



Marmota Limited

Consolidated Half-Year Financial Report

31 December 2021

CORPORATE DIRECTORY

Marmota Limited

ACN 119 270 816

ABN 38 119 270 816

Incorporated in SA

Registered Office

Marmota Limited

Unit 6, 79-81 Brighton Road

Glenelg SA 5045

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Share Registrar

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Auditor

BDO Audit Pty Ltd

Chartered Accountants

Level 7

420 King William Street

Adelaide SA 5000

Directors' Report

The directors present their report together with the half-year financial report of Marmota Limited ("the Company") and its controlled entities ("Consolidated entity") for the period ended 31 December 2021 and the auditor's independent review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

		<u>Date Appointed</u>	<u>Date Resigned</u>
Dr Colin Rose	<i>Executive Chairman</i> ¹	1 May 2015	-
Mr Neville Bergin	<i>Non-Executive Director – Production</i>	11 May 2021	-
Mr Aaron Brown	<i>Executive Director – Exploration</i>	11 May 2021	-

Principal activities

The consolidated entity's principal activity is minerals exploration.

Review and results of operations

The net loss after income tax for the half-year was \$208,390 (Dec 2020 loss: \$126,799).

During the half-year ended 31 December 2021, Marmota focused exploration on its highly prospective gold tenements in the Gawler Craton. Both of the Company's core underlying fundamentals (gold and uranium) have seen significant strength over the course of the half-year period.

Gold exploration update: Aurora Tank 100% ownership

In October 2021, Marmota completed its largest diamond drilling program to date. The diamond program [see ASX:MEU [12 Oct 2021](#)] is primarily a production-focused program, designed to provide the necessary detail to advance Aurora Tank to production, including (i) geotechnical (design of optimal pit walls); (ii) bulk density measurements (required for resource estimation and scoping/feasibility studies); and (iii) bulk samples to enable final phase metallurgical testing. In December 2021, detailed structural logging of the core was carried out, along with multiple geotechnical analyses, prior to core cutting and being sent for assaying.

MEU acquires Jumbuck Gold Project

In November 2021, Marmota completed its acquisition of the rights, title and interest of the **Jumbuck Gold Project** from Tyranna Resources Limited ('Tyranna' ASX:TYX), releasing final cash payment of \$2.2m and issuing \$500,000 in shares to Tyranna (at an issue price of 5.237 cents per share) [see ASX:MEU [13 Oct 2021](#), [15 Nov 2021](#)] .

The Jumbuck gold project is the largest expansion in Marmota's gold interests in the Company's history. [Fig. 1](#) illustrates Marmota's pre-existing gold tenements (red), and new tenements/interests acquired.

¹ Changed from Non-Executive Chairman to Executive Chairman on 5 June 2017

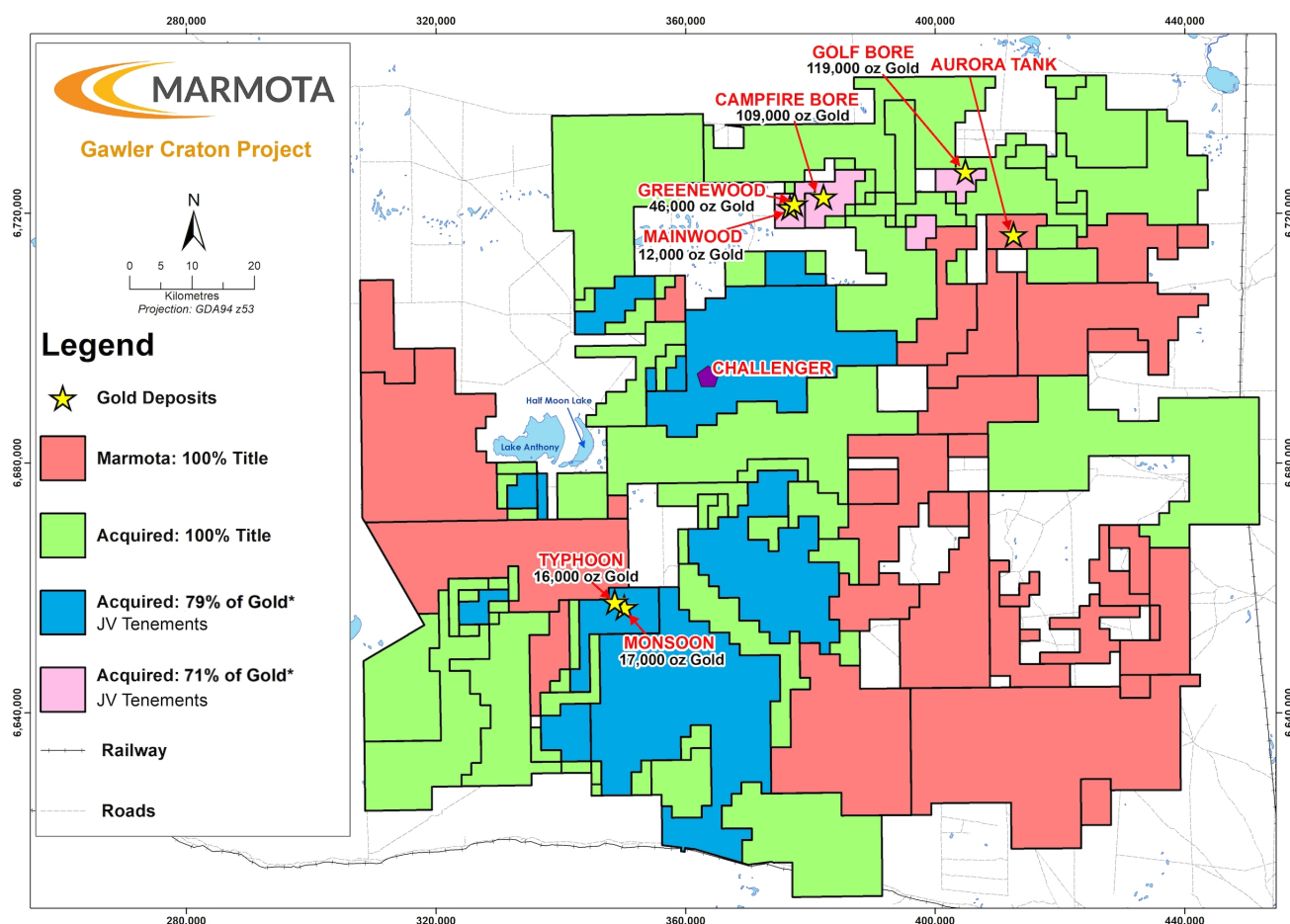


Fig 1: Marmota's pre-existing gold tenements (red), and new tenements/interests acquired

Western Gawler Craton Joint Venture (WGCJV)

Marmota is the new manager and majority partner in the Western Gawler Craton Joint Venture (WGCJV) by virtue of its 100% acquisition of Half Moon Pty Ltd (the latter acquired as part of the Jumbuck gold transaction). Within the Joint Venture area in Fig. 1, there is an existing JORC Resource of 319,000 ounces gold [ASX:MEU 15 Nov 2021].

More than 40 untested gold anomalies

Marmota has carried out a search of archives and historical results – the search has already yielded more than 40 untested gold-in-calcrete anomalies on the tenements adjacent/near to the Challenger gold mine (which produced 1.2 million ounces) and Marmota's Aurora Tank discovery [ASX:MEU 23 Nov 2021].

Junction Dam Uranium: Marmota acquires ownership of tenement

In October 2021, Marmota 100% acquired the Junction Dam uranium tenement EL6530 immediately adjacent to the BOSS Honeymoon in-situ recovery (ISR) uranium mine which is one of only 4 permitted uranium mines in Australia. Marmota holds a substantial uranium JORC resource on the Junction Dam tenement [see ASX:MEU 6 Oct 2021]. Underlying fundamentals continued to significantly improve further throughout the period.

Competent person statement

The information in this Release that relates to Exploration Results and Mineral Resources is based on information compiled by Aaron Brown who is a Member of The Australian 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 Brown consents to the inclusion in the report of the matters based on this information in the form and context in which they appear.

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.

Auditors independence declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, BDO Audit Pty Ltd, to provide the directors of Marmota Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out on the following page and forms part of this Directors' Report.

Dated at Sydney this 11th day of March 2022

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read "Colin", with a horizontal line underneath.

Dr Colin Rose
Chairman

**DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF MARMOTA LIMITED**

As lead auditor for the review of Marmota Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Marmota Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 11 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Note	Consolidated	
		Dec 2021 \$	Jun 2021 \$
Other revenues from ordinary activities	3	12,656	60,019
Total other revenue		12,656	60,019
Administrative expenses		(125,236)	(101,436)
Consultancy expenses		(1,230)	(5,180)
Depreciation		(15,339)	(3,899)
Employment expenses		(79,241)	(75,825)
Occupancy expenses		-	(478)
Impairment of assets		-	-
(Loss) before income tax expense		(208,390)	(126,799)
Income tax (expense)		-	-
(Loss) for the period		(208,390)	(126,799)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value movement on other financial assets		(500)	(1,500)
Total comprehensive income for the period		(208,890)	(128,299)
Basic earnings per share (cents)		(0.02 cents)	(0.01 cents)
Diluted earnings per share (cents)		(0.02 cents)	(0.01 cents)

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2021



	Note	Consolidated	
		Dec 2021	Jun 2021
		\$	\$
Current assets			
Cash and cash equivalents	7	3,258,826	4,088,589
Short term investments		37,500	37,500
Trade and other receivables		31,561	40,707
Other assets		47,881	28,910
Total current assets		3,375,768	4,195,706
Non-current assets			
Trade and other receivables		20,000	30,000
Plant and equipment		203,158	208,124
Right of use assets		50,955	67,889
Deposit for Jumbuck Project		-	2,500,000
Other financial assets	9	3,500	4,000
Exploration and evaluation expenditure	10	12,042,911	8,450,918
Total non-current assets		12,320,524	11,260,931
Total assets		15,696,292	15,456,637
Current liabilities			
Trade and other payables		289,263	375,777
Provisions		21,522	29,454
Lease liabilities		20,354	32,529
Total current liabilities		331,139	437,760
Non-current liabilities			
Provisions		17,647	14,578
Lease liabilities		31,456	36,071
Total non-current liabilities		49,103	50,649
Total liabilities		380,242	488,409
Net assets		15,316,050	14,968,228
Equity			
Issued capital	11	47,825,059	47,269,360
Reserves	12	(3,977)	4,771
Retained losses		(32,505,032)	(32,305,903)
Total equity		15,316,050	14,968,228

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

	Issued capital \$	Share option reserve (Note 12) \$	FVOCI reserve (Note 12)	Retained losses \$	Total \$
Balance at 1 July 2020	41,120,619	7,769	(10,500)	(32,011,027)	9,106,861
Transactions with owners in their capacity as owners:					
Shares issued during the period	6,515,000	-	-	-	6,515,000
Cost associated with shares issued during period	(366,259)	-	-	-	(366,259)
Options issued during the period		11,916	-	-	11,916
Options expired during the period	-	(1,311)	-	1,311	-
	6,148,741	10,605	-	1,311	6,160,657
Total comprehensive income	-	-	(1,500)	(126,799)	(128,299)
Balance as at 31 December 2020	47,269,360	18,374	(12,000)	(32,136,515)	15,139,219
Balance at 1 July 2021	47,269,360	16,271	(11,500)	(32,305,903)	14,968,228
Transactions with owners in their capacity as owners:					
Shares issued during the period	560,000	-	-	-	560,000
Cost associated with shares issued during period	(4,301)	-	-	-	(4,301)
Options issued during the period		1,013	-	-	1,013
Options expired during the period	-	(9,261)	-	9,261	-
	555,699	(8,248)	-	9,261	556,712
Total comprehensive income	-	-	(500)	(208,390)	(208,890)
Balance as at 31 December 2021	47,825,059	8,023	(12,000)	(32,505,032)	15,316,050

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021



	Note	Consolidated	
		Dec 2021	Dec 2020
		\$	\$
Cash flows from operating activities			
Cash payments in the course of operations		(169,806)	(124,618)
Interest received		2,285	22,197
Income tax		-	-
Net cash (used in) operating activities		(167,521)	(102,421)
Cash flows from investing activities			
Payments for mining tenements and exploration		(656,287)	(1,055,379)
Payments for plant and equipment		(15,791)	(109,796)
Payments for acquisition of tenements		-	(100,000)
Net cash (used in) investing activities		(672,078)	(1,265,175)
Cash flows from financing activities			
Proceeds from issue of shares		30,000	6,515,000
Payments associated with capital raising		(4,301)	(367,239)
Repayment of leasing liabilities		(15,863)	(16,106)
Net cash provided by financing activities		9,836	6,131,655
Net increase in cash held		(829,763)	4,764,059
Cash at the beginning of the half-year		4,088,589	2,411,717
Cash at the end of the half-year	7	3,258,826	7,175,776

The accompanying notes form part of these financial statements.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

1 Basis of preparation of interim report

Marmota Limited (Marmota or the Company) is a company domiciled in Australia. The consolidated interim financial report of the Company for the six months ended 31 December 2021 comprises the Company and its subsidiaries (together referred to as the consolidated entity).

The consolidated annual financial report of the consolidated entity for the year ended 30 June 2021 is available upon request from the Company's registered office at Unit 6, 79-81 Brighton Road, Glenelg SA or at: www.marmota.com.au

The interim consolidated financial statements are a general purpose report prepared in accordance with AASB 134 Interim Financial Reporting, and the Corporations Act 2001. This interim financial report is intended to provide users with an update on the latest annual financial statements of the consolidated entity. As such, this interim financial report does not include full disclosures of the type normally included in the annual report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Marmota during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 10th March 2022.

2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

New or amended Accounting Standards and interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

3 Other revenues from ordinary activities

	Consolidated	
	Dec 2021	Dec 2020
	\$	\$
Included in other revenues from ordinary activities:		
Interest: other parties	2,285	22,197
Other revenue	10,371	37,822
	12,656	60,019

4 Contingent liabilities

There have been no material changes to the aggregate of contingent liabilities since 30 June 2021.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

5 Commitments

There have been no material changes to commitments disclosed in the 30 June 2021 annual report.

6 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

7 Cash on hand

	Consolidated	
	Dec 2021	Jun 2021
	\$	\$
Cash and cash equivalents	3,258,826	4,088,589
Deposits at call	-	-
	<u>3,258,826</u>	<u>4,088,589</u>

8 Controlled entities

Entities forming part of the Marmota Limited consolidated group are as follows:

	Country of incorporation	Percentage owned (%)	
		Dec 2021	Jun 2021
Parent entity:			
Marmota Limited	Australia	-	-
Subsidiaries of Marmota Limited:			
Marmosa Pty Ltd	Australia	100	100
Half Moon Pty Ltd	Australia	100	-
Unincorporated entity:			
Western Gawler Craton Joint Venture	Australia	78.84	-

9 Financial Assets

	Consolidated	
	Dec 2021	Jun 2021
	\$	\$
Equity instruments at fair value through OCI – shares in listed companies		
Opening balance	4,000	5,000
Fair value movement	(500)	(1,000)
Balance at end of period	<u>3,500</u>	<u>4,000</u>

10 Exploration and evaluation expenditure

	Consolidated	
	Dec 2021	Jun 2021
	\$	\$
Movement:		
Carrying amount at beginning of the period	8,450,918	6,735,962
Additional costs capitalised during the period	591,993	1,714,956
Tenements and JV interest acquired	3,000,000	-
Impairment	-	(11,254)
Carrying amount at end of the period	<u>12,042,911</u>	<u>8,450,918</u>

11 Issued capital

	Consolidated	
	Dec 2021	Jun 2021
	\$	\$
Issued and paid-up share capital		
980,081,316 (June 2021: 968,533,690) ordinary shares, fully paid	<u>47,825,059</u>	<u>47,269,360</u>
Ordinary shares		
Balance at the beginning of the period	47,269,360	41,120,619
Shares issued during the period		
- 2,000,000 shares: exercise of options (8 Nov 2021) at \$0.03	60,000	
- 9,547,626 shares: consideration paid for the Jumbuck Gold Project (15 Nov 2021) at \$0.05236904	500,000	
Shares issued during the prior period		
- 122,641,510 shares: placement (22 Jul 2020) at \$0.053		6,500,000
- 500,000 shares: exercise of options (20 Oct 2020) at \$0.03		15,000
- Less transaction costs arising from issue of shares net of tax	(4,301)	(366,259)
Balance at end of period	<u>47,825,059</u>	<u>47,269,360</u>

At 31 December 2021, there were 77,320,755 (June 2021: 77,820,755) unissued shares for which the following options/rights were outstanding.

- 68,820,755 unlisted options exercisable at \$0.10 by 22 July 2022
- 3,000,000 unlisted options exercisable at \$0.10 by 23 August 2023
- 2,000,000 unlisted options exercisable at \$0.10 by 8 December 2023
- 3,500,000 unlisted options exercisable at \$0.086 by 20 December 2024

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

12 Reserves**(a) Share options reserve**

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

(b) Fair Value through Other Comprehensive Income (FVOCI) reserve (previously available for sale reserve)

The FVOCI reserve comprises gains and losses relating to these types of financial instruments.

	Consolidated	
	Dec 2021	Jun 2021
	\$	\$
Reserves		
<i>(a) Share option reserve</i>		
Opening balance at beginning of period	16,271	7,769
Fair value of options issued to employees	1,013	11,916
Options exercised or expired	(9,261)	(3,414)
Balance at end of period	8,023	16,271
<i>(b) FVOCI reserve</i>		
Opening balance at beginning of period	(11,500)	(10,500)
Fair value movement	(500)	(1,000)
Balance at end of period	(12,000)	(11,500)
Total Reserves	(3,977)	4,771

During the period, 3,500,000 options were issued on 21 December 2021 under the Director and Employee Share Option Plan (DESOP) that was approved at the November 2021 AGM. The options are exercisable at 8.6 cents per share, expiring 20 December 2024.

All options issued were valued using the Black–Scholes pricing model which takes into account the term of the options, the exercise price and the expected price volatility of the underlying share.

13 Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as sales prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group's financial asset and financial liabilities measured and recognised at fair value at 31 December 2021 and 30 June 2021 on a recurring basis are as follows:

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value	-	-	-	-
<i>Equity instruments designated at FVOCI</i>	-	-	-	-
Listed securities	3,500	-	-	3,500
Net fair value	3,500	-	-	3,500

30 June 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value	-	-	-	-
<i>Equity instruments classified as available for sale</i>	-	-	-	-
Listed securities	4,000	-	-	4,000
Net fair value	4,000	-	-	4,000

Measurement of fair value of financial instruments

The methods and fair valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Fair values of other financial assets and financial liabilities

The carrying amounts of other current and non-current receivables and payables are considered to be a reasonable approximation of their fair value.

14 Operating segments

The Directors have considered the requirements of AASB8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

15 Events subsequent to reporting date

In the interval between 31 December 2021 and the date of this report there are no items, transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Directors' Declaration

The Directors of the Company declare that:

- (a) the half-year financial statements and notes, set out on pages 6 to 14, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 200;
- (b) 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.

Dated at Sydney this 11th day of March 2022.

This declaration is made in accordance with a resolution of the directors:

A handwritten signature in blue ink, appearing to read "Colin Rose". The signature is stylized and cursive.

Dr Colin Rose
Chairman

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Marmota Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle
Director

Adelaide, 11 March 2022