

**QUARTERLY ACTIVITY REPORT****MARCH QUARTER 2023****1. Marmota makes REE discovery at Muckanippie**

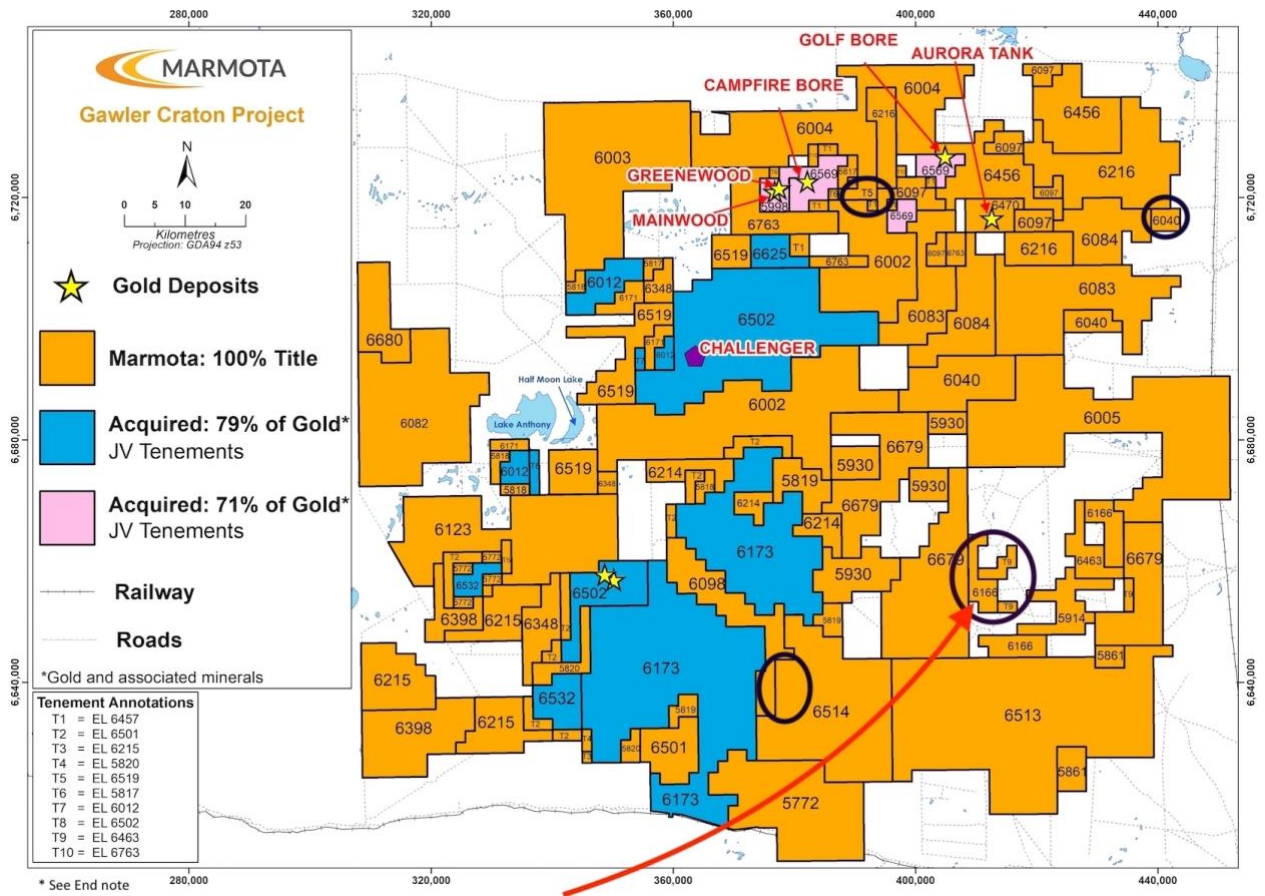
Marmota was delighted to recently announce [ ASX:MEU 20 March 2023 ] that its first ever reconnaissance program for rare earth elements (REE) has yielded a new REE discovery at Muckanippie.

- **Multiple holes** intersected **Total Rare Earth Oxides (TREO) over 1000 ppm**.
- The intersections are remarkably **close to surface**, featuring significant TREO grades over 1000 ppm located as close as **12m from surface**.
- Rare earths are hosted in ionic clays close to surface, and appear to be similar to published descriptions of the major Chinese clay-hosted REE deposits. China currently produces more than 90% of the world's high-value rare earth magnet supply.

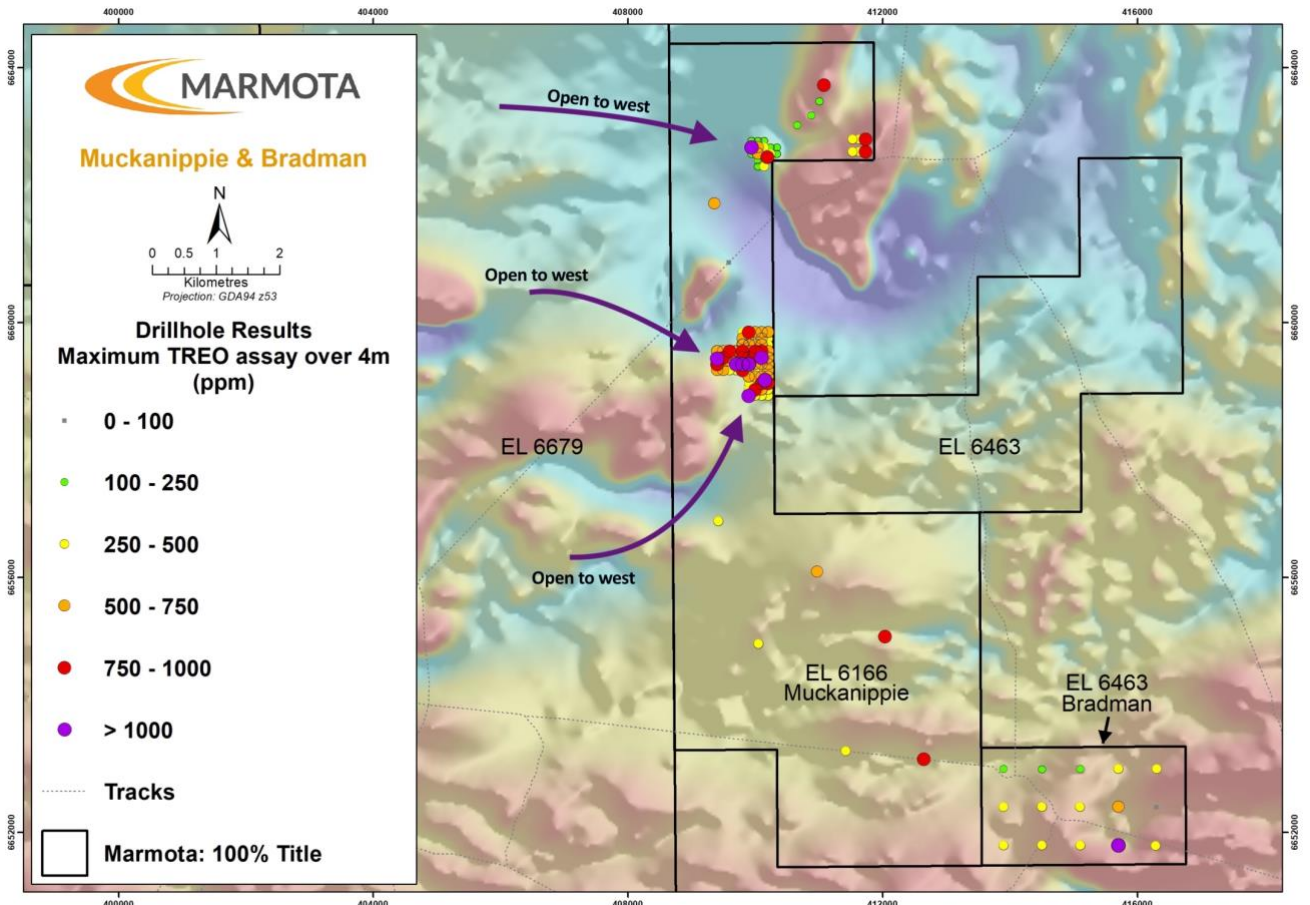
- Highlights include results such as:

<b>16m @ 1258 ppm TREO</b>	from 12m downhole	[ Hole WI116 ]	[ incl 4m @ <b>1528 ppm</b> ]
<b>16m @ 1138 ppm TREO</b>	from 12m downhole	[ Hole WI068 ]	[ incl 4m @ <b>1414 ppm</b> ]
<b>12m @ 1086 ppm TREO</b>	from 12m downhole	[ Hole WI037 ]	[ incl 4m @ <b>1440 ppm</b> ]
<b>12m @ 1151 ppm TREO</b>	from 20m downhole	[ Hole WI038 ]	[ incl 4m @ <b>1755 ppm</b> ]
<b>8m @ 1255 ppm TREO</b>	from 20m downhole	[ Hole WI039 ]	[ incl 4m @ <b>1923 ppm</b> ]

- High-grade TREOs are **open in multiple directions**, particularly to the west [ see [Figure 2](#) ].
- This is the first of 4 highly prospective REE target areas that Marmota has identified within its tenements [ see [Figure 1](#) ].



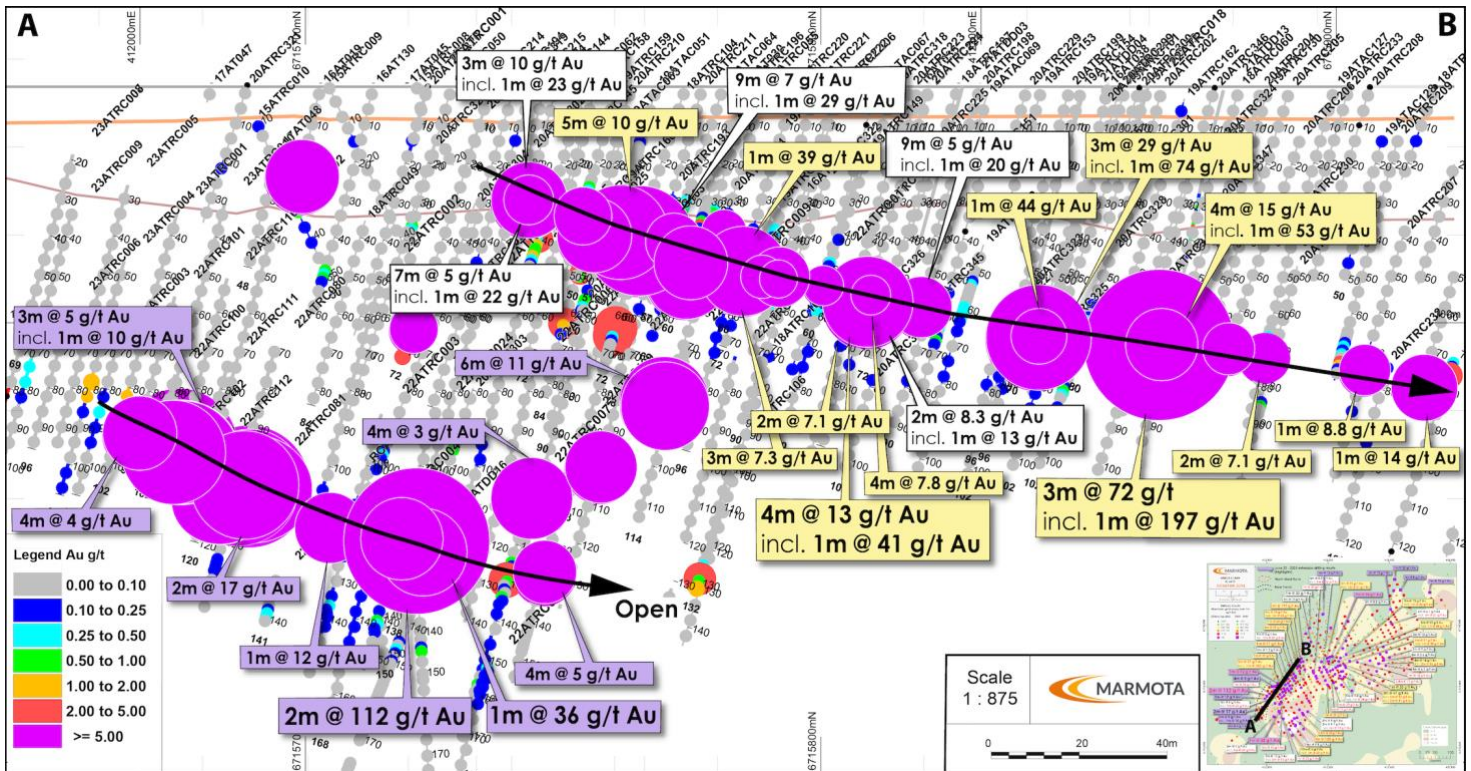
**Figure 1: REE discovery on Muckanippie tenement EL 6166 + 4 High-priority REE Zones**



**Figure 2: Plan Overview of Recon Program (Best downhole TREO results on TMI background)**

## 2. Aurora Tank: **New high-grade gold zone**

During the quarter, Marmota discovered a new high-grade gold zone lying underneath the high-grade NW flank [ see Figure 3 ] at Aurora Tank. It remains open.



**Figure 3: Schematic long-section through NW flank (top black arrow) + NEW high-grade ZONE (lower black arrow) discovered beneath the NW flank**

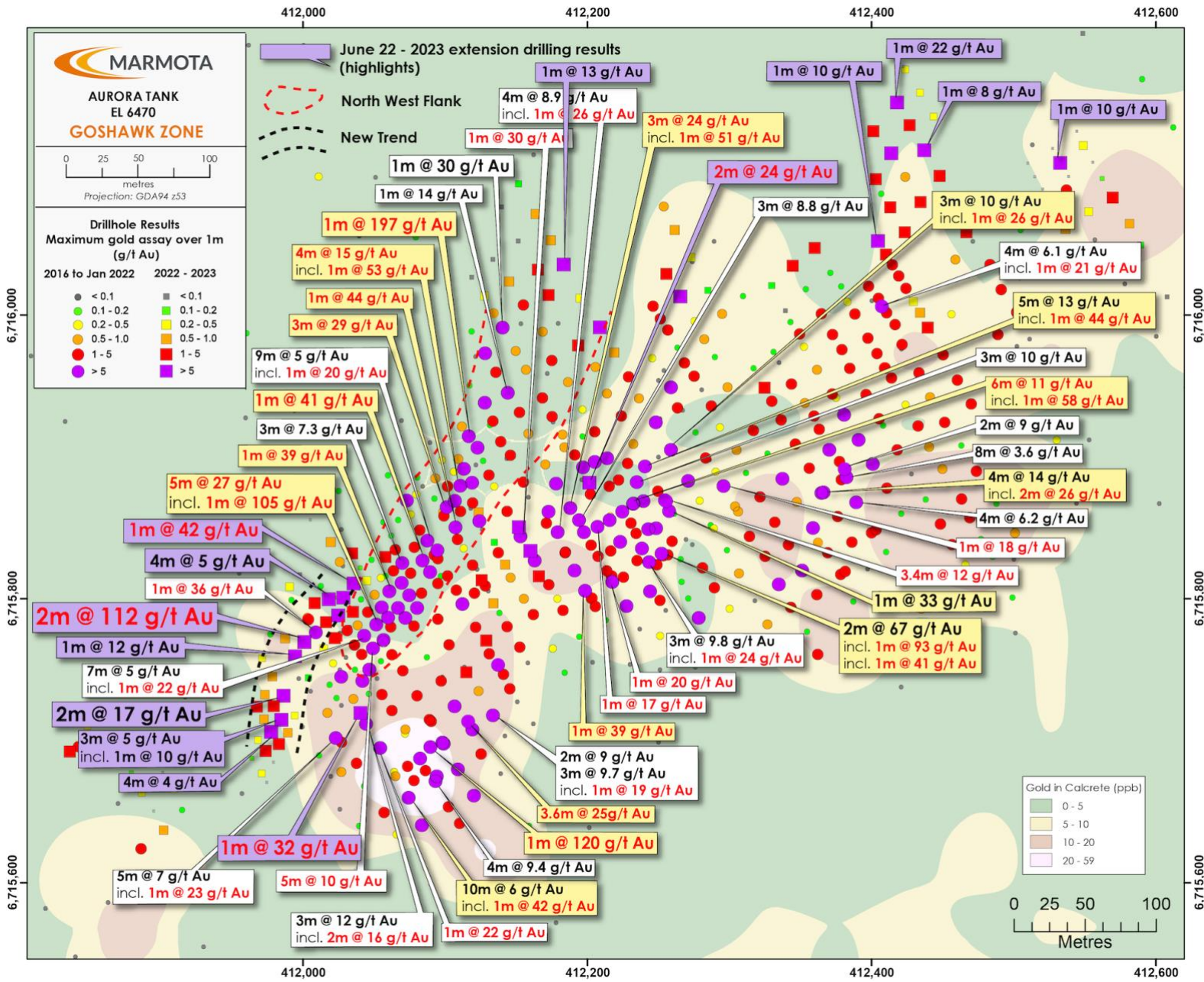
During the quarter, Marmota completed its two-part extensional RC program.

Part 1: results were reported on 29 Sept 2022 [ ASX:MEU 29 Sept 2022 ]

Part 2: results were reported on 3 April 2023 [ ASX:MEU 3 April 2023 ]

The extensions program (Part 1 and 2), including to the NE, SW and at depth, has yielded multiple new high-grade intercepts at Aurora Tank including:

- 2m @ **112 g/t gold** (from 117m downhole) in Hole 22ATRC024 Part 1
- 2m @ **17 g/t gold** (from 100m downhole) in Hole 22ATRC080 Part 2
- 6m @ **11 g/t gold** (from 77m downhole) in Hole 22ATRC025 Part 1
- 1m @ **32 g/t gold** (from 32m downhole) in Hole 22ATRC001 Part 1
- 2m @ **24 g/t gold** (from 42m downhole) in Hole 22ATRC034 Part 1
- 1m @ **22 g/t gold** (from 75m downhole) in Hole 22ATRC067 Part 1
- 1m @ **14 g/t gold** (from 20m downhole) in Hole 22ATRC020 Part 1
- 1m @ **13 g/t gold** (from 93m downhole) in Hole 22ATRC040 Part 1
- 4m @ **5 g/t gold** (from 124m downhole) in Hole 22ATRC109 Part 2
- 3m @ **5 g/t gold** (from 90m downhole) in Hole 22ATRC110 Part 2
- 1m @ **12 g/t gold** (from 114m downhole) in Hole 22ATRC003 Part 1
- 1m @ **10 g/t gold** (from 68m downhole) in Hole 22ATRC055 Part 1

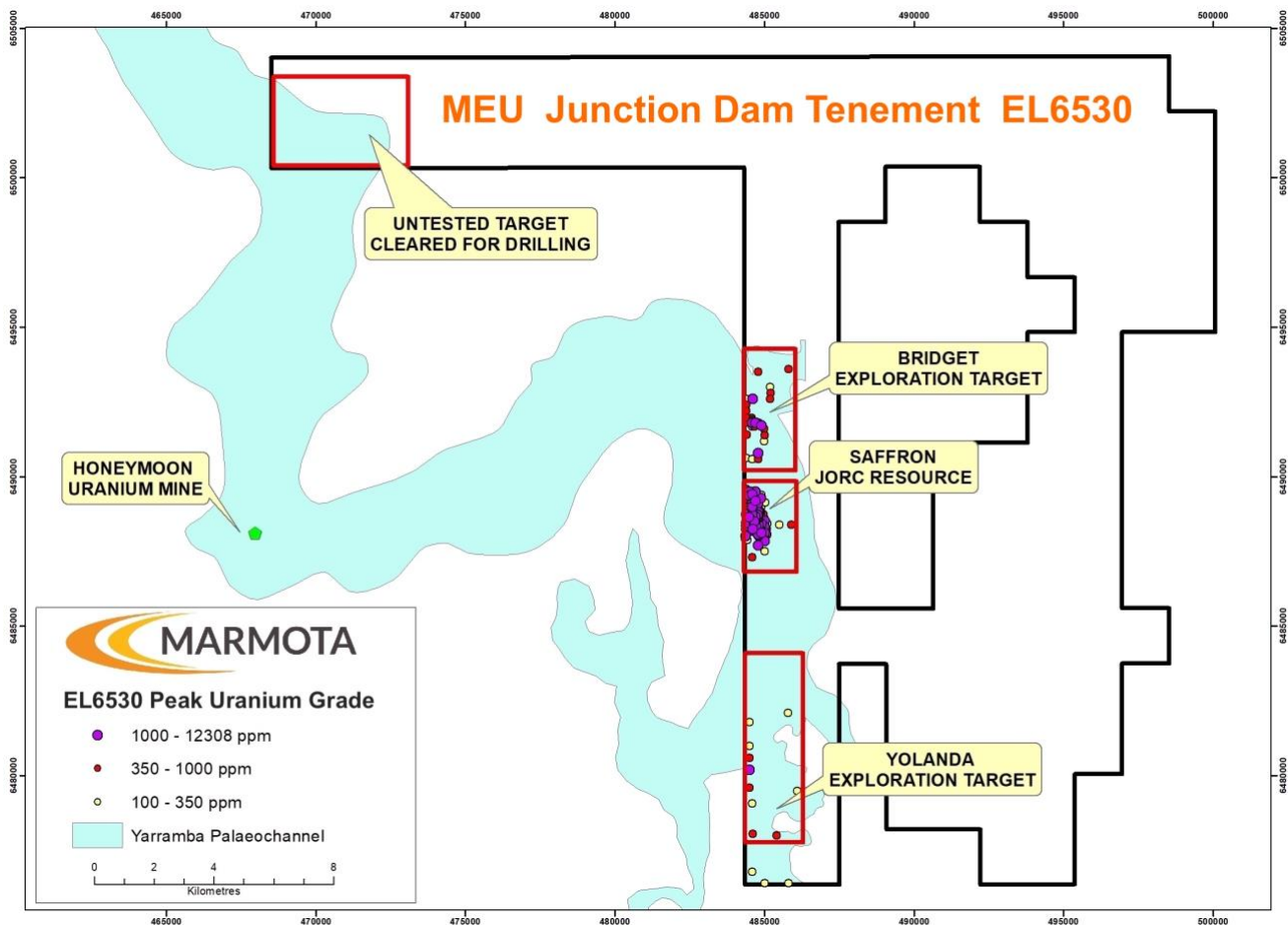


**Figure 4: Aurora Tank – Plan Overview (Best downhole gold results)**

### 3. URANIUM Junction Dam EL6530 100% owned

Marmota has:

- JORC Inferred Resource of **5.4 million pounds**  $U_3O_8$  with average grade of 557 ppm  $U_3O_8$  [ ASX:MEU 18 Nov 2011, 20 Feb 2012, 17 July 2013 ]
- Overall Exploration Target<sup>1</sup> of **22–33 million pounds**  $U_3O_8$  at approx. 400 to 700 ppm  $U_3O_8$
- Assay grades of up to 8,143 ppm  $U_3O_8$  at the Saffron deposit



**Figure 5: 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 ~ \$850m) Honeymoon uranium plant

<sup>1</sup> 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.

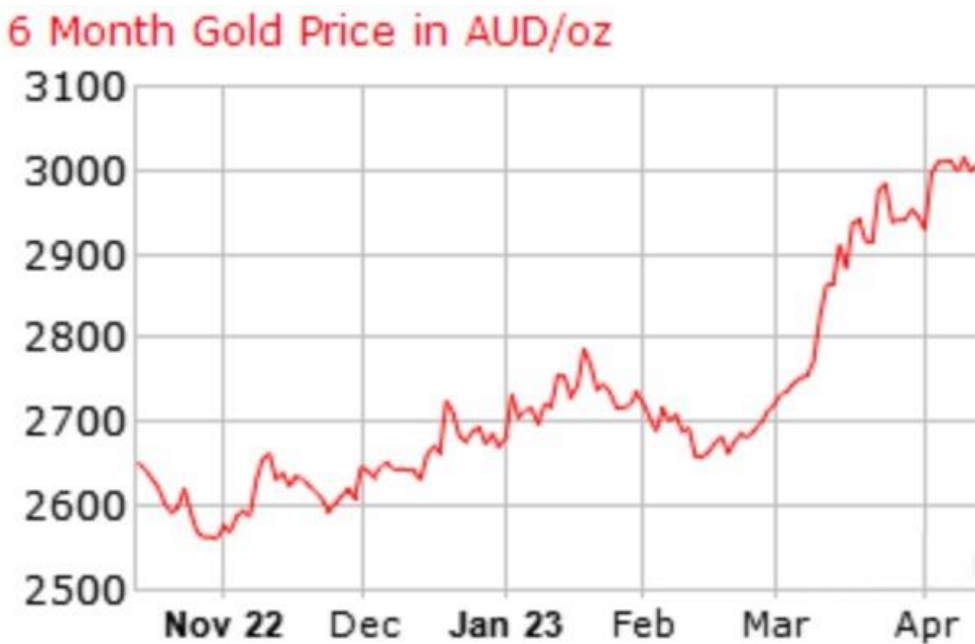
## Background

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 18 months, there has been a dramatic upturn in both uranium prices and sentiment.
  6. Boss Energy (ASX:BOE) (market cap ~\$850m) – owners of the Honeymoon in-situ recovery (ISR) uranium mine 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 ].
  7. The global energy crisis and concerns over climate change have further advanced the resurgence of uranium.
  8. Boss Energy (ASX:BOE) have passed the halfway mark on budget expenditure to restart Honeymoon [ see ASX:BOE 23 Jan 2023 ], having spent A\$55m of the budgeted \$105m CAPEX to restart Honeymoon which is fully-funded.
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## 4. Fundamentals

The company's core fundamentals, particularly in gold, continue to improve, with the Australian dollar gold price reaching ~ A\$3000 per ounce during the quarter.

With the completion of the extensional drilling program at Aurora Tank during the quarter, the Company is of the view that sufficient drilling has now been carried out to enable Aurora Tank to progress to an initial open pit design, with the intention to progress Aurora Tank as a potentially low-cost low capex open pit mine processed via heap leach for the benefit of our shareholders.



**Figure 6:** Spot gold price in AUD per ounce, over the last 6 months

## 5. Marmota is hiring: **Production Manager**

Marmota will shortly be advertising a position for a Production Manager, to take the Company's Aurora Tank gold discovery to production. Potential interested candidates with extensive metallurgical and/or mining engineering experience are strongly encouraged to get in touch on a confidential basis. Contact details are provided on the final page of this announcement.

### 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 (\$301K on exploration). Details are provided in the attached Appendix 5B. During the quarter, related party expenses were: executive directors salaries (\$77K), non-executive director fees (\$9K) and superannuation (\$8K).

### 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.*

### Clarification re Figure 1

In November 2021, Marmota completed its acquisition of the rights, title and interest of the Jumbuck Gold Project, including acquisition of Half Moon Pty Ltd (Half Moon), from Tyranna Resources Ltd [ ASX:MEU 15 Nov 2021 ]. Pursuant to the terms of the Western Gawler Craton JV (WGCJV), Marmota (via its 100% ownership of Half Moon) is the owner of majority gold rights to a number of tenements including EL 6502: the latter has a number of components including one that surrounds the Challenger Gold mine. In 2016, a Term Sheet was entered into that if subsequently implemented and if Ministerial Consent granted (amongst other conditions not met), would exclude the tenement surrounding the Challenger Gold mine from the WGCJV in return for granting various other mineral rights to Half Moon. As previously noted in ASX:MEU 31 Jan 2022 and 29 April 2022, the Term Sheet was never enacted, in part because under the Mining Act, it was not possible for tenements to be so subdivided. The deadline for implementing the Term Sheet expired on 27 July 2020. It was never enacted. Notwithstanding same, Barton Gold Holdings Ltd and/or its subsidiaries (Barton), who are the minority party to the WGCJV, assert that the Term Sheet is binding, and on that basis disputes the WGCJV's gold rights to the sub-part of the tenement EL 6502 surrounding the Challenger Gold mine. It remains to be resolved the amount of gold mined from the tenement outside the original Challenger Mining Lease by Barton's predecessors in title (*i.e.* gold mined from EL 6502), and whether that gold belonged to the WGCJV pursuant to the terms of the WGCJV and for which remuneration has not been received by the WGCJV. The percentage ownership of the WGCJV is: Marmota (78.84%) and Barton (21.16%), via their respective subsidiaries. Marmota has carefully checked the maps in its ASX releases and is fully confident that they are correct and reflect both the WGCJV and the Departmental registration of same.



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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 quarterly cash flow report

Name of entity

**MARMOTA LTD**

ABN

38 119 270 816

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(37)	(104)
(e) administration and corporate costs	(105)	(235)
1.3 Dividends received (see note 3)		
1.4 Interest received	9	27
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)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(133)</b>	<b>(312)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(50)	(61)
(d) exploration & evaluation	(301)	(1,363)
(e) investments		
(f) other non-current assets	(55)	(70)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(386)</b>	<b>(1,494)</b>

<b>3. Cash flows from financing activities</b>		
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	-	(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)	(10)	(27)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(10)</b>	<b>4,043</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,922	2,156
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(133)	(312)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(386)	(1,494)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	4,043
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>4,393</b>	<b>4,393</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	4,355	4,884
5.2 Call deposits	38	38
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,393</b>	<b>4,922</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	27
6.2 Aggregate amount of payments to related parties and their associates included in item 2	67

*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. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(133)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(301)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(434)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,393
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,393
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b> <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>	10.1
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	
<i>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.</i>	

## 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: 17 April 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 March 2023)

## SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km <sup>2</sup> )	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 <sup>2</sup> )	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