

## NICKEL-GOLD TARGET DRILLING TO BE UNDERTAKEN IN WA

### HIGHLIGHTS:

- Option secured to acquire prospective nickel-gold tenements in WA
- Drilling to commence shortly to target known nickel and gold anomalies
- Lake Frome tenements relinquished to reduce administrative and cost burden
- Broader cost savings measures implemented

### New Project Acquisition

Marmota Energy Limited (ASX:MEU) is pleased to announce that it has entered into binding term sheets with two private entities under which the Company has secured the right to acquire a package of tenements in Western Australia with known occurrences of gold, nickel and graphite (the "Tenements"). The Tenements provide the Company with low cost exposure to proven geological terranes with drill ready targets and realistic commercialisation potential.

The Tenements are located proximal to the southern end of the Lake Johnston nickel project operated by Poseidon Nickel Limited (ASX:POS) and stretch down towards the coast south of Munglinup. The Tenements fall into two distinct geological terranes.

The northern section (E74/544, E74/545 and E74/551) is prospective for komatiite hosted nickel sulphide deposits and gold deposits of the Archean age Yilgarn Craton. These tenements cover the extension of the Lake Johnston Greenstone Belt in which Poseidon Nickels' Maggie Hays Nickel Mine is situated, approximately 40km north of these tenements which are also on the same belt.

The southern section (E74/517, E74/518, E74/523, E74/531, E74/538 and E74/550) is prospective for nickel / copper, gold, base metals and graphite in the younger Proterozoic Albany Fraser Belt. This belt includes the highly prospective nickel areas in and around the Sirius Resources NL (ASX:SIR) Nova nickel copper sulphide project, the Tropicana gold deposit, the Trilogy polymetallic deposit, and the Munglinup graphite deposits.

Marmota MD, David Williams, said: "With the delay in securing access for drilling at the Melton Copper Project, we are delighted to secure the option over this highly prospective tenement package in Western Australia and the exposure to nickel and gold. We look forward to commencing a drilling program on E74/544 in the next month or two that will target some of the known nickel and gold anomalies on this tenement."



Figure 1: Map of tenements in Munglinup project

## Acquisition Terms

Under a binding term sheet entered into with Sol Jar Property Pty Ltd (“Sol Jar”), Marmota has three months to exercise an option to purchase all of the issued capital of Sol Jar. Sol Jar holds a 100% interest in Western Australia minerals exploration licences E74/517, E74/518, E74/523, E74/531, E74/538, E74/544 and E74/545. Sol Jar also holds a 100% interest in the NSW minerals exploration licence EL 7195 which has previously been mined for graphite.

In consideration for being granted the option, Marmota will conduct a drilling program on E74/544 to a maximum cost of \$55,000 within three months of executing the term sheet. Through this drilling program, Marmota will be targeting some of the known nickel and gold anomalies. If Marmota elects to exercise the option, the Company will pay \$50,000 cash and issue Sol Jar with 15 million fully paid ordinary Marmota shares and 7.5 million options for shares in Marmota at an exercise price of \$0.02 per share and expiry dated 30 June 2016.

Under a binding term sheet entered into with Borg Geoscience Pty Ltd (“Borg”), Marmota has agreed to acquire two further tenements E74/550 and E74/551 upon the exercise of the option with Sol Jar. The consideration for the Borg tenements is the issue of 1 million fully paid ordinary shares in Marmota and the granting of 0.5 million options for shares in Marmota with the same exercise and expiry date as those to be issued to Sol Jar.

## Exploration & Regional Development Potential

The initial drilling program to be conducted on E74/544 during the option period will target known nickel and gold anomalies identified from historical exploration activity conducted on the tenement by Mt Burgess Gold Mining Company NL (now Mt Burgess Mining NL (ASX:MTB)). This exploration activity included an airborne electromagnetic (“EM”) survey, auger sampling, ground EM survey and drilling of RAB and RC holes. Historical drill results include 1m @ 2.97 g/t Au and 27m @ 2,170 ppm Ni as well as numerous intercepts of komatiite rocks which host nickel deposits to the north.

The area is considered to be the southern extension of the Lake Johnston Greenstone Belt that includes the Maggie Hays Nickel Mine 40km to the north. Poseidon Nickel announced on 16 December 2014 that it anticipated a restart of operations at the Lake Johnston project in 2015 with offtake negotiations for Lake Johnston well advanced with several interested parties. This presents positive news for not just the potentiality for nickel in the Tenement’s region, but also for the feasibility of nickel production in this location.

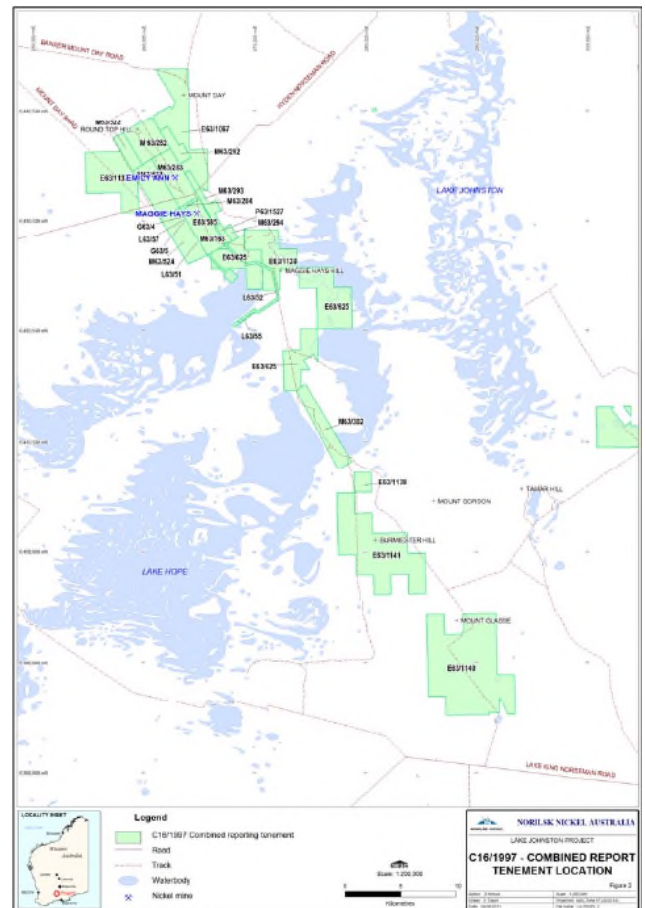


Figure 2: Poseidon Nickel Limited map of tenements in the Lake Johnston nickel project

Figure 3: Lake Johnston Operation showing the milling circuit in the foreground and the crushing circuit in the background (Poseidon Nickel ASX Release dated 16 December 2014)

Other advanced exploration results within the Tenements include:

#### E74/538

- Contains the Young River Graphite Deposit and is considered prospective for graphite, nickel sulphide and vermiculite mineralisation
- Contains a small nickel laterite deposit (Boanernup) drilled in 1970
- Although sulphides have been noted from historical drilling of the nickel laterite, there has been no EM conducted over this tenement

(see Lithex Resources Ltd ASX Release Exploration Update presentation dated 15 November 2013)

#### Munglinup Central (E74/518)

- Historical drilling undertaken by Lithex Resources Ltd (ASX:LTX) in 2013 identified Ni and Cu during geological logging of diamond core samples that were specifically selected for graphite prospectivity
- Broad zones anomalous in Cu, Ni and platinum group elements were encountered and potentially represent the distal expression of a nickel sulphide deposit
- Most significant results were 6.3m with:
  - 1,055ppm Ni,
  - 683ppm Cu,
  - 5,241ppm Zn,
  - 476ppm Co
- VTEM survey data acquired by Lithex (which also covered E74/531), plus re-interpretation of existing SkyTEM data, identified 12 high priority and five moderate priority graphite and nickel sulphides targets.

(for more details see Lithex Resources Ltd ASX Release dated 10 September 2013)



Figure 4: Drill hole locations from Munglinup Central drilling program (Lithex Resources Ltd ASX Release dated 5 July 2013)

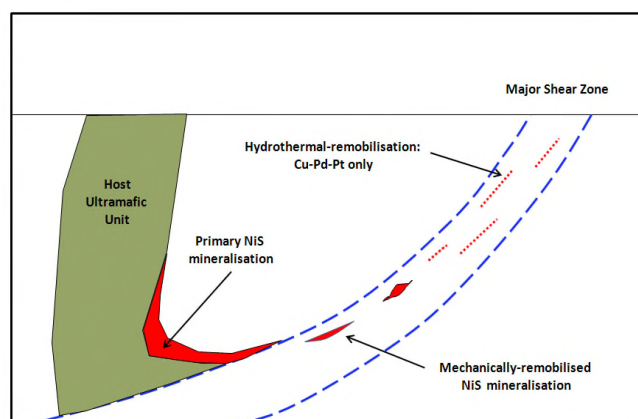


Figure 5: Conceptual mineralisation model (from Western Mining Services review mem) – Lithex Resources Ltd ASX Release dated 10 September 2013

The other Tenements in the package all contain untested geophysical anomalies which will require the acquisition of further data prior to drilling.

#### Melton Copper Project

Following a review, alongside joint venture partner Monax Mining Ltd (ASX:MOX), of the data from the recently completed aero EM survey at the Melton Copper Project (see ASX Release dated 22 January 2015), a number of targets were identified for follow up drilling. However, discussions with landowners has proven to take longer than expected and has meant that agreements will not be in place to enable such drilling to occur prior to the sowing of crops.

#### Divestment of Non-Core Project

As part of the rationalisation strategy announced by the Company late last year, Marmota has recently relinquished the Lake Frome project in South Australia. The Lake Frome project comprised 12 tenements of varying sizes in and around Lake Frome with the primary exploration target of uranium. To reduce the administrative and cost burden associated with managing these tenements and with a primary focus on uranium exploration at the Company's flagship Junction Dam Project, these tenements have now been relinquished. The Company continues to work through its other tenements as part of this rationalisation process.

## **Board Restructure and Cost Cutting Measures**

That rationalisation strategy includes an objective to reduce the Company's costs. This has seen the Company implement the following initiatives:

- Board reduced to 3 Directors. As a result of this decision, as previously announced (see ASX Release of 2 March 2015), Dr Neville Alley tendered his resignation as a Director of the Company.
- Reduction in staff levels. A number of staff have either been terminated or had their hours reduced in order to reduce the continuing costs of staff.
- Relocation of offices. The lease on the Company's Hindmarsh premises expires on 10 June 2015. The Company has decided to not renew the lease and instead move to shared premises in order to significantly reduce the cost burden of operations. The opportunity will be taken at the same time to sell off surplus assets.

### **For Further Information Contact:**

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