



QUARTERLY ACTIVITY REPORT

SEPTEMBER QUARTER 2017

HIGHLIGHTS

The September 2017 Quarter saw Marmota yield its best gold drilling results ever, featuring outstanding gold intersections at Aurora Tank.

Aurora Tank Gold 100% ownership

- Aurora Tank is located approximately 50km NE of the Challenger Gold mine
- In July 2017, the first 2017 drilling at Aurora Tank was completed
 - **87 Aircore holes** drilled (Goshawk and Kingfisher)
 - **Total drilling:** 4189m **Average hole depth:** 50m
- In September 2017, Marmota was delighted to report [see ASX:MEU 4 Sept 2017] **outstanding 1m intersections** including **101 g/t gold** (with duplicate samples at **85 g/t** and **93 g/t**, averaging **93 g/t**) in Hole 17AT021, grades of **44 g/t** gold in the adjacent hole located 40m to the NW (Hole 22) [open to both the North and South of the same section], and multiple intersections exceeding **20 g/t** gold:

■ 1m at 93 g/t gold	from 32m – Hole 17AT021	[2m @ 67 g/t from 32m]
■ 1m at 44 g/t gold	from 45m – Hole 17AT022	[5m @ 13 g/t from 41m]
■ 1m at 42 g/t gold	from 33m – Hole 17AT011	[4m @ 14 g/t from 32m]
■ 1m at 42 g/t gold	from 18m – Hole 17AT042	[10m @ 6 g/t from 17m]
■ 1m at 26 g/t gold	from 31m – Hole 17AT026	[4m @ 9 g/t from 28m]
■ 1m at 19 g/t gold	from 23m – Hole 17AT035	[3m @ 10 g/t from 22m]
■ 1m at 20 g/t gold	from 30m – Hole 17AT045	[2m @ 16 g/t from 29m]
■ 1m at 30 g/t gold	from 17m – Hole 17AT029	
■ 1m at 20 g/t gold	from 17m – Hole 17AT024	
■ 1m at 22 g/t gold	from 20m – Hole 17AT044	

New exploration ground acquired [see ASX:MEU 19 July 2017]

- Marmota expanded its tenement holdings in the vicinity of the Challenger Gold mine with a successful licence application (ELA 2017/00158) [see Fig. 1]

Corporate

- **New capital** In September 2017, Marmota raised \$500,000 through placement of shares at 1.7c per share to sophisticated investors.
- **AGM** The AGM will be held at **3pm** on **Thursday 9 November 2017** at: Level 29, Westpac House, 91 King William Street, Adelaide

Exploration Activities during Quarter

GOLD

Gawler Craton

Tenement	Name	MEU Holding
EL5589	Aurora Tank	100%
EL5830	Ambrosia	100%
EL5684	Pundinya	100%
EL5195	Muckanippie	100%
EL5799	Indooroopilly	100%
EL4995	Mt Christie	100%
EL5060	Lake Anthony	100%
EL5377	Cudyea	100%
EL5759	Mulgathing	100%
EL5087	Woorong Downs	100%
EL5088	Comet	100%
EL5527	Bradman	100%
EL5861	Carnding	100%
EL5930	Irria	100%
EL5914	Pegler	100%
ELA2017/00158	(to be named)	100%

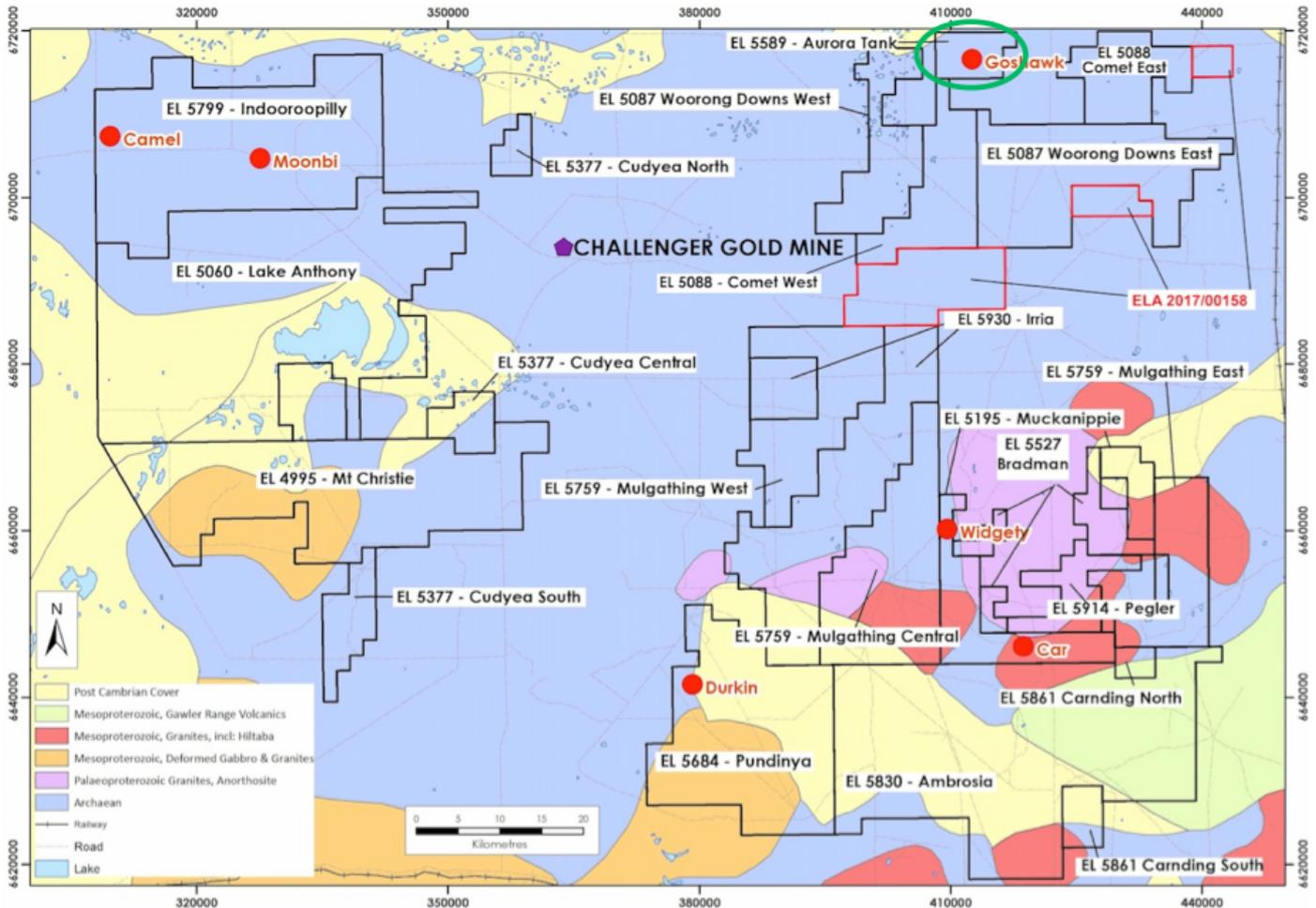


Figure 1: Marmota’s Gawler Craton Gold Project, around the Challenger Gold mine
Aurora Tank encircled in GREEN; new tenements (after 30 June 2017) in RED

Aurora Tank Gold: Goshawk Prospect and new Kingfisher Target

Aurora Tank is located approximately 50km NE of the Challenger gold mine [see Fig. 1]

Goshawk Prospect

- In 2016, Marmota carried out its first ever gold drilling programs at Aurora Tank, at the Goshawk Gold Prospect.
- In July 2017, aircore drilling at Goshawk infilled drillhole coverage:
 - to 50m depth to approximately 20 x 20m over a strike length of 500m
 - 48 angled Aircore holes for 2,299 metres drilled [ASX:MEU 10 July 2017, 2 Aug 2017]
- In September 2017 [ASX:MEU 4 Sept 2017], Marmota reported **outstanding 1m intersections** including **101 g/t gold** (with duplicate samples at 85 g/t and 93 g/t, averaging 93 g/t) in Hole 17AT021, grades of 44 g/t gold in the adjacent hole located 40m to the NW (Hole 22), and multiple intersections exceeding 20 g/t gold, consistently within 50m of the surface.

Highlights at Goshawk include:

- 1m at **93 g/t** gold from 32m – Hole 17AT021 [**2m @ 67 g/t** from 32m]
- 1m at **44 g/t** gold from 45m – Hole 17AT022 [**5m @ 13 g/t** from 41m]
- 1m at **42 g/t** gold from 33m – Hole 17AT011 [**4m @ 14 g/t** from 32m]
- 1m at **42 g/t** gold from 18m – Hole 17AT042 [**10m @ 6 g/t** from 17m]
- 1m at **26 g/t** gold from 31m – Hole 17AT026 [**4m @ 9 g/t** from 28m]
- 1m at **19 g/t** gold from 23m – Hole 17AT035 [**3m @ 10 g/t** from 22m]
- 1m at **20 g/t** gold from 30m – Hole 17AT045 [**2m @ 16 g/t** from 29m]
- 1m at **23 g/t** gold from 22m – Hole 16AT019 [**3m @ 11 g/t** from 22m]
- 1m at **34 g/t** gold from 27m – Hole 16AT043 [**4m @ 9 g/t** from 25m]
- 1m at **30 g/t** gold from 17m – Hole 17AT029
- 1m at **23 g/t** gold from 35m – Hole 16AT061
- 1m at **20 g/t** gold from 17m – Hole 17AT024
- 1m at **22 g/t** gold from 20m – Hole 17AT044

- Significant gold mineralisation over 500m strike length
- Mineralisation close to surface (consistently within 50m of surface)
- The number of intersections greater than 1 g/t gold at Goshawk has increased from 66 intersections (2016 drilling) to over 117 intersections (with July 2017 drilling)

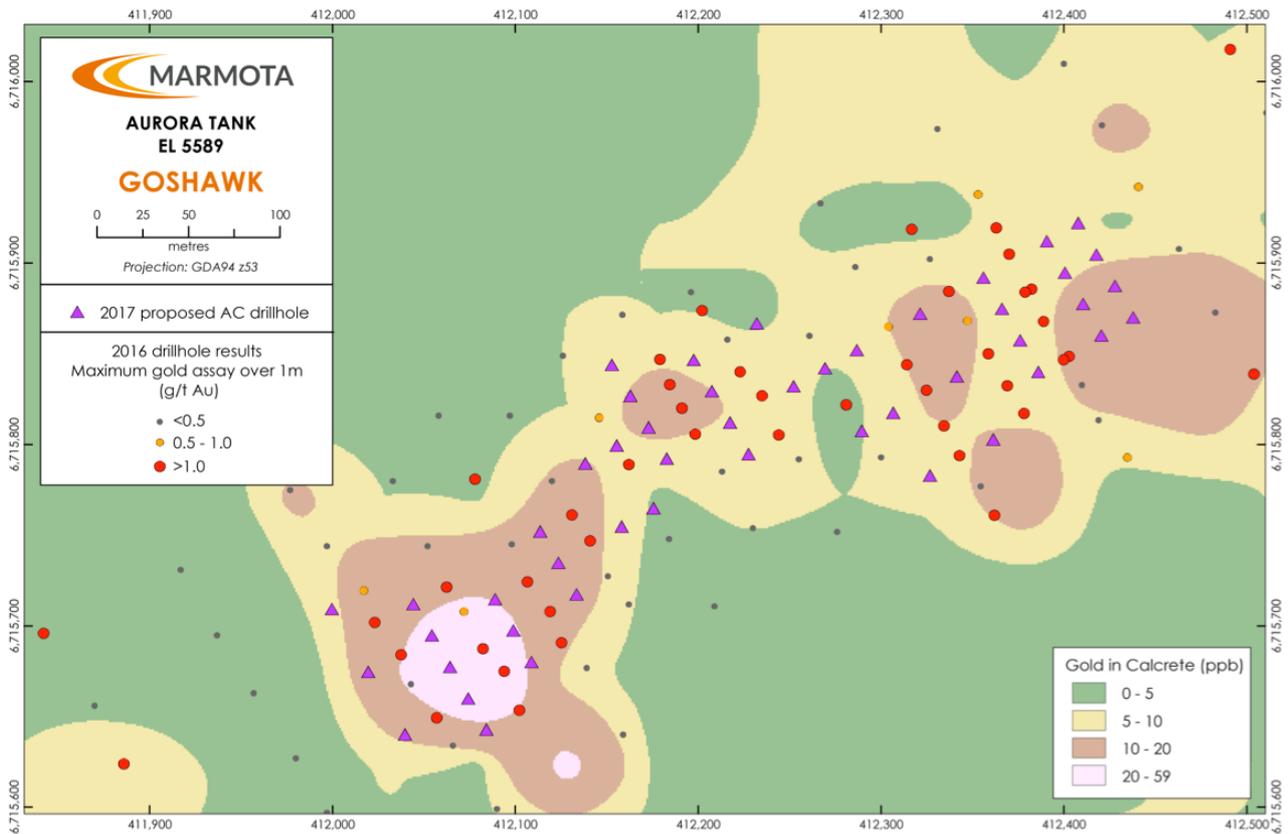


Figure 2 (detail): Goshawk – July 2017 drill grid ▲

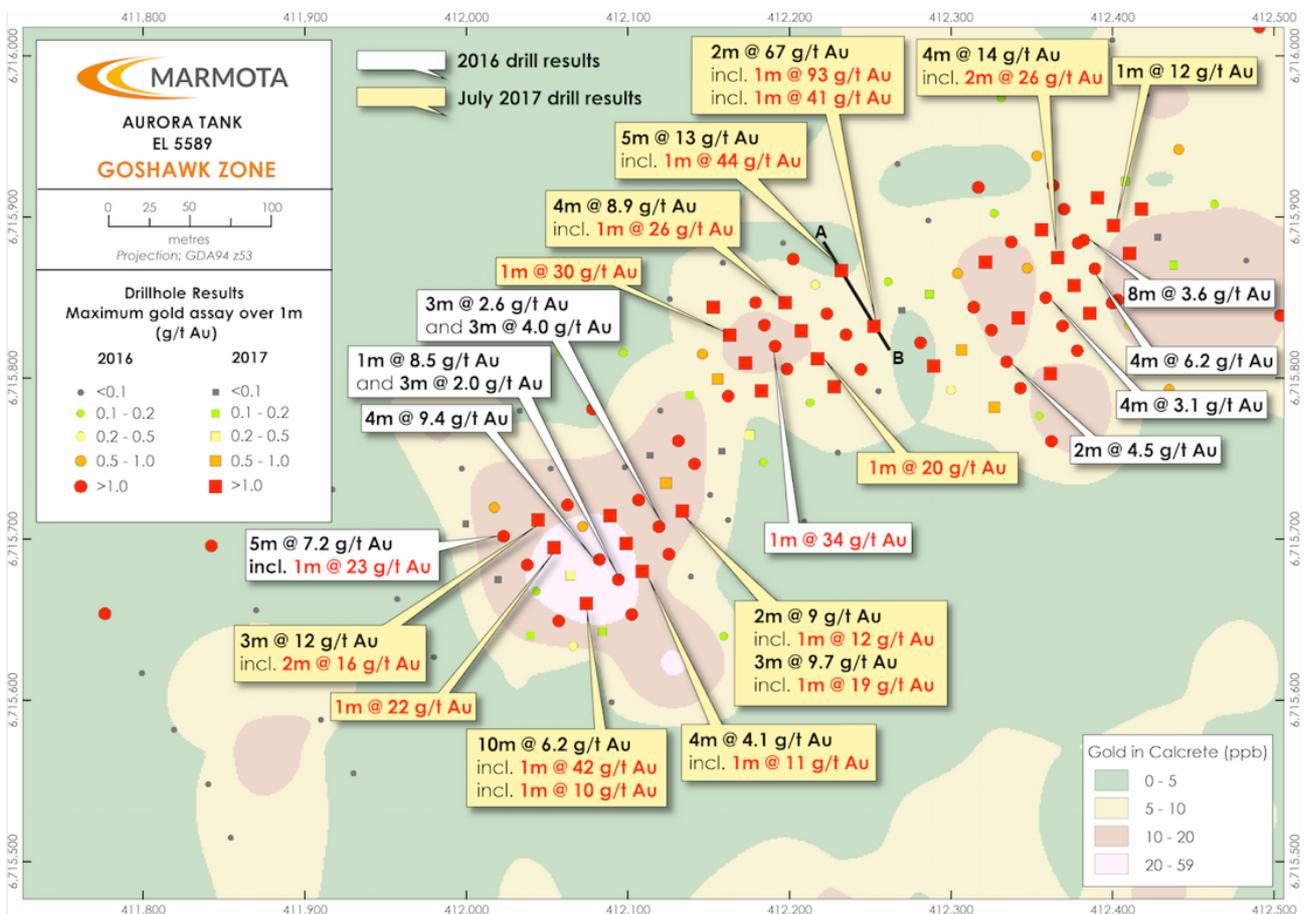


Figure 3: Aurora Tank – 2016 and new 2017 drill results at Goshawk Prospect



Figure 4: Cross section 28: marked A-B on Figure 3

Summary

Marmota is delighted with the progress made at Aurora Tank during the quarter.

In just 12 months, the company has advanced from its maiden drill program at Aurora Tank (Sept 2016) to now commissioning a JORC compliant estimate of gold Resources within 50 metres from surface — to provide a base from which to grow.

Kingfisher zone First pass reconnaissance testing of new target

- In addition to drilling at Goshawk (described above), Marmota also carried out a 39-hole first-pass reconnaissance testing program for 1,890 metres of a new zone called Kingfisher, located approximately 1km to the south of Goshawk.
- Rock types at Kingfisher differ to those at Goshawk and include significant high iron with up to 37% Fe in weathered banded iron formation and weathered mafic gneiss which are not present at Goshawk.
- The 1m assays reported have defined a zone of continuous mineralisation at the SE extreme of the drilling program over a strike length of at least 200m in an EastNorthEast orientation [see Figure 5]. The results warrant follow-up drilling.

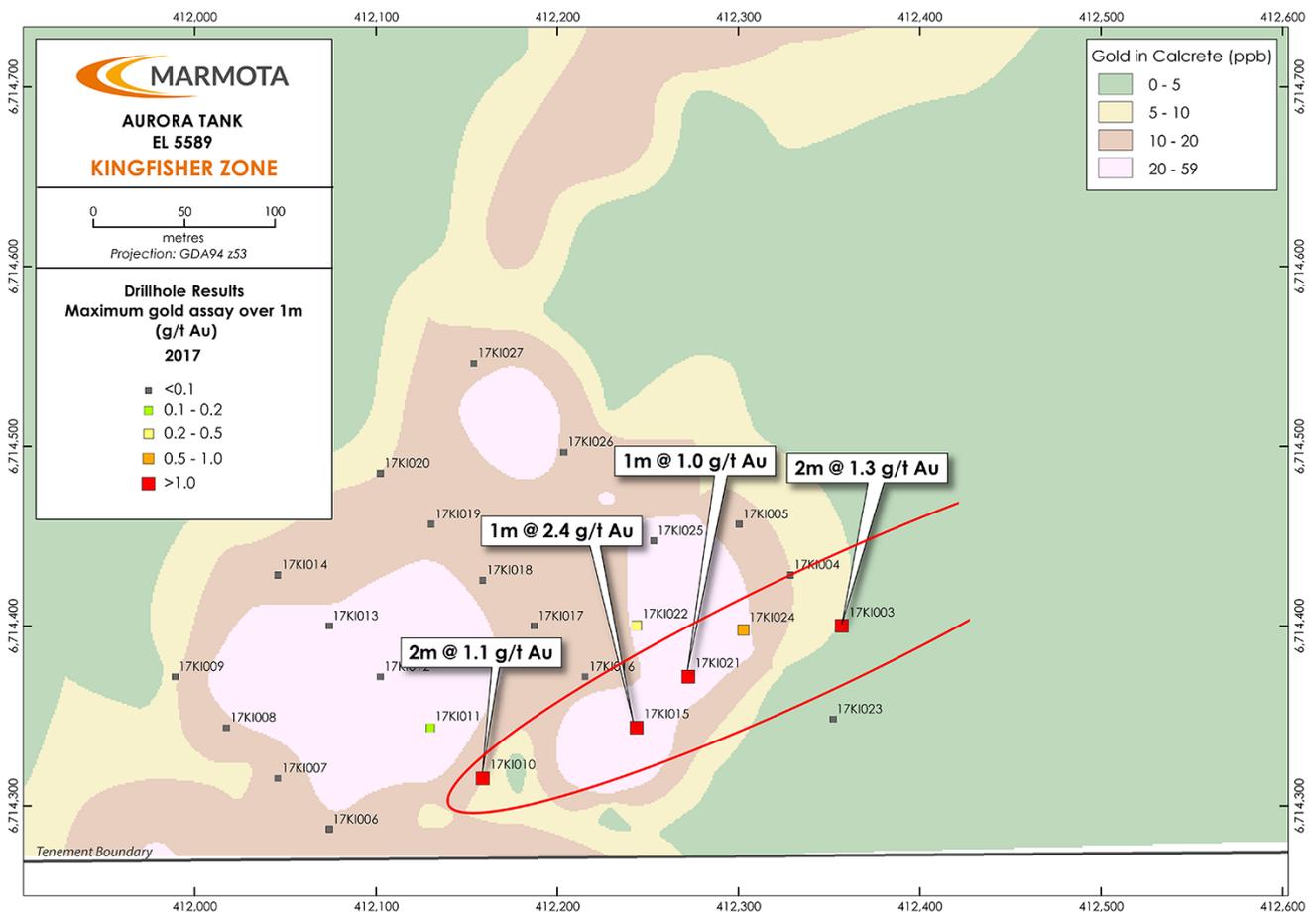


Figure 5: Kingfisher zone – first pass reconnaissance drilling has defined a zone of interest

URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL5682	Junction Dam	100% of uranium

Marmota has:

- Inferred Resource of ¹ **5.4 million pounds** U₃O₈ with average grade of 557ppm U₃O₈
- Overall Exploration Target² of 15 to 25 m tonnes at 400-700 ppm U₃O₈ containing **22–33 million pounds** U₃O₈

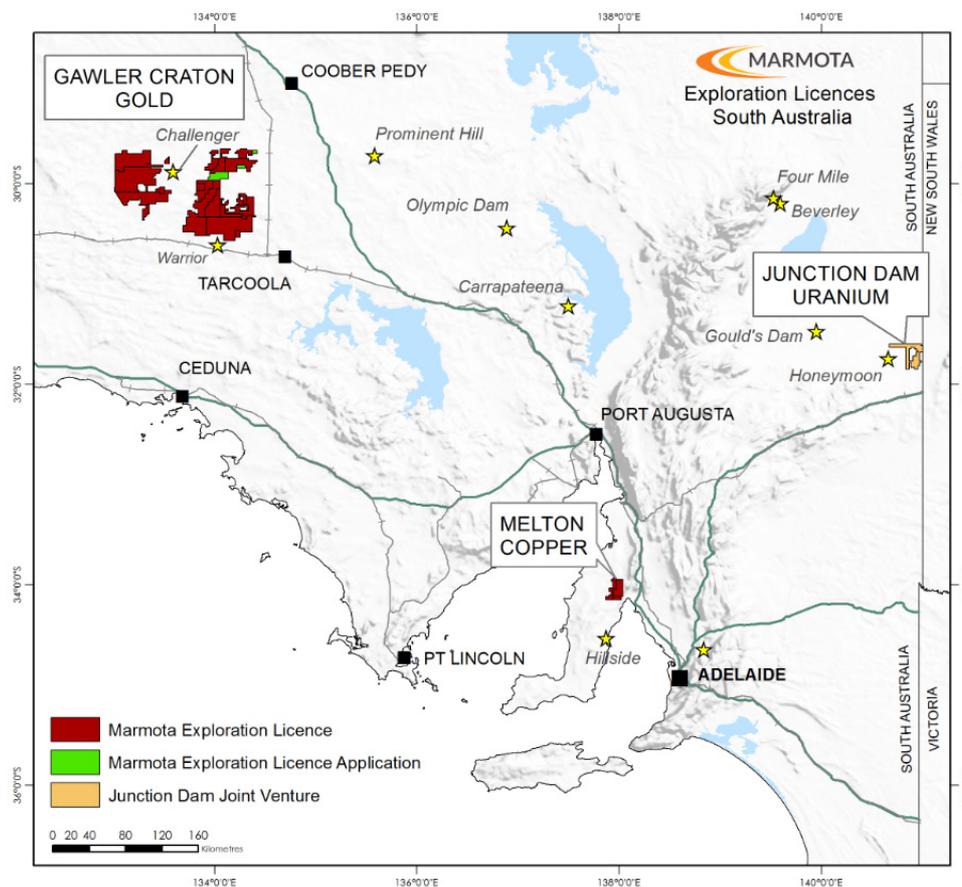


Figure 6: Location of Junction Dam and Honeymoon Mine

Future exploration focus

- Watching developments re prospective re-opening of adjacent Boss Resources Honeymoon Plant (ASX:BOE), approximately 10km away.

¹ See ASX:MEU 18 July 2013. Upward revision of the Saffron deposit Inferred Resource size as indicated above follows the application of an average positive disequilibrium factor of 1.63. This is an indicative result and further assessment is underway. It is uncertain if further exploration work or feasibility studies will result in the determination of an Ore Reserve.

² Saffron deposit with Bridget and Yolanda prospects: see ASX:MEU 9 July 2012.

COPPER Copper Coast – Yorke Peninsula

Tenement	Name	MEU Holding
EL5832	West Melton	100%
EL5122	Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%
EL 5209	North Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%

- Champion Copper (EL 5832) is situated on the Yorke Peninsula in South Australia approximately 50km north of Rex Minerals Ltd Hillside copper-gold deposit [see Fig. 6]

Marmota is monitoring the rising copper price, and both the potential for a higher-grade primary source at depth and the unexplored potential of the tenements.

What is next?

GOLD

Aurora Tank

- Subsequent to the end of the quarter, the first metallurgical testwork results on the Goshawk mineralised zone at Aurora Tank have just been received [ASX:MEU 27 October 2017] returning **gold recovery rates of 94% to 97%**.
- Maiden JORC compliant estimate of gold resources within 50 metres from surface over the 500m long mineralised zone is underway.
- This process includes block and 3D modelling which has the additional benefit of aiding the design of the next stage of drilling.
- A very active program for the present quarter is planned. Details are being finalised and an announcement is **expected imminently**.

Competent Persons Statement

Information in this Release relating to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Dr Kevin Wills, who is a Member of the Australasian Institute of Mining and Metallurgy. 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr Wills consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Where results from previous announcements are quoted, Marmota confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

For further information, please contact:

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About Marmota Limited

Marmota Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's cornerstone copper project is based at the Melton project on the Yorke Peninsula. The Company's largest uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: www.marmota.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MARMOTA LTD

ABN

38119270816

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(204)	(204)
(b) development		
(c) production		
(d) staff costs	(27)	(27)
(e) administration and corporate costs	(84)	(84)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (government funding received)		
1.9 Net cash from / (used in) operating activities	(314)	(314)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	500	500
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(24)	(24)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	476	476

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	531	531
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(314)	(314)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	476	476

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	693	693

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	656	494
5.2	Call deposits	37	37
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	693	531

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	37
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 represents payments of non executive director's fees and salary (including superannuation) paid to executive director.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	25
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	315

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL 5124	Relinquished	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	n/a	n/a	n/a	n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 30 October 2017

Company secretary

Print name: Victoria Allinson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

TENEMENT STATUS

(as at 30 September 2017)

SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km ²)	Details	Marmota's interest %	Status
Junction Dam	Junction Dam	EL 5682	341	JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting	100% of the uranium mineral rights	Granted
Melton	Melton	EL 5122	28	JV with Monax Mining	75% of all minerals	Granted
	North Melton	EL 5209	137	JV with Monax Mining	75% of all minerals	Granted
	West Melton	EL 5832	88		100%	Granted
Gawler Craton West Block	Indooroopilly	EL 5799	584		100%	Granted
	Lake Anthony	EL 5060	959		100%	Granted
	Mt Christie	EL 4995	564		100%	Granted
	Cudyea	EL 5377	145		100%	Granted
Gawler Craton NE Block	Aurora Tank	EL 5589	48		100%	Granted
	Woorong Downs	EL 5087	458		100%	Granted
	Comet	EL 5088	268		100%	Granted
	New ELA	ELA 2017/00158	196		100%	Application
Gawler Craton SE Block	Ambrosia	EL 5830	854		100%	Granted
	Muckanippie	EL 5195	181		100%	Granted
	Mulgathing	EL 5759	652		100%	Granted
	Pundinya	EL 5684	435		100%	Granted
	Bradman	EL 5527	92		100%	Granted
	Carnding	EL 5861	53		100%	Granted
	Irria	EL 5930	406		100%	Granted
Pegler	EL 5914	77		100%	Granted	