

**QUARTERLY ACTIVITY REPORT****JUNE QUARTER 2019**

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**HIGHLIGHTS****Aurora Tank Gold** 100% owned**Drilling Program: Phase 1 ( June 2019 )**

During the quarter, Marmota carried out Phase 1 of 2019 drilling at Marmota's Aurora Tank gold discovery:

- **AC drill program:** 136 holes
- **Total AC drilling:** 7,099m
- **Hole depths:** Average: 52m  
Max: 72m

The Phase 1 drill program tests a number of objectives, including extensional targets and reconnaissance drilling [ ASX:MEU 17 June 2019 ]

- Assay results from drilling samples are anticipated imminently.

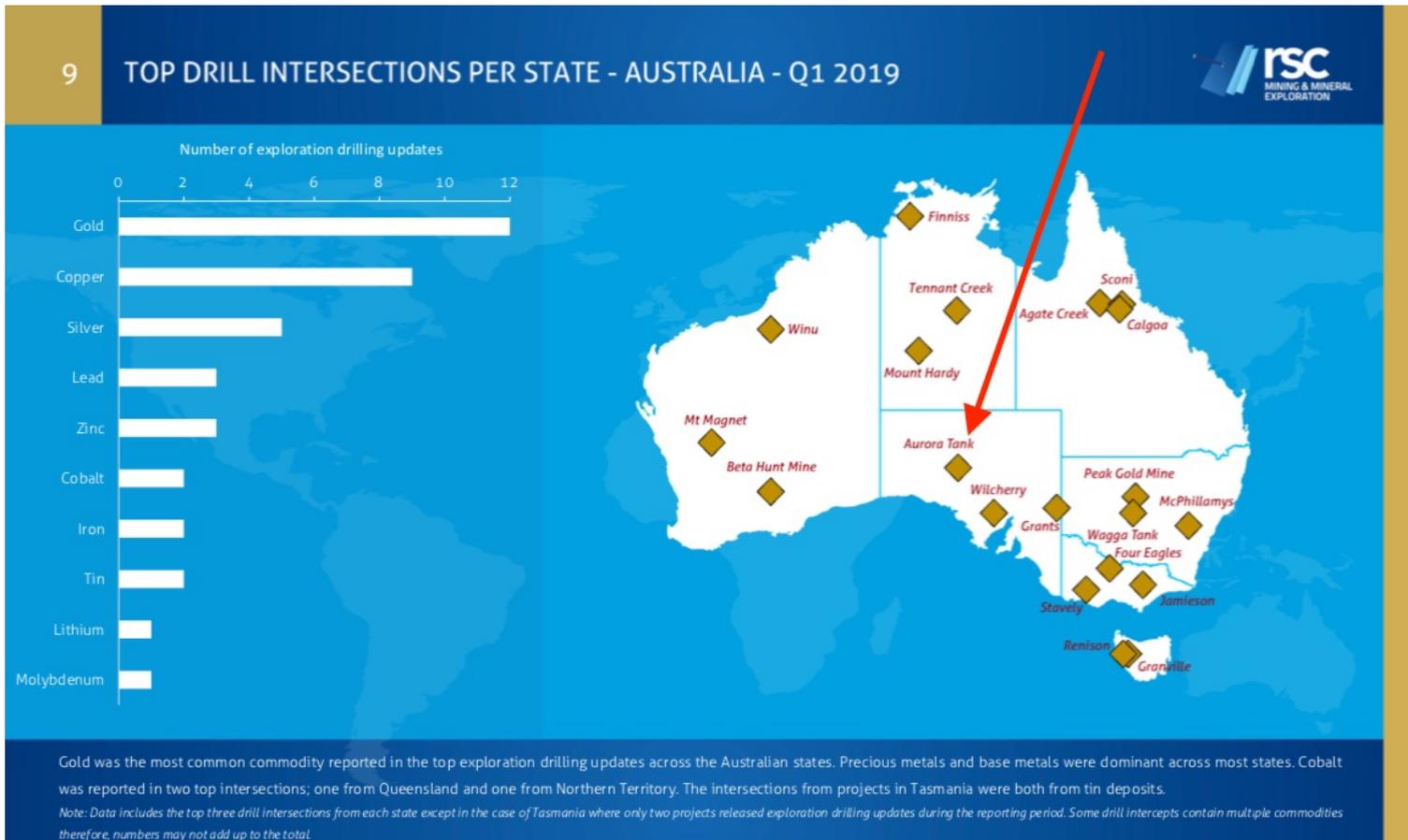
**QA/QC resampling yields 1m gold grades over 100 g/t**

- New samples collected from Aurora Tank for QA/QC verification confirmed the previous 1m outstanding grade of **88g/t** (at 38m from surface), with new samples yielding grades up to **150 g/t over 1m**, and increasing the average grade to **105g/t**. [see ASX:MEU 7 May 2019 ]
- The results were accompanied by elevated arsenic which is considered to be a pathfinder for gold at Aurora Tank.

## Aurora Tank featured in:

### ‘Top Drill Intersections per State – Australia – Q1 2019’

In May 2019, Marmota’s new outstanding gold intersection at Aurora Tank was featured in the ‘Top Drill Intersections per State – Australia – Q1 2019’ published by the RSC Mineral Intelligence Report (May 2019: p.9 of the RSC Report).



**Figure 1: Aurora Tank featured in: Top Drill Intersections per State – Australia ( RSC May 2019 )**

## Marmota approved for JMEI (2019-2020)

- Marmota is also pleased to advise that it has been successful in its application for participation in the Federal Government’s Junior Mineral Exploration Incentive (JMEI) program for the 2019/2020 financial year.
- JMEI credits may be distributed to eligible investors as a tax offset and would serve to reduce an eligible investor’s 30 June 2020 tax liability.
- For further details on the JMEI program, please see: [www.ato.gov.au/JMEI](http://www.ato.gov.au/JMEI)

## MEU In the News

Marmota's innovative geochemical/biogeochemical R&D program is attracting both national and international attention. During the quarter, the Company's R&D program and its results were featured in, amongst others:

- *CSIROscope* 1 April 2019
- *Australian Mining Review* 1 April 2019
- *Resourceful Magazine* CSIRO Issue 17 – April 2019
- *Australian Mining* 11 April 2019
- *The Economist* 25 May 2019



The article details Marmota's R&D biogeochemical program and exploration success.

## Corporate

- **\$1,320,000 capital raised**

In April 2019, Marmota raised \$1 million (before costs) through placement of shares at 1.6c per share to sophisticated investors. [ASX:MEU 20 April 2019 ]

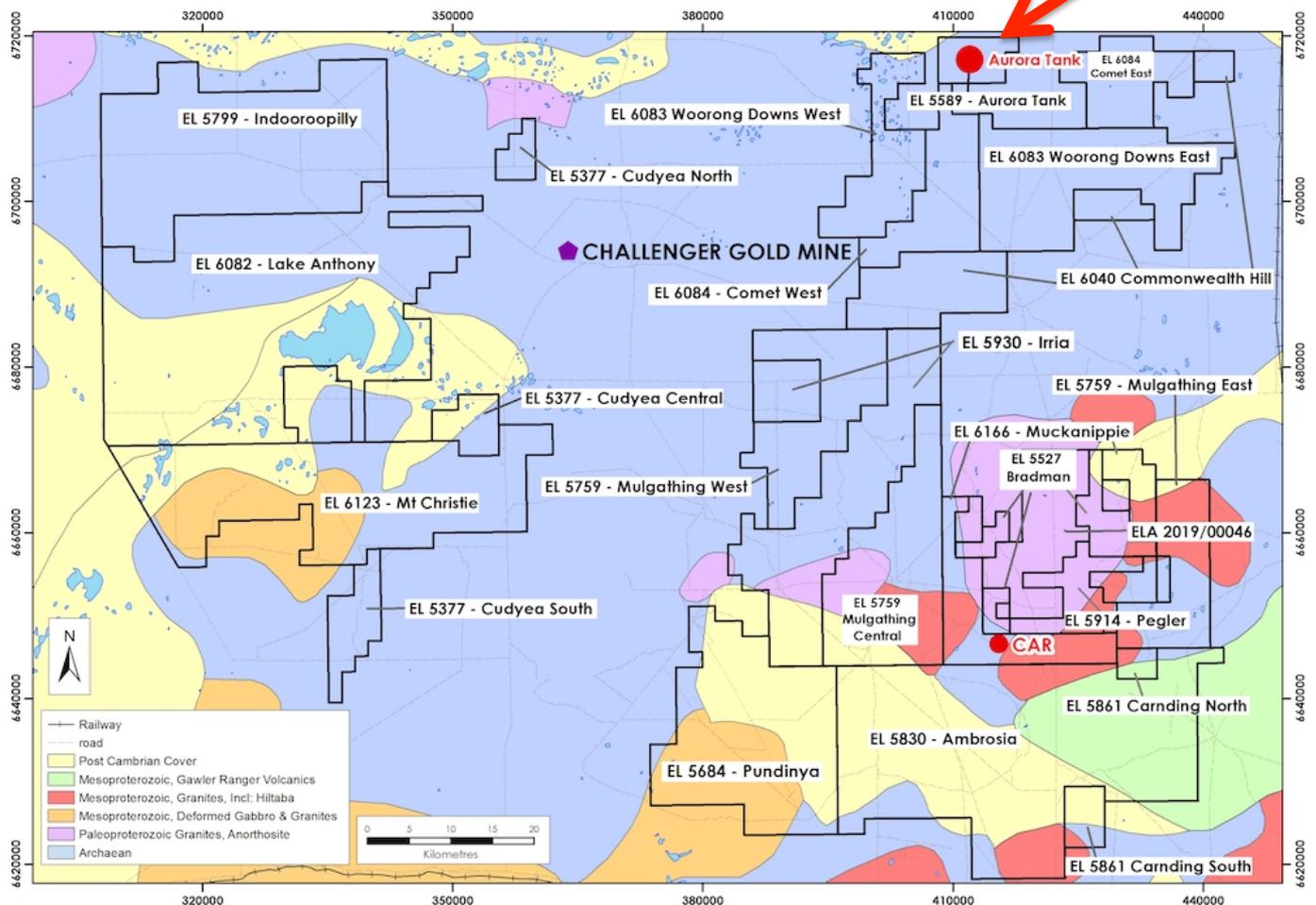
In June 2019, Marmota raised a further \$320,000 via placement of shares on the same terms to a new single sophisticated investor [ASX:MEU 17 June 2019 ], further strengthening the Company's balance sheet.

Both Phase 1 and 2 of the Aurora Tank gold drilling program are already funded.

# Exploration Activities during Quarter

## GOLD Gawler Craton

Tenement	Name	MEU Holding
EL5589	Aurora Tank	100%
EL5830	Ambrosia	100%
EL5684	Pundinya	100%
EL6166	Muckanippie	100%
EL5799	Indooroopilly	100%
EL6123	Mt Christie	100%
EL6082	Lake Anthony	100%
EL5377	Cudyea	100%
EL5759	Mulgathing	100%
EL6083	Woorong Downs	100%
EL6084	Comet	100%
EL5527	Bradman	100%
EL5861	Carnding	100%
EL5930	Irria	100%
EL5914	Pegler	100%
EL6040	Commonwealth Hill	100%



**Figure 2: Marmota’s Gawler Craton Gold Project, around the Challenger Gold mine  
Aurora Tank Gold discovery highlighted in RED**

## Aurora Tank Gold 100% owned

Marmota's Aurora Tank gold discovery is located 50km NE of the Challenger Gold Mine in the Woomera Prohibited Defence Area of South Australia. [ see [Fig. 2](#) ]

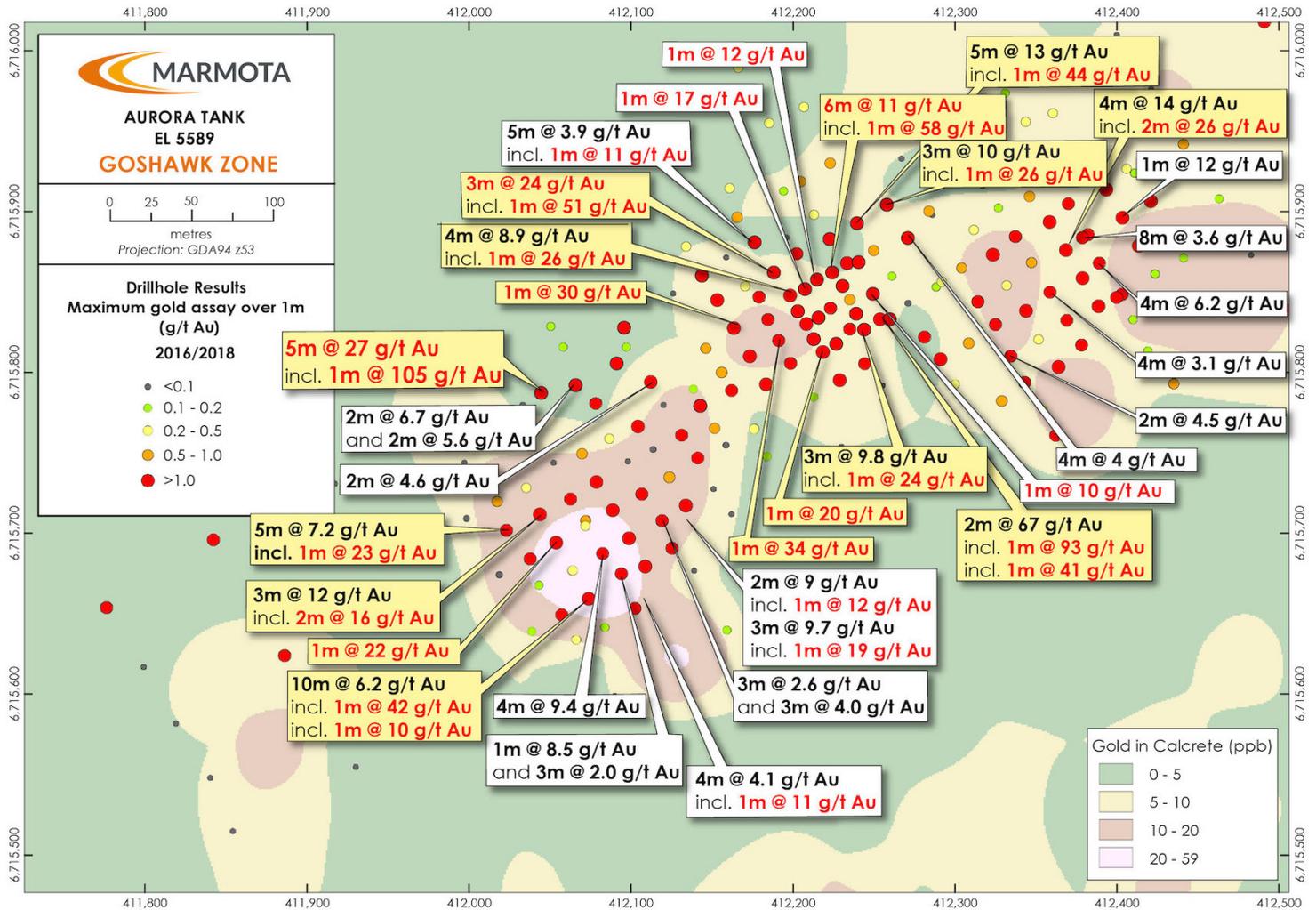
- During the quarter, Marmota completed Phase 1 of 2019 drilling at Marmota's Aurora Tank gold discovery. The program is testing a number of objectives, including new extensional targets and reconnaissance targets.

[ For full detail, see ASX:MEU [17 June 2019](#) ]

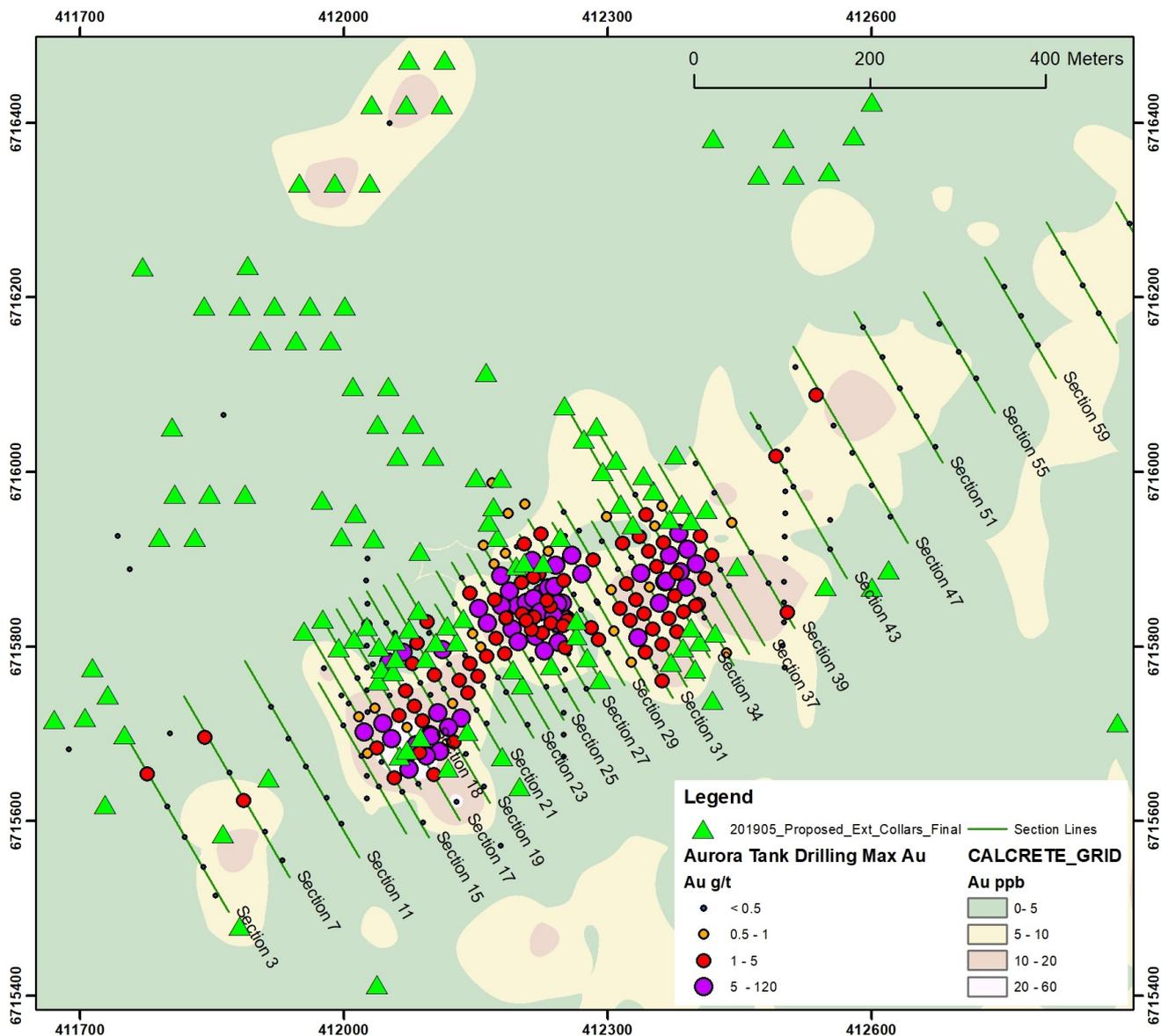
- Results are *anticipated imminently*.



**Figure 3:** June drilling at Aurora Tank Gold discovery



**Figure 4: Aurora Tank – Best downhole gold results**  
 (as of May 2019 – prior to June drilling)



**Figure 5: Aurora Tank Phase 1 Planned June 2019 AC holes** ▲

## COPPER Copper Coast – Yorke Peninsula

Tenement	Name	MEU Holding
EL 5832	West Melton	100%
EL 6125	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.

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

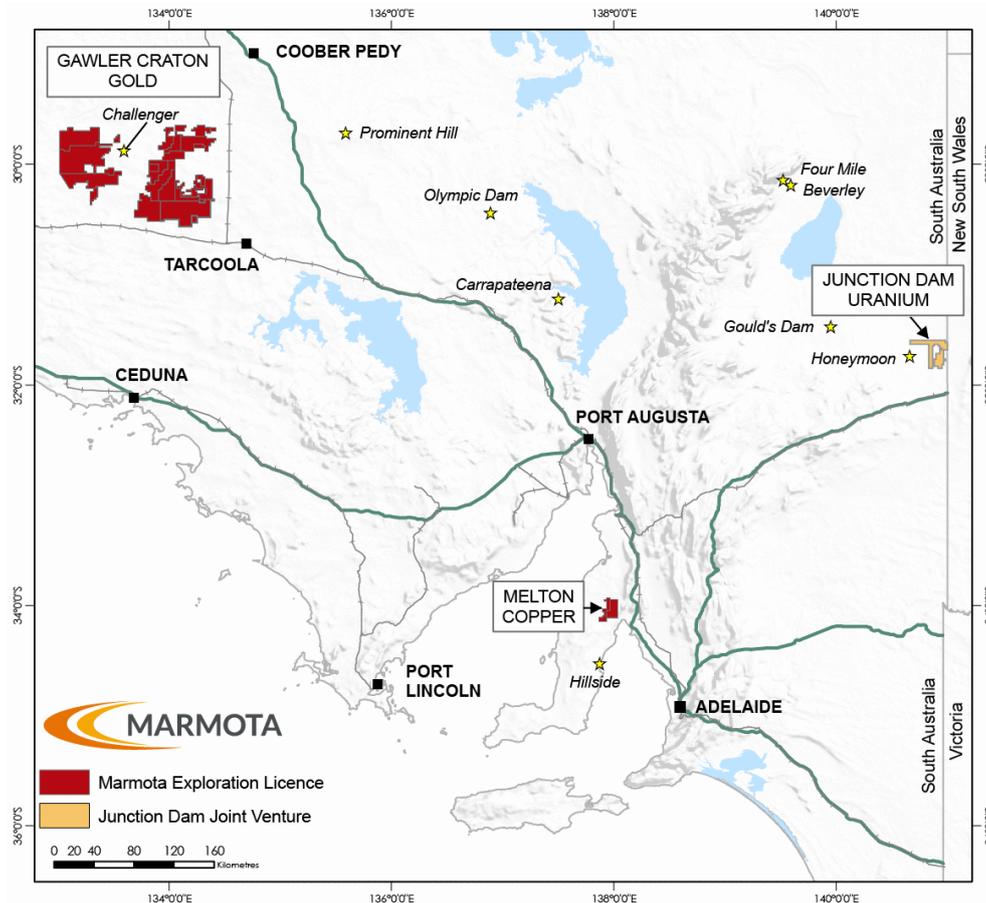
# URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL5682	Junction Dam	100% of uranium

Junction Dam is strategically located 15 km east from the Honeymoon in-situ recovery (ISR) uranium mine (west of Broken Hill)

**Marmota has:**

- JORC Inferred Resource of **5.4 million pounds** U<sub>3</sub>O<sub>8</sub> with average grade of 557ppm U<sub>3</sub>O<sub>8</sub> [ ASX:MEU 18 July 2013 ]
- Overall Exploration Target<sup>1</sup> of **22–33 million pounds** U<sub>3</sub>O<sub>8</sub>
- Grades of up to 8143ppm U<sub>3</sub>O<sub>8</sub> at the Saffron deposit



**Figure 6: Location of Junction Dam and Honeymoon Mine**

- Marmota is particularly well-placed for any upturn in the uranium sector, with an existing uranium JORC Resource that the Company spent millions of dollars to develop in prior years, and which is located adjacent to one of only 4 permitted mines in Australia.

<sup>1</sup> Saffron deposit with Bridget and Yolanda prospects: see ASX:MEU 9 July 2012.

## What is next?

### Aurora Tank

- Phase 1 drill program results are anticipated imminently.
- Phase 2 drilling being planned for September.
- Column leach gold tests have recently been carried out to assess the project's suitability to recover gold by low-cost low-capex heap leaching. Results are anticipated during the July to September quarter.

#### **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 copper project is based at the Melton project on the Yorke Peninsula. The Company's uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: [www.marmota.com.au](http://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 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(315)	(1,159)
(b) development		
(c) production		
(d) staff costs	(39)	(102)
(e) administration and corporate costs	(33)	(199)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	11
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)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(385)</b>	<b>(1,449)</b>

<b>2. Cash flows from investing activities</b>		
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 (12 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)		
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,320	1,393
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	(49)	(91)
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,271</b>	<b>1,302</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	496	1,529
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(385)	(1,449)
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)	1,271	1,302

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,382</b>	<b>1,382</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,345	459
5.2	Call deposits	37	37
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,382</b>	<b>496</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

<b>Current quarter \$A'000</b>
68
-

Payment of non-executive and executive directors' fees, salaries and superannuation to the directors for the quarter.

**7. Payments to related entities of the entity and their associates**

- 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

<b>Current quarter \$A'000</b>

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

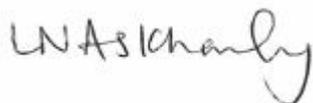
8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include 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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	290
9.2 Development	-
9.3 Production	-
9.4 Staff costs	27
9.5 Administration and corporate costs	51
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>368</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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	n/a	n/a	n/a	n/a
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: .....  
Company secretary

Date: 25 July 2019

Print name: Lisa Askham-Levy

**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 June 2019)

## SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km <sup>2</sup> )	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 6125	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 6082	959		100%	Granted
	Mt Christie	EL 6123	564		100%	Granted
	Cudyea	EL 5377	145		100%	Granted
Gawler Craton NE Block	Aurora Tank	EL 5589	48		100%	Granted
	Woorong Downs	EL 6083	458		100%	Granted
	Comet	EL 6084	268		100%	Granted
	Commonwealth Hill	EL 6040	196		100%	Granted
Gawler Craton SE Block	Ambrosia	EL 5830	854		100%	Granted
	Muckanippie	EL 6166	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