

QUARTERLY ACTIVITY REPORT**DECEMBER QUARTER 2022****1. Aurora Tank: Extensional RC drilling**

At the end of last quarter [ASX:MEU 29 Sept 2022], Marmota reported its highest ever gold intersection, averaging **217 g/t gold** over 1m, among a string of new high-grade gold extensions at Aurora Tank to the NE, SW and at depth. This is the fifth time (and fifth area) that Marmota has intersected grades of ~100 g/t (or more) over 1m at Aurora Tank [see Fig. 2].

Follow-up drilling at Aurora Tank commenced in October [ASX:MEU 7 & 17 Oct 2022] .

Drilling in action: <https://youtu.be/MeBURYwTjI0>

Drilling adjourned for the Woomera Defence Area closure on 16 October, and resumed in November until the Xmas break. Drilling has recommenced again in January 2023, and will continue through February [ASX:MEU 24 Jan 2023] .



Figure 1: RC drilling underway at Aurora Tank during the quarter

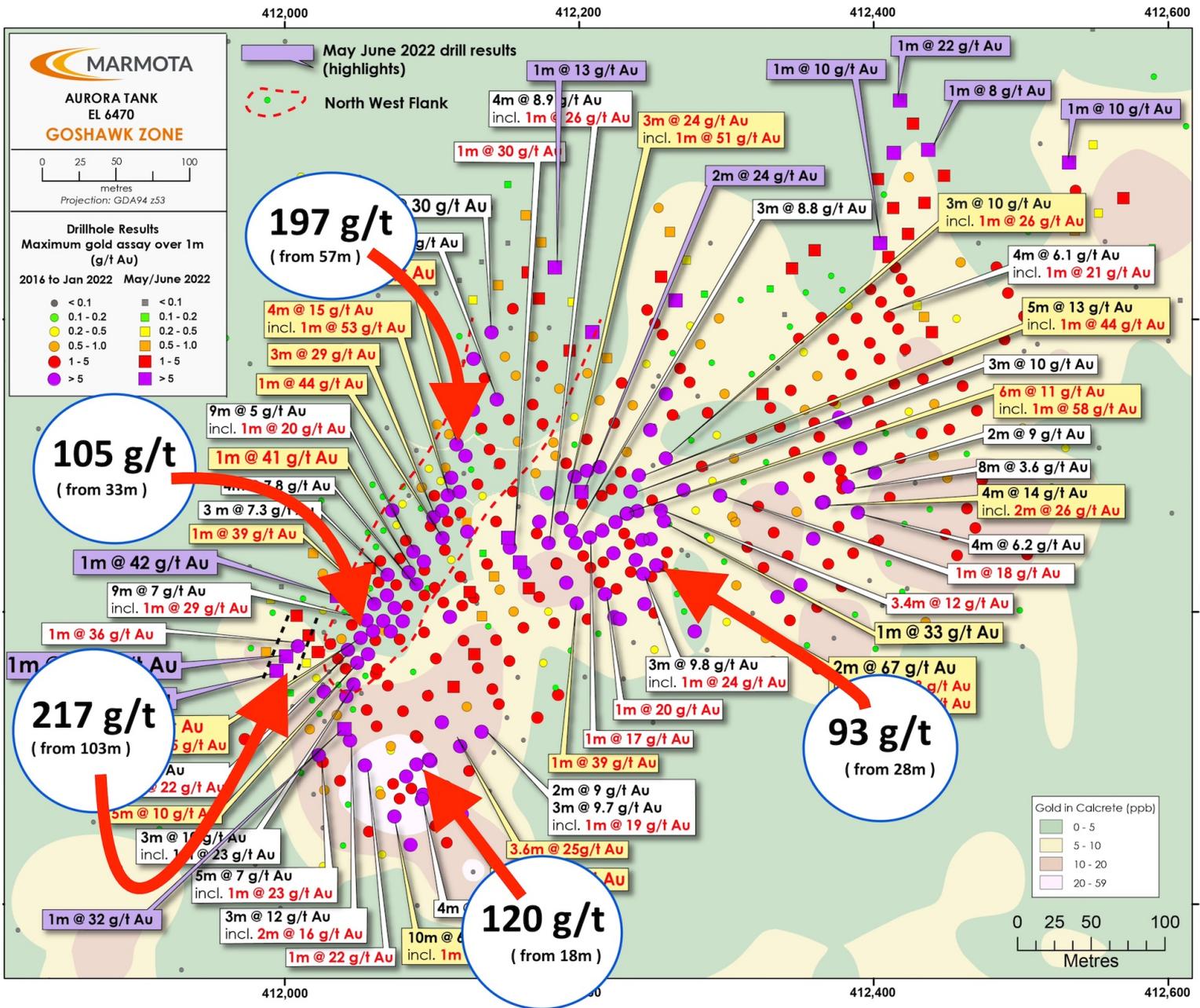


Figure 2: Aurora Tank: location and grade of best intersections over 1m (circled)



Figure 3: RC drilling underway at Aurora Tank during the quarter

2. Wildcat finds gold at Comet

In October [ASX:MEU 14 Oct 2022], Marmota reported 1m assays from the first drilling by *any* company ever on the Comet (West) Tenement EL6084, located south of Aurora Tank [see Figures 4 & 5].The drilling program on Comet consisted of 7 holes, with a wildcat hole intersecting significant gold. **The assays from 1m splits have confirmed a gold intersection at the wildcat hole on Comet, with a grade of 7.7 g/t over 1m (at 47m from surface).**

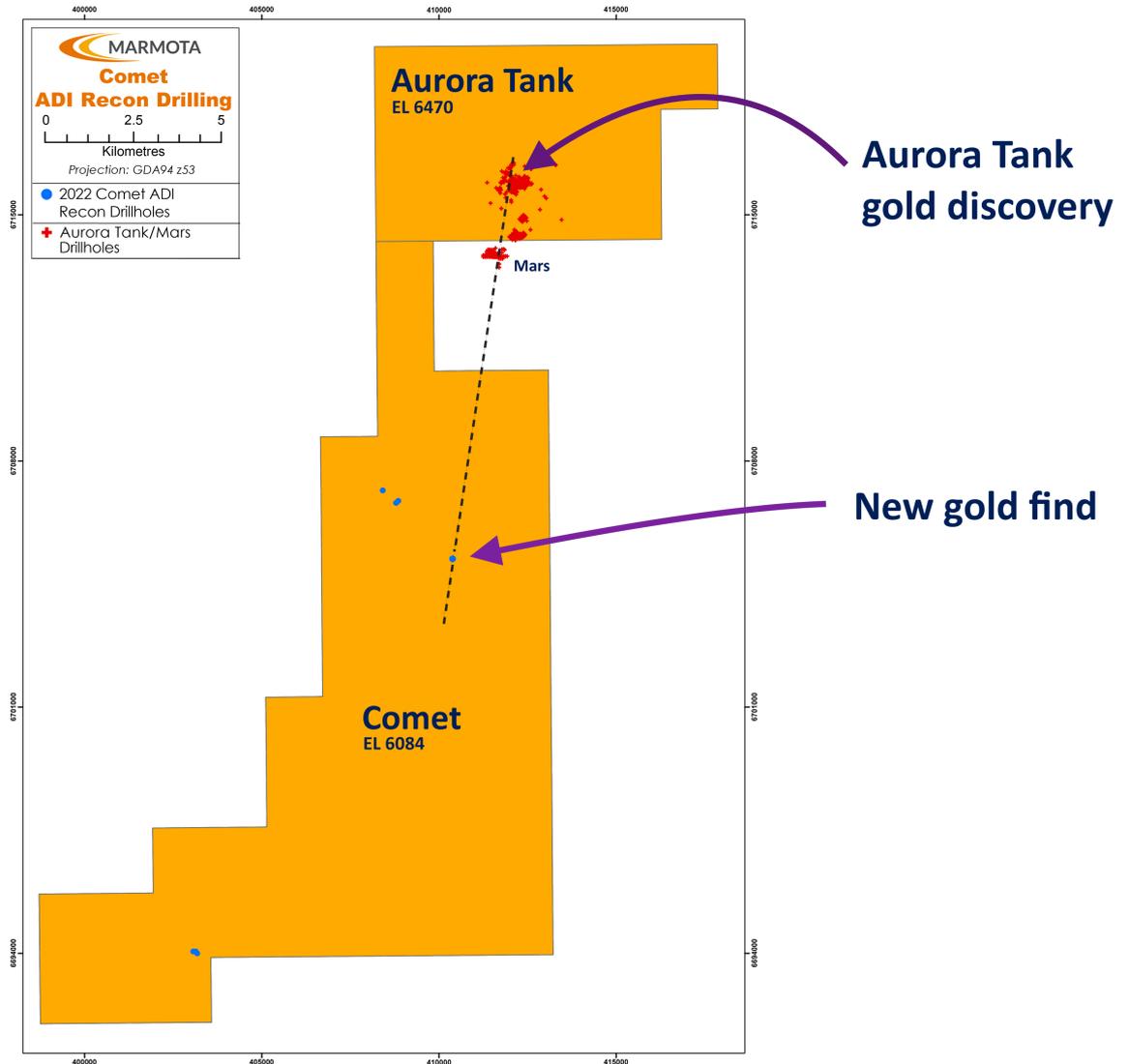


Figure 4: New gold find in line with Aurora Tank gold discovery and Mars deposit

Follow-up drilling at Comet took place at the end of December 2022. Nine holes were drilled in a grid around the original hole. Samples have already been transferred to the lab in Adelaide. Marmota is looking forward to receiving assay results, expected this quarter, notwithstanding that the labs have advised that they are running behind schedule.

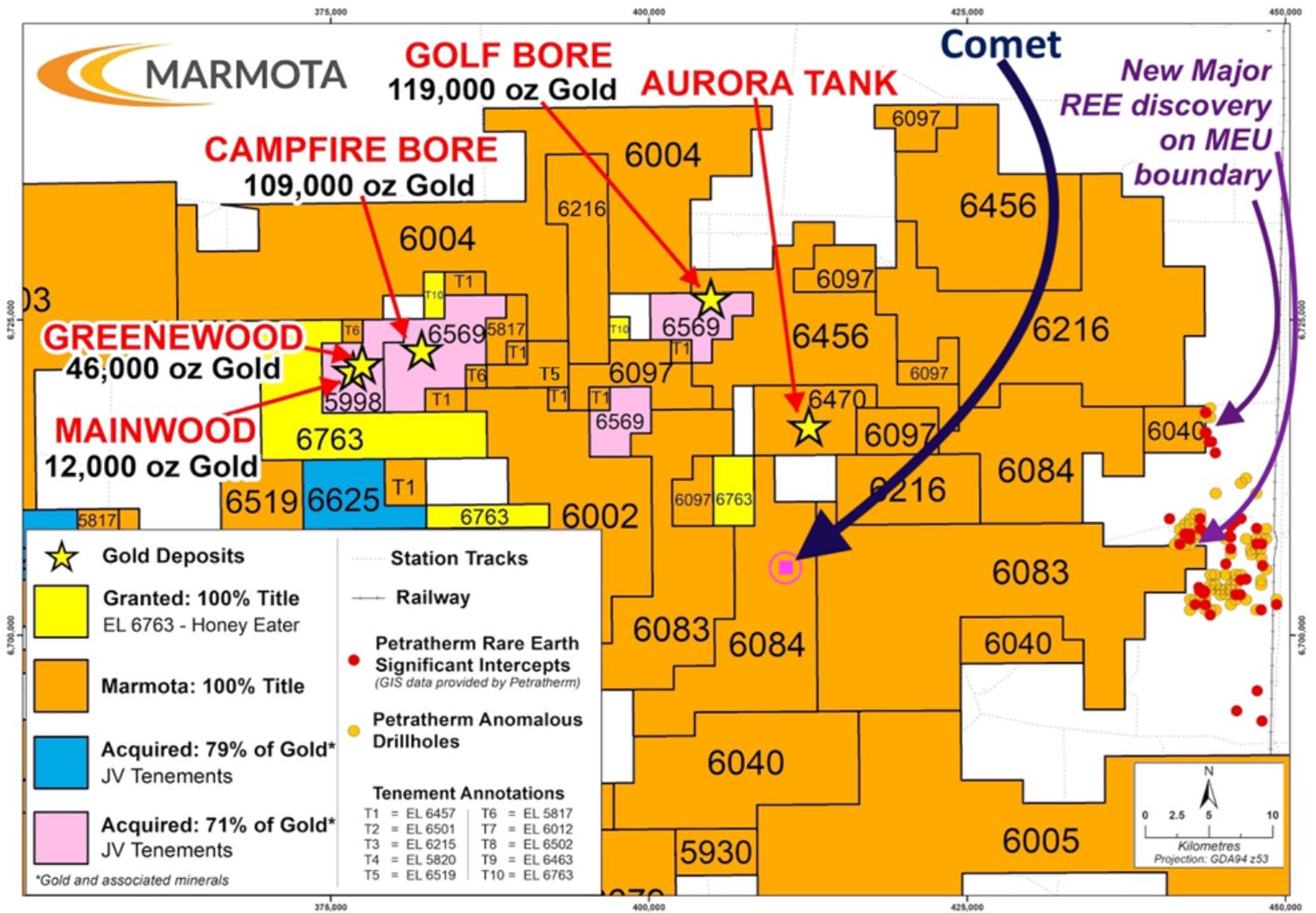


Figure 5: Detail showing location of Comet (West) relative to Aurora Tank

3. URANIUM Junction Dam project

| Tenement | Name | MEU Holding |
|----------|--------------|-------------|
| EL6530 | Junction Dam | 100% |

Updates since last quarterly:

1. The global energy crisis and concerns over climate change have further advanced the resurgence of uranium.
2. Boss Energy (ASX:BOE), the owners of the adjacent Honeymoon in-situ recovery (ISR) uranium mine, have reached the halfway mark on budget expenditure to restart Honeymoon [see ASX:BOE 23 Jan 2023], totalling A\$55m of the budgeted \$105m CAPEX to restart Honeymoon which is fully-funded.

Marmota has:

- JORC Inferred Resource of **5.4 million pounds** U₃O₈ with average grade of 557 ppm U₃O₈ [ASX:MEU 18 Nov 2011, 20 Feb 2012, 17 July 2013]
- Overall Exploration Target¹ of **22–33 million pounds** U₃O₈ at approx. 400 to 700 ppm U₃O₈
- Assay grades of up to 8,143 ppm U₃O₈ at the Saffron deposit

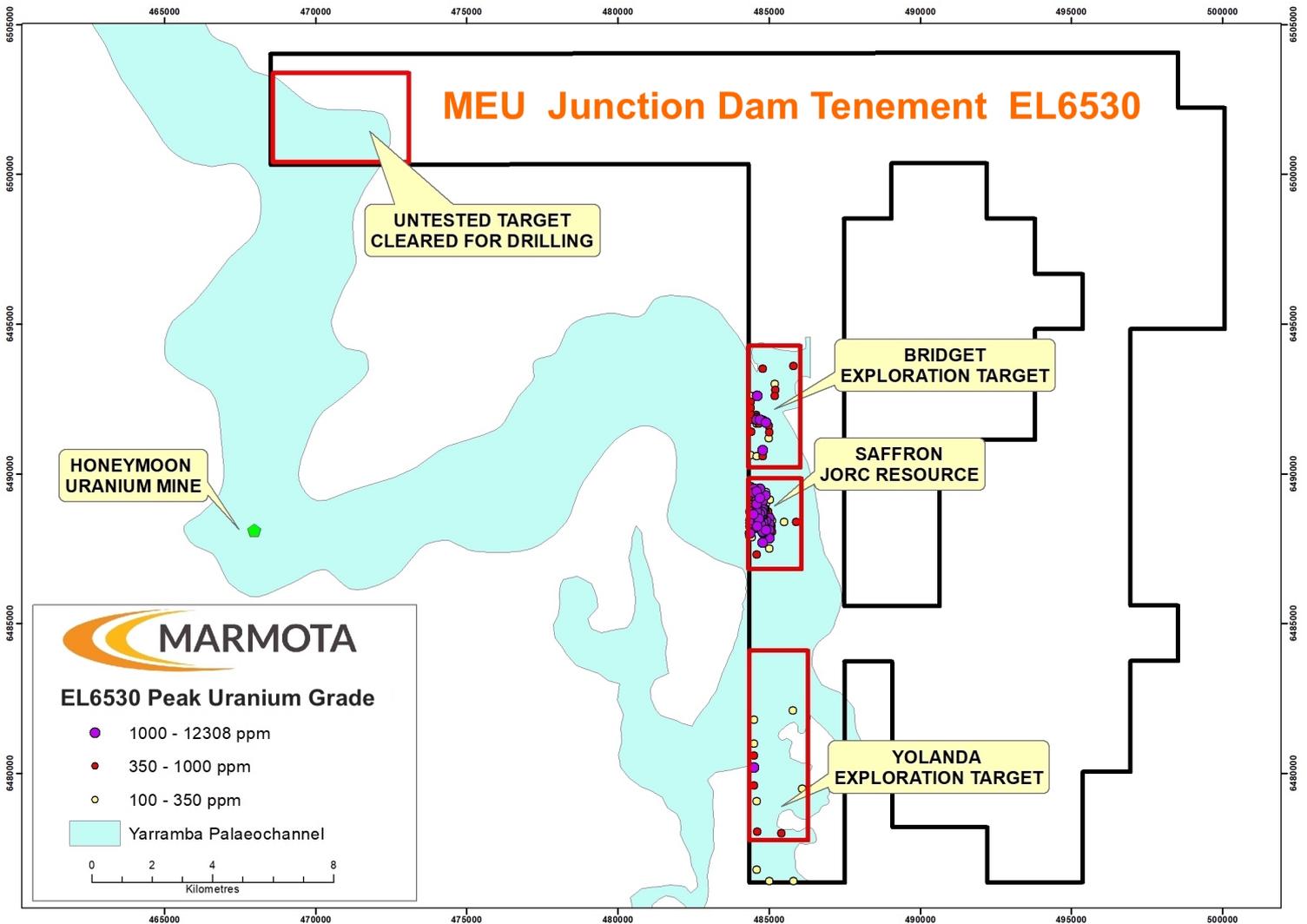


Figure 6: Junction Dam tenement – Peak Uranium Grades
 – highlighting work so far on Bridget, Saffron and Yolanda areas
The Junction Dam uranium tenement (now 100% MEU) bookends both sides of the palaeochannel of the Boss Energy Ltd (ASX:BOE market cap ~ \$900m) Honeymoon uranium plant

¹ Saffron deposit with Bridget and Yolanda prospects: see ASX:MEU 9 July 2012. The potential quantity and grade of an Exploration Target is conceptual in nature. The estimates of Exploration Targets should not be misunderstood or misconstrued as estimates of Mineral Resources. It is uncertain if further exploration over those zones currently defined by an Exploration Target will result in the determination of a Mineral Resource.

Background

1. Marmota started life as a successful uranium explorer. By the end of 2014, Marmota had spent over A\$8 million developing the Junction Dam uranium project, and had earned 100% of the uranium rights on the Junction Dam tenement [ASX:MEU 29 Sept 2014].
2. The Junction Dam tenement is strategically situated immediately adjacent to the Boss Energy (ASX:BOE) Honeymoon uranium tenement and mine – one of just 4 permitted uranium mines in Australia (three of which are in South Australia).
3. The Junction Dam tenement book-ends BOTH sides of the palaeochannel that runs through the Boss Honeymoon uranium project:
 - to the east, **Marmota already has a substantial uranium JORC resource** (see below at Saffron)
 - to the north (adjacent to the Boss Jason’s uranium resource), Marmota has an untested **obvious high-priority target** (previously cleared for drilling).
4. In the aftermath of Fukushima, work stopped on the Junction Dam tenement in 2014.
5. Over the past 15 months, there has been a dramatic upturn in both uranium prices and sentiment.
6. Boss Energy (ASX:BOE) (market cap ~\$900m) – owners of the Honeymoon plant on the immediately adjacent tenement – announced on 1 June 2022 a Final Investment Decision (FID) to recommence production at Honeymoon, with first production anticipated in the December quarter of 2023. According to their own feasibility studies, a larger resource would allow BOE to achieve economies of scale that lower the cost of production and to extend mine life through development of satellite resources [cf. ASX:BOE 21 June 2021, 4 Aug 2021 (p.6), 2 Sept 2021].

“ The recent acquisition of the Junction Dam tenement makes Marmota, for the first time, masters of our own destiny in the uranium space. It is the first and critical step for the company to grow value for our shareholders from this outstanding asset. ”

4. Corporate

AGM

The AGM was held in Adelaide on 24 November 2022.

For more detail, please see: ASX:MEU [20 Oct 2022](#) and [24 Nov 2022](#).

Fundamentals

The recent significant improvement in fundamentals, particularly in gold, is most attractive. Marmota is seeking to finalise and complete drilling at Aurora Tank as soon as possible, to enable us to complete an optimal design of a potentially low-cost low capex open pit processed via heap leach for the benefit of our shareholders.

It is also clearly in the best interest of shareholders that those high-grade extensions are followed up and captured into that open pit design (not left in the ground), and equally that the design of waste rock dumps, leach pads and infrastructure are not placed on top of mineralised zones. Marmota is making excellent progress to achieve this as soon as possible.



Figure 7: Spot gold price in AUD over the last 6 months

What is next?

Aurora Tank Gold

- RC extensional program underway: now drilling.
- Drilling to continue through February.

Wildcat finds gold on Comet

- Drilling just completed.
- Assay results expected this quarter.

Rare Earth Elements

- Marmota's first REE program (first of 4 targets) will shortly complete.
- Assay results expected this quarter.

ASX Listing Rule 5.3

Pursuant to ASX Listing Rule 5.3, the Company's expenditure during the quarter was focused on exploration and evaluation activities (\$586K on exploration). Details are provided in the attached Appendix 5B. During the quarter, related party expenses were: executive directors salaries (\$49K), non-executive director fees (\$9K) and superannuation (\$6K).

Competent Persons Statement

Information in this Release relating to Exploration Targets, 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Brown consents to the inclusion in this report of the matters based on this 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 the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

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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

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MARMOTA LTD

ABN

38 119 270 816

Quarter ended ("current quarter")

31 DECEMBER 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | | |
| (b) development | | |
| (c) production | | |
| (d) staff costs | (34) | (67) |
| (e) administration and corporate costs | (37) | (130) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 12 | 18 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (59) | (179) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) tenements | | |
| (c) property, plant and equipment | (11) | (11) |
| (d) exploration & evaluation | (586) | (1,062) |
| (e) investments | | |
| (f) other non-current assets | (15) | (35) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | | |
| (b) tenements | | |
| (c) property, plant and equipment | | |
| (d) investments | | |
| (e) 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 | (612) | (1,108) |

| | | |
|---|-------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | | 4,172 |
| 3.2 Proceeds from issue of convertible debt securities | | |
| 3.3 Proceeds from exercise of options | | |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (2) | (102) |
| 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 (right of use asset lease payment) | (8) | (17) |
| 3.10 Net cash from / (used in) financing activities | (10) | 4,053 |

| | | |
|---|-------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 5,603 | 2,156 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (59) | (179) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (612) | (1,108) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (10) | 4,053 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 4,922 | 4,922 |

| 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 | 4,884 | 5,565 |
| 5.2 | Call deposits | 38 | 38 |
| 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) | 4,922 | 5,603 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 25 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 39 |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 and 6.2 sets out payment of non-executive and executive directors' fees, salaries and superannuation to the directors for the quarter.

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | | |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | | |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (59) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (586) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (645) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 4,922 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 4,922 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 7.6 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: Not applicable | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: Not applicable | |

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 30 January 2023

Authorised by: 

Lisa Askham-Levy: CFO and Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

TENEMENT STATUS

(as at 31 December 2022)

SOUTH AUSTRALIA

| Project name | Tenement | Number | Area (km ²) | Details | Marmota's interest % | Status |
|----------------------|----------------------------|---------|-------------------------|---------|----------------------|---------|
| Junction Dam | Junction Dam | EL 6530 | 341 | | 100% | Granted |
| Melton | West Melton | EL 6701 | 88 | | 100% | Granted |
| Gawler Craton | Ambrosia | EL 6513 | 854 | | 100% | Granted |
| | Aurora Tank | EL 6470 | 48 | | 100% | Granted |
| | Barton Area | EL 5820 | 59 | | 100% | Granted |
| | Bradman | EL 6463 | 83 | | 100% | Granted |
| | Brickies - Wynbring | EL 6501 | 204 | | 100% | Granted |
| | Carnding | EL 5861 | 53 | | 100% | Granted |
| | Comet | EL 6084 | 268 | | 100% | Granted |
| | Commonwealth Hill | EL 6040 | 196 | | 100% | Granted |
| | Commonwealth Hill | EL 6216 | 384 | | 100% | Granted |
| | Cudyea | EL 6348 | 110 | | 100% | Granted |
| | Deep Leads | EL 6098 | 154 | | 100% | Granted |
| | Eagle Hawk | EL 6005 | 624 | | 100% | Granted |
| | Galaxy Tank | EL 6456 | 295 | | 100% | Granted |
| | Garford Outstation East | EL 6004 | 403 | | 100% | Granted |
| | Garford Outstation West | EL 6003 | 480 | | 100% | Granted |
| | Hilga Crutching Shed | EL 6214 | 107 | | 100% | Granted |
| | Honey Eater | EL 6763 | 149 | | 100% | Granted |
| | Indooroopilly | EL 6680 | 100 | | 100% | Granted |
| | Indooroopilly | EL 6171 | 57 | | 100% | Granted |
| | Irria | EL 5930 | 196 | | 100% | Granted |
| | Irria | EL 5819 | 98 | | 100% | Granted |
| | Irria Outstation (Jumbuck) | EL 6002 | 711 | | 100% | Granted |
| | Isthmus | EL 6519 | 232 | | 100% | Granted |
| | Lake Anthony | EL 6082 | 396 | | 100% | Granted |
| | Lake Anthony | EL 5818 | 42 | | 100% | Granted |
| | Mathews Tank | EL 6457 | 36 | | 100% | Granted |
| | Mt Christie | EL 6123 | 405 | | 100% | Granted |
| | Mt Christie | EL 6215 | 289 | | 100% | Granted |
| | Mt Christie Siding | EL 6398 | 237 | | 100% | Granted |
| | Muckanippie | EL 6166 | 122 | | 100% | Granted |
| | Mulgathing | EL 6679 | 652 | | 100% | Granted |
| | Pegler | EL 5914 | 77 | | 100% | Granted |
| | Pundinya | EL 6514 | 435 | | 100% | Granted |
| | Sandstone | EL 5817 | 27 | | 100% | Granted |
| | Warrior Outstation | EL 5772 | 346 | | 100% | Granted |
| | Wildingi Claypen | EL 6097 | 128 | | 100% | Granted |
| | Woorong Downs | EL 6083 | 458 | | 100% | Granted |

| Project name | Tenement | Number | Area (km ²) | Details | Marmota's interest % | Status |
|--------------|---------------|---------|-------------------------|-------------|---|---------|
| JV Tenements | Mulgathing | EL 6173 | 1112 | JV interest | 78.84% rights to Gold and associated minerals | Granted |
| | Jumbuck | EL 6502 | 660 | JV interest | 78.84% rights to Gold and associated minerals | Granted |
| | Mobella | EL 6532 | 89 | JV interest | 78.84% rights to Gold and associated minerals | Granted |
| | Sandstone | EL 6625 | 42 | JV interest | 78.84% rights to Gold and associated minerals | Granted |
| | Blowout | EL 6012 | 110 | JV interest | 78.84% rights to Gold and associated minerals | Granted |
| | Campfire Bore | EL 5998 | 33 | JV interest | 70.96% rights to Gold and associated minerals | Granted |
| | Sandstone JV | EL 6569 | 104 | JV interest | 70.96% rights to Gold and associated minerals | Granted |