
Nil (2013: 69,806,785) shares issues as part of the placement of shortfall from 1:2 rights issue	-	2,792,272
Nil (2013: 22,060,000) shares issues as part of a placement at $0.068	-	1,500,080
Nil (2013: 11,100,000) shares issues as part of a share purchase plan	-	754,800
Nil (2013: 1,600,000) shares issued pursuant to a drilling contract	-	100,000
Less transaction costs arising from issue of shares net of tax	-	(265,804)
Balance at end of year	31,239,006	31,239,006

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

In the event of winding up of the Group ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

(b) Options/rights

There were no share options/retention rights issued to Executive Directors during the financial year.

For information relating to the Marmota Energy Limited Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 19.

18 Issued Capital (continued)

(b) Options/rights (continued)

At 30 June 2014, there were 825,000 (2013: 1,775,000) unissued shares for which the following options/rights were outstanding.

- 325,000 unlisted option exercisable at $0.1016 by 05/03/2015
- 125,000 unlisted options exercisable at $0.083 by 21/12/2015
- 250,000 unlisted options exercisable at $0.073 by 29/07/2016
- 125,000 unlisted options exercisable at $0.036 by 24/07/2017

(c) Capital Management

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure accordingly. These responses include share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The Group's capital is shown as issued capital in the Statement of Financial Position.

19 Share-based payments

Share-based payments are in line with the Marmota Energy Limited Employee Share Option Plan, details of which are outlined in the Directors' Report. Listed below are summaries of options granted:

(i) Options

	2014			2013		
Marmota Energy Limited	Number of options	Weighted average exercise price $	Weighted average remaining contractual life	Number of options	Weighted average exercise price $	Weighted average remaining contractual life
Outstanding at the beginning of the year	1,075,000	0.072		950,000		
Granted – July 2012	-			250,000	0.036	
Forfeited	-			-		
Exercised	-			(125,000)	0.36	
Expired	(250,000)	0.04		-		
Outstanding at year-end	825,000	0.08	579 days	1,075,000	0.072	485 days
Exercisable at year-end	825,000			1,075,000		

On 29 July 2011, 250,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of $0.073 each. These options are exercisable on or before 29 July 2016.

On 24 July 2012, 250,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of $0.036 each. These options are exercisable on or before 24 July 2017. 125,000 of these options have been exercised.

On 21 December 2010, 125,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of $0.083 each. These options are exercisable on or before 21 December 2015.

19 Share-based payments (continued)

(i) Options (continued)

On 5 March 2010, 400,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of $0.1016 each. These options are exercisable on or before 5 March 2015. 75,000 of these options have lapsed.

On 23 December 2008, 625,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of $0.04 each. These options were exercisable on or before 23 December 2013. 375,000 of these options have been exercised. The remaining options expired.

The options are non-transferable except as allowed under the Employee Share Option Plan and are not quoted securities. At reporting date, no share options had been exercised. All options granted to key management personnel are over ordinary shares in Marmota Energy Limited, which confer a right of one ordinary share for every option held.

The fair value of the options granted was calculated by using the Black-Scholes option pricing model applying the following inputs:

	July 2012 issue	**July 2011 issue**	**December 2010 issue**	**March 2010 issue**	**December 2008 issue**
Weighted average fair value	$0.035	$0.045	$0.072	$0.063	$0.038
Weighted average exercise price	$0.036	$0.073	$0.083	$0.1016	$0.04
Weighted average life of the option	1,826 days	1,826 days	1,825 days	1,825 days	1,825 days
Underlying share price	$0.039	$0.06	$0.09	$0.09	$0.04
Expected share price volatility	136%	102%	105%	90%	181%
Risk free interest rate	2.31%	4.25%	4.75%	4.0%	4.25%

The life of the options is based on the days remaining until expiry. Volatility is based on historical share prices.

Options granted to Executive Directors and key management personnel on share-based payments are as follows:

Grant Date	Number
23 December 2008	425,000
5 March 2010	75,000
21 December 2010	125,000

The options hold no voting or dividends rights and are unlisted. The options lapse 6 months subsequent to the cessation of employment with the Group. There are no vesting conditions attached to the options.

19 Share-based payments (continued)

(ii) Retention Rights

On 19 November 2010, a total of 2,100,000 retention rights were granted to two senior executives/key management personnel subsequent to shareholder approval at the Annual General Meeting. The retention rights, being an entitlement to shares in the Company, vested over three years with one third vesting on each of 1 July 2011, 1 July 2012 and 1 July 2013, at which time shares were issued to the executives. The fair value of these rights at grant date was $191,100 all of which was recognised by the end of the June 2013 financial year in the share based payments reserve. The fair value of the rights was determined by obtaining an independent valuation and considering the market price of the underlying shares at the date the rights were granted and assuming that all holders continued to be employees of the Group, adjusted for the risk that vesting conditions are not met.

Each right was issued for no consideration. Once exercised, a right entitled the holder to one fully paid ordinary share in Marmota Energy Limited.

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	Consolidated	
	2014	2013
	$	$
Options issued under employee option plan	-	8,750
Retention rights issued	-	24,479
	-	33,229

20 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries and related entities.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2014	2013
	$	$
Financial assets		
Cash and cash equivalents	1,614,782	3,476,757
Loans and receivables	62,520	333,124
Available for sale investments	8,000	22,000
	1,685,302	3,831,881
Financial liabilities		
Trade and other payables	260,883	132,140
	260,883	132,140

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the group.

Specific financial risk exposures and management

The main risks the group is exposed to includes liquidity risk, credit risk and interest rate risk.

20 Financial risk management (continued)

(a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the consolidated group in managing its cash flows.

Financial liabilities are expected to be settled within 12 months.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at reporting date.

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2014 approximately 91.9% of group deposits are fixed.

(d) Sensitivity analysis

Interest rate

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the Group does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

Interest rate sensitivity analysis

At reporting date, the effect on profit/ (loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2014	2013
	$	$
Change in loss		
Increase in interest rates by 2%	32,296	69,535
Decrease in interest rates by 2%	(32,296)	(69,535)
Change in equity		
Increase in interest rates by 2%	32,296	69,535
Decrease in interest rates by 2%	(32,296)	(69,535)

21 Commitments & contingent liabilities

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay in the year ending 30 June 2014 amounts of approximately $1,955,000 (2013: $2,575,000) to meet minimum expenditure requirements pursuant to various joint venture requirements and those specified by the State Government of South Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

(b) Operating leases as lessee

The Group leases as lessee an office and warehouse facility under an operating lease. The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$	$	$	$
June 2014	59,719	-	-	59,719
June 2013	54,167	68,250	-	122,417

(c) Guarantees

The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $33,000 (2013: $38,000). These bank guarantees are fully secured by cash on term deposit.

(d) Contingent liabilities

As at 30 June 2014, there were no contingent liabilities (2013: nil).

	Note	Consolidated 2014 $	2013 $
22 Notes to the statements of cash flows			
(a) Cash at the end of the financial year consists of the following:			
Cash at bank and at call	7	1,614,782	3,476,757
		1,614,782	3,476,757
(b) Reconciliation of (loss) after income tax to net cash outflow from operating activities			
(Loss) after income tax		(18,623,655)	(903,459)
Add/(less) non cash items			
Depreciation		33,671	6,315
Share-based payments		-	33,229
Exploration administration fee income		-	(11,724)
Impairment of assets		17,864,765	-
Income tax expense		-	113,056
Changes in operating assets and liabilities			
(Increase)/decrease in other assets		2,308	(4,642)
(Increase)/decrease in trade and other receivables		89,826	(59,321)
(Decrease)/increase in trade and other payables		150,517	20,690
(Decrease)/increase in provisions		(56,596)	59,016
Net cash (used in) operating activities		(539,164)	(746,840)

23 Related parties

Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

			Consolidated	
Director	Transaction	Note	2014 $	2013 $
GS Davis	Payments to an entity of which the Director is a partner in respect of legal fees		19,540	79,571
Related entity	Payments from a Director related entity for logistical support and exploration expenditure under joint venture agreements.	(i)	4,190	9,578
Associated entity	Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support.	(ii)	207,177	399,186
RM Kennedy	Payments to a Director related entity for exploration on the Nevada tenements.	(iii)	127,096	334,891

(i) This amount relates to the exploration undertaken by Marmota Energy Limited on behalf of Monax Mining for projects in South Australia and joint logistics.

(ii) This amount relates to the provision of administration and logistical services by Groundhog Services Pty Ltd and Groundhog Services Partnership.

(iii) This amount relates to the exploration undertaken on behalf of Marmota Energy by Ramelius Resources Limited for access and participation in projects in Nevada.

23 Related parties (continued)

Directors' transactions with the Company (continued)

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	Consolidated 2014 $	Consolidated 2013 $
Current receivables		
Loan to director related entity*	-	420
Loan to associate*	10,621	205,128
	10,621	205,548
Current payables		
Amounts payable to director related entities**	5,053	19,202
	5,053	19,202

* Loans to director related entities and associates represent amounts receivable from Groundhog Services Pty Ltd and Monax Mining Limited.

**Amounts payable to director related entities represent amounts payable to DMAW Lawyers for which Mr Davis is a partner and Ramelius Resources Limited for which Mr Kennedy is a director, Monax Mining Limited and Groundhog Services Pty Ltd.

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2014. The totals of remuneration paid to key management personnel during the year are as follows:

	Consolidated 2014 $	Consolidated 2013 $
Short term employee benefits	538,808	590,245
Post employment benefits	68,828	39,412
Other long term benefits	-	-
Termination benefits	164,028	-
Share-based payments	-	32,528
	771,664	662,185

24 Operating segments

Segment information

Description of segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The consolidated entity has identified its operating segments to be Gawler Craton, Curnamona, Western Australia and North America based on the different geological regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the consolidated entity.

The consolidated entity operates primarily in one business, namely the exploration of minerals.

Basis of accounting for purposes of reporting by operating segment

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

Details of the performance of each of these operating segments for the financial years ended 30 June 2014 and 30 June 2013 are set out below:

24 Operating segments (continued)

June 2014	North America	Gawler Craton	Curnamona	Western Australia	Total
	$	$	$	$	$
Segment revenue	-	-	-	-	-
Segment results					
Gross segment result before depreciation, amortisation and impairment	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Impairment expense	(1,475,301)	(8,442,053)	(7,883,971)	(51,440)	(17,852,765)
	(1,475,301)	(8,442,053)	(7,883,971)	(51,440)	(17,852,765)
Interest income	-	-	-	-	88,751
Other expenses	-	-	-	-	(859,641)
(Loss) before tax	(1,475,301)	(8,442,053)	(7,883,971)	(51,440)	(18,623,655)
Income tax benefit/(expense)	-	-	-	-	-
(Loss) after tax	(1,475,301)	(8,442,053)	(7,883,971)	(51,440)	(18,623,655)

June 2013	North America	Gawler Craton	Curnamona	Western Australia	Total
	$	$	$	$	$
Segment revenue	-	5,891	12,999	-	18,890
Segment results					
Gross segment result before depreciation, amortisation and impairment	-	5,891	12,999	-	18,890
Depreciation and amortisation	-	-	-	-	-
Impairment expense	-	-	-	-	-
	-	5,891	12,999	-	18,890
Interest income	-	-	-	-	132,131
Other expenses	-	-	-	-	(941,424)
(Loss) before tax	-	5,891	12,999	-	(790,403)
Income tax benefit/(expense)	-	-	-	-	(113,056)
(Loss) after tax	-	5,891	12,999	-	(903,459)

24 Operating segments (continued)

	North America	Gawler Craton	Curnamona	Western Australia	Total
June 2014					
	$	$	$	$	$
Segment assets	-	2,369,086	-	-	2,369,086
Segment asset increases for the year:					
Capital expenditure	127,096	595,431	709,385	6,976	1,438,888
Impairment	(1,475,301)	(8,442,053)	(7,883,971)	(51,440)	(17,852,765)
	(1,348,205)	(7,846,622)	(7,174,586)	(44,464)	(16,413,877)
Reconciliation of segment assets to group assets					
Cash and cash equivalents	-	-	-	-	1,614,782
Trade and other receivables	-	-	-	-	62,520
Other current assets	-	-	-	-	27,651
Plant and equipment	-	-	-	-	233,794
Investment in associate	-	-	-	-	1
Available for sale financial asset	-	-	-	-	8,000
Total assets	-	2,369,086	-	-	4,315,834
June 2013					
	$	$	$	$	$
Segment assets	1,348,205	10,215,708	7,174,586	44,464	18,782,963
Segment asset increases for the year:					
Capital expenditure	326,953	1,565,517	690,431	9,654	2,592,555
Impairment	-	-	-	-	-
	326,953	1,565,517	690,431	9,654	2,592,555
Reconciliation of segment assets to group assets					
Cash and cash equivalents	-	-	-	-	3,476,757
Trade and other receivables	-	-	-	-	333,124
Other current assets	-	-	-	-	29,959
Plant and equipment	-	-	-	-	224,538
Investment in associate	-	-	-	-	1
Available for sale financial asset	-	-	-	-	22,000
Total assets	1,348,205	10,215,708	7,174,586	44,464	22,869,342

24 Operating segments (continued)

	North America	Gawler Craton	Curnamona	Western Australia	Total
June 2014					
	$	$	$	$	$
Segment liabilities	-	15,062	1,423	1,262	17,747
Reconciliation of segment liabilities to group liabilities					
Trade and other payables	-	-	-	-	243,136
Short term provisions	-	-	-	-	27,746
Long term provisions	-	-	-	-	56,821
Total consolidated liabilities	-	15,062	1,423	1,262	345,450

	North America	Gawler Craton	Curnamona	Western Australia	Total
June 2013					
	$	$	$	$	$
Segment liabilities	12,641	22,754	352	703	36,450
Reconciliation of segment liabilities to group liabilities					
Trade and other payables	-	-	-	-	95,690
Short term provisions	-	-	-	-	48,436
Long term provisions	-	-	-	-	92,727
Total consolidated liabilities	12,641	22,754	352	703	273,303

25 Events subsequent to reporting date

Other than the events noted above there have not arisen any matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Group, the results of those operations, or the state of the Group in future years.

26 Reserves

Share options reserve

The share options reserve records items recognised as expenses on valuation of employee share options and retention rights.

Available for sale reserve

The available for sale reserve comprises gains and losses relating to these types of financial instruments.

	Consolidated	
	2014	2013
	$	$
Reserves		
Share option reserve		
Opening balance at beginning of year	2,717,150	2,683,921
Fair value of options issued to employees	-	33,229
Balance at end of year	2,717,150	2,717,150
Available for sale reserve		
Opening balance at beginning of year	(5,500)	-
Revaluation of available for sale asset	(2,000)	(5,500)
Balance at end of year	(7,500)	(5,500)
Total Reserves	2,709,650	2,711,650

27 Marmota Energy Limited company information

	2014 $	2013 $
Parent entity		
Assets		
Current assets	1,762,208	3,895,153
Non-current assets	2,514,077	18,932,697
Total assets	4,276,285	22,827,850
Liabilities		
Current liabilities	267,088	164,810
Non-current liabilities	38,813	67,001
Total liabilities	305,901	231,811
Equity		
Issued capital	31,239,006	31,239,006
Retained losses	(29,978,272)	(11,354,617)
Share option reserve	2,717,150	2,717,150
Available for sale reserve	(7,500)	(5,500)
Total equity	3,970,384	22,596,039
Financial performance		
(Loss) for the year	(18,623,655)	(903,459)
Other comprehensive income	(2,000)	(5,500)
Total comprehensive income	(18,625,655)	(908,959)
Guarantees in relation to the debts of subsidiaries	-	-
Contingent liabilities	-	-
Contractual commitments	59,719	122,417

28 Fair value measurement of assets and liabilities

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

All financial instruments were valued using level 1 valuation techniques. There were no changes in valuation techniques for financial instruments in the period.

Available for sale financial assets are measured at fair value using the closing price on the reporting dates as listed on the Australian Securities Exchange limited (ASX). The carrying value of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

29 Company details

The registered office of the Company is:

140 Greenhill Road
UNLEY SA 5061

The principal place of business is

15 Adam Street
HINDMARSH SA 5007

Directors' declaration

1 The Directors of Marmota Energy Limited declare that

(a) the financial statements and notes, as set out on pages 15 to 49, are in accordance with the Corporations Act 2001, and:

(i) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standards; and

(iii) Marmota Energy Limited complies with International Financial Reporting Standards as disclosed in Note 1.

(b) The Chief Executive Officer and Chief Financial Officer have declared that:

(i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;

(ii) The financial statements and notes for the financial year comply with the accounting standards; and

(iii) The financial statement and notes for the financial year give a true and fair view;

(c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Adelaide this 24th day of September 2014.

Robert Michael Kennedy
Director

Level 1,
67 Greenhill Rd
Wayville SA 5034

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARMOTA ENERGY LIMITED

Report on the financial report

We have audited the accompanying financial report of Marmota Energy Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Marmota Energy Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter

Without qualification to the audit opinion expressed above, we draw attention to Note 1(x) to the financial report, which indicates that the consolidated entity incurred a net loss of $18,623,655 during the year ended 30 June 2014. In addition, the Group incurred a net cash outflow of $1,861,975 from operating and investing activities.

These conditions, along with other matters as set forth in Note 1(x), indicate the existence of a material uncertainty, which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Marmota Energy Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Partner – Audit & Assurance

Adelaide, 24 September 2014