



QUARTERLY ACTIVITY REPORT

MARCH QUARTER 2020

Aurora Tank Gold 100% owned

Phase 2 RC Drilling Program: outstanding gold intersections

In January 2020, Marmota completed Phase 2 of RC drilling at Marmota's Aurora Tank gold discovery:

- **RC drill program:** 84 holes
- **Total RC drilling:** 7,228m
- **Hole depths:** Average: 86m (Max: 120m)

The extensional drilling program yielded multiple outstanding high-grade 1m intersections including **74 g/t gold** [with duplicate samples (via different spear) of up to **104 g/t**] [Hole 20ATRC200]. [ASX 27 Feb 2020, 8 April 2020]

New high-grade 1m intercepts **over 20g/t gold** include:

1m @ 74 g/t gold	(from 64m downhole) in Hole 20ATRC200	(3m @ 29 g/t gold)
1m @ 53 g/t gold	(from 69m downhole) in Hole 19ATRC162	(4m @ 15 g/t gold)
1m @ 44 g/t gold	(from 64m downhole) in Hole 20ATRC199	
1m @ 33 g/t gold	(from 45m downhole) in Hole 20ATRC167	
1m @ 29 g/t gold	(from 49m downhole) in Hole 20ATRC201	(9m @ 7.5 g/t gold)
1m @ 23 g/t gold	(from 28m downhole) in Hole 19ATRC144	(3m @ 10 g/t gold)
1m @ 21 g/t gold	(from 45m downhole) in Hole 20ATRC201	(9m @ 7.5 g/t gold)
1m @ 20 g/t gold	(from 52m downhole) in Hole 20ATRC198	(9m @ 4.8 g/t gold)

NW Flank excels

The new NW flank reported multiple high-grade assays [see [Figures 2 and 3](#)]. The NW flank is a new zone discovered in Marmota's previous 2019 drilling program while following up elevated gold in biogeochemical sampling (tree sampling) [see ASX:MEU 19 Sept 2019].

The new results complement the **5m @ 27 g/t gold** [see ASX:MEU 7 May 2019] intersection at the start (SW) of the NW flank. The program has **doubled the length of the NW flank**, from about 95m to about 190m.

MEU In the News

During the quarter, Marmota was again featured internationally and nationally:

Reading the tree leaves

EXPLORATION | Innovative prospectors deliver low-cost results



BY CARL A. WILLIAMS
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As much of the easily accessible gold has been found, prospectors and mining companies have had to dig deeper and venture farther into more extreme and remote environments to find economically viable deposits.

Mineral exploration companies spent nearly US\$10 billion during 2019 in the search for nonferrous metals, with over 40% of global mineral exploration budgets spent on gold, according to figures from S&P Global Market Intelligence.

Some industry experts believe that “peak gold” will happen soon — or may already have been reached — and so the cost of finding new gold deposits will only increase.

With exploration becoming more challenging, companies need to look for alternative methods in the search for new deposits.

“Most of the low-lying fruit, so to speak, has already been discovered,” says Colin Rose, executive chairman of Marmota (ASX: MEU). “In today’s world, the most prospective ground is where deposits lie beneath the surface, sometimes deep below. But the problem is: how to get to this gold without the expense of having to drill everywhere?”

Marmota, a mining exploration company in southern Australia, turned to biogeochemical prospecting techniques to find gold.

“WE FIRST FOUND THAT TREES GROWING AROUND A KNOWN DEPOSIT CONTAINED ELEVATED LEVELS OF GOLD. THIS ‘PROOF OF CONCEPT’ GAVE US THE CONFIDENCE TO SAMPLE TREES GROWING IN AREAS WITH NO KNOWN MINERALIZATION.”

AARON BROWN
SENIOR GEOLOGIST, MARMOTA

another 4 metres of 24 grams gold per tonne and remains open.

“Without the tree sampling, I don’t think we would have found the new deposit,” says Brown. “I believe this is the first time that biogeochemical exploration has been successfully used in prospecting for gold in the southern hemisphere.”

Natural prospecting tools

Gold was first detected in hardwood trees as early as 1900. Since then, concentrations of gold have been

reported in a wide variety of tree and plant species collected from mineralized areas in Australia, Canada, Russia, and many other countries and regions around the world.

But it wasn’t until the 1940s with the work of Harry Warren, that biogeochemical exploration became a viable prospecting tool.

A University of British Columbia professor and pioneer of biogeochemistry, Warren used *Phacelia*



Marmota geologist Aaron Brown sampling senna leaves at Aurora Tank gold property in South Australia. MARMOTA

See TREE LEAVES / 30

INVEST CANADA NORTH

PDAC 2020 MARCH 1-4

Source: *The Northern Miner* March 2020

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Marmota up on gold strikes

CAMERON ENGLAND

MARMOTA has reported “multiple outstanding high-grade intersections” from gold drilling at its Aurora Tank project in remote South Australia.

The company’s shares closed 18.8 per cent higher on the news yesterday, at 3.8c with more than 5.7 million shares traded.

The results of the 1m assays included one intersection of 74 grams per tonne of gold, and numerous other results greater than 20g/t.

Marmota chairman Colin Rose said the project was coming together well.

“High-grade mineralisation close to surface, excellent gold recoveries from metallurgical test work, and potential low-cost, low-capex open-pittable production methods, all while our underlying fundamentals just keep on improving,” Dr Rose said.

“This was Marmota’s seventh drilling program at Aurora Tank. Each and every one of those programs so far has been a success.

“This program has seen Marmota prove up and double the size of the northwest flank with multiple high-grade intersections, and with geological continuity as it extends to the northeast.”



Drilling at Aurora Tank in January 2020

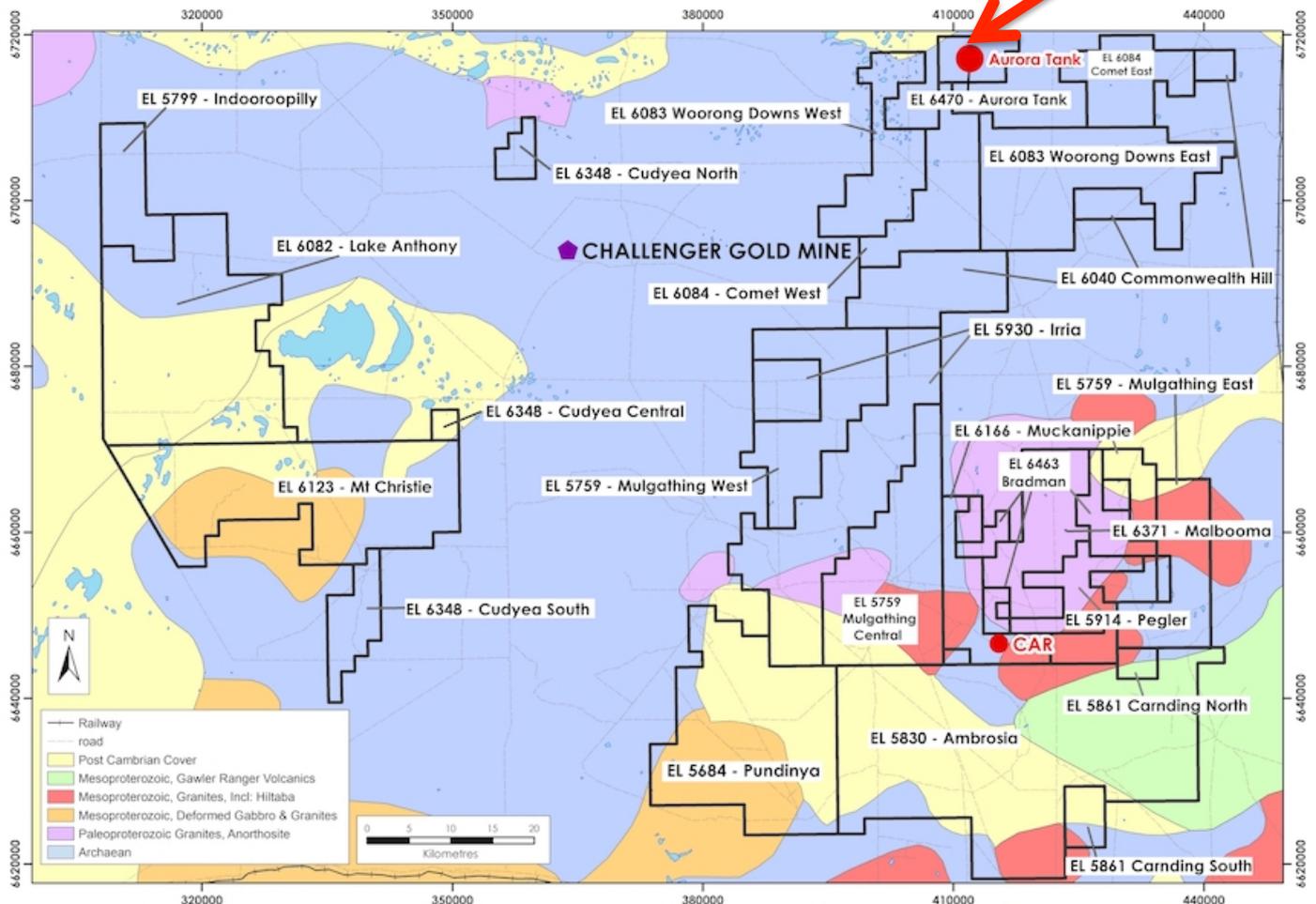
Source: *Adelaide Advertiser* 9 April 2020

Exploration Activities during Quarter

GOLD

Gawler Craton

Tenement	Name	MEU Holding
EL6470	Aurora Tank	100%
EL5830	Ambrosia	100%
EL5684	Pundinya	100%
EL6166	Muckanippie	100%
EL5799	Indooroopilly	100%
EL6123	Mt Christie	100%
EL6082	Lake Anthony	100%
EL6348	Cudyea	100%
EL5759	Mulgathing	100%
EL6083	Woorong Downs	100%
EL6084	Comet	100%
EL6463	Bradman	100%
EL5861	Carnding	100%
EL5930	Irria	100%
EL5914	Pegler	100%
EL6040	Commonwealth Hill	100%
EL6371	Malbooma	100%



**Figure 1: Marmota’s Gawler Craton Gold Project, around the Challenger Gold mine
Aurora Tank Gold discovery (RED arrow)**

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. 1]

Marmota is actively refining the Company's substantial tenement holding, adding ground and/or relinquishing as our exploration team works through our tenement holding.

The Phase 2 @ program completed in January 2020 yielded multiple outstanding gold intersections [see Figures 2 & 3]. For full detail, see ASX:MEU 27 Feb 2020, 8 April 2020 .

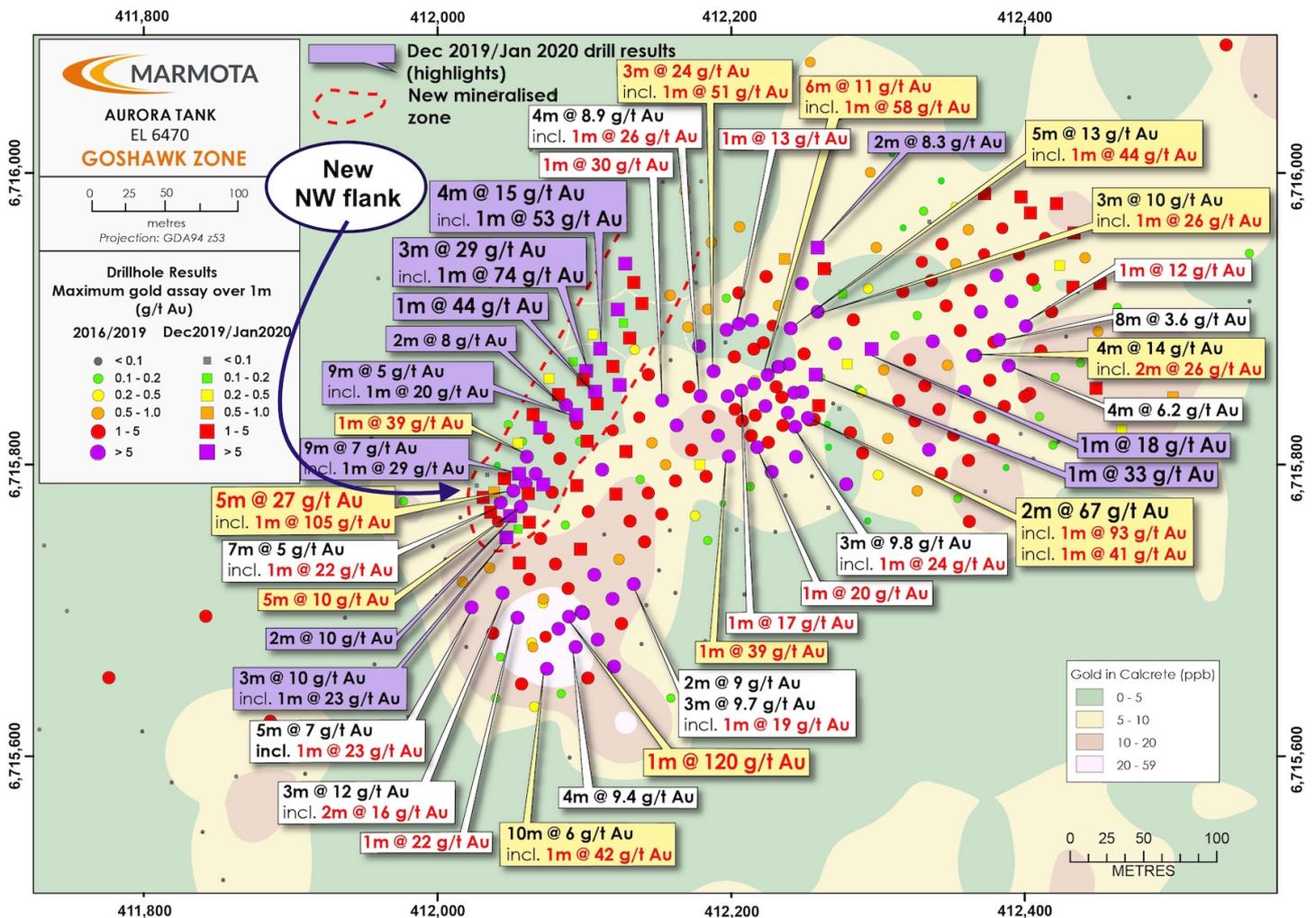


Figure 2: Aurora Tank: Best downhole gold results + new NW flank - - - -

[For more detail, see ASX:MEU 8 April 2020]

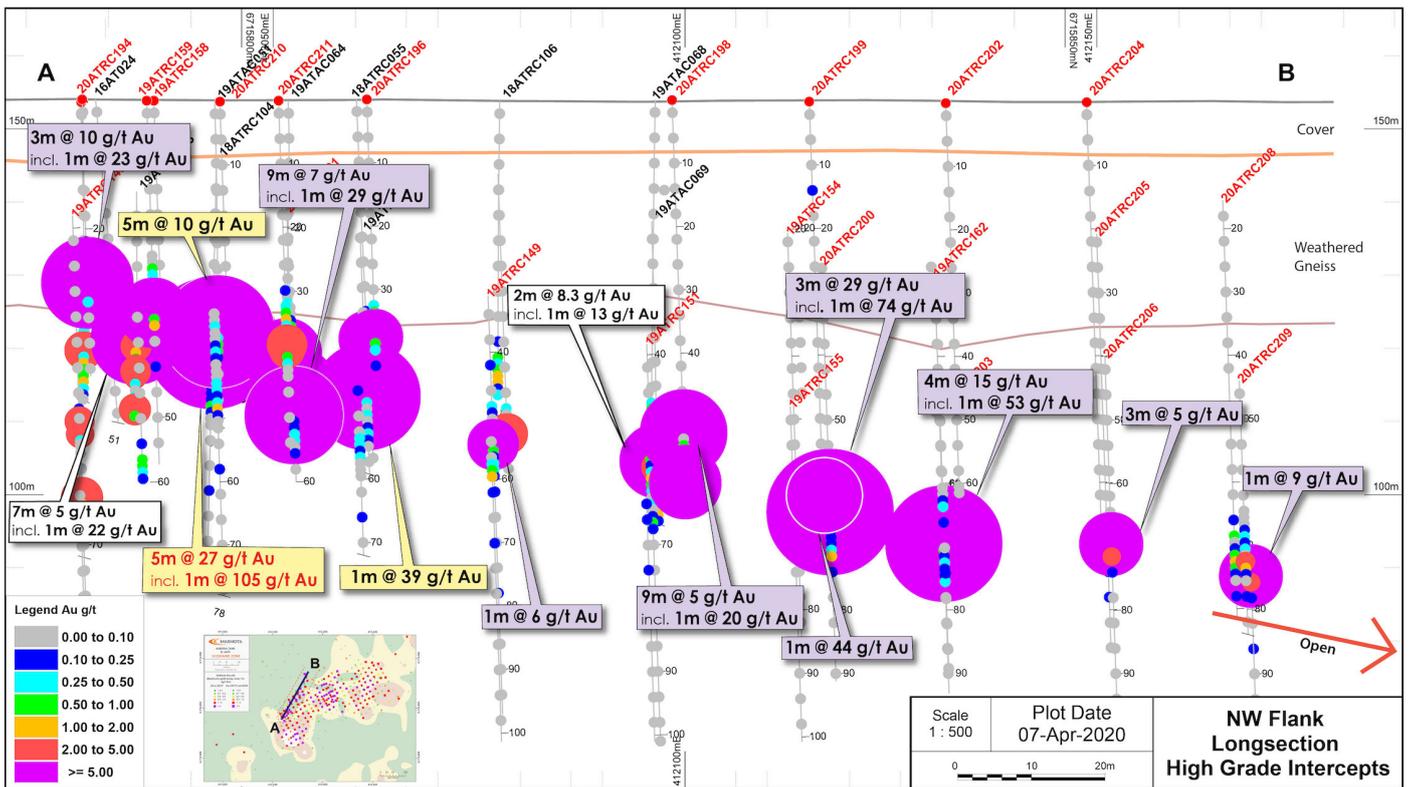


Figure 3: Schematic long-section through new NW flank Strike has doubled and remains open

COPPER Copper Coast – Yorke Peninsula

Tenement	Name	MEU Holding
EL 5832	West Melton	100%

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

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 (ASX:BOE) in-situ recovery (ISR) uranium mine (west of Broken Hill) [see Fig. 4]

Marmota has:

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

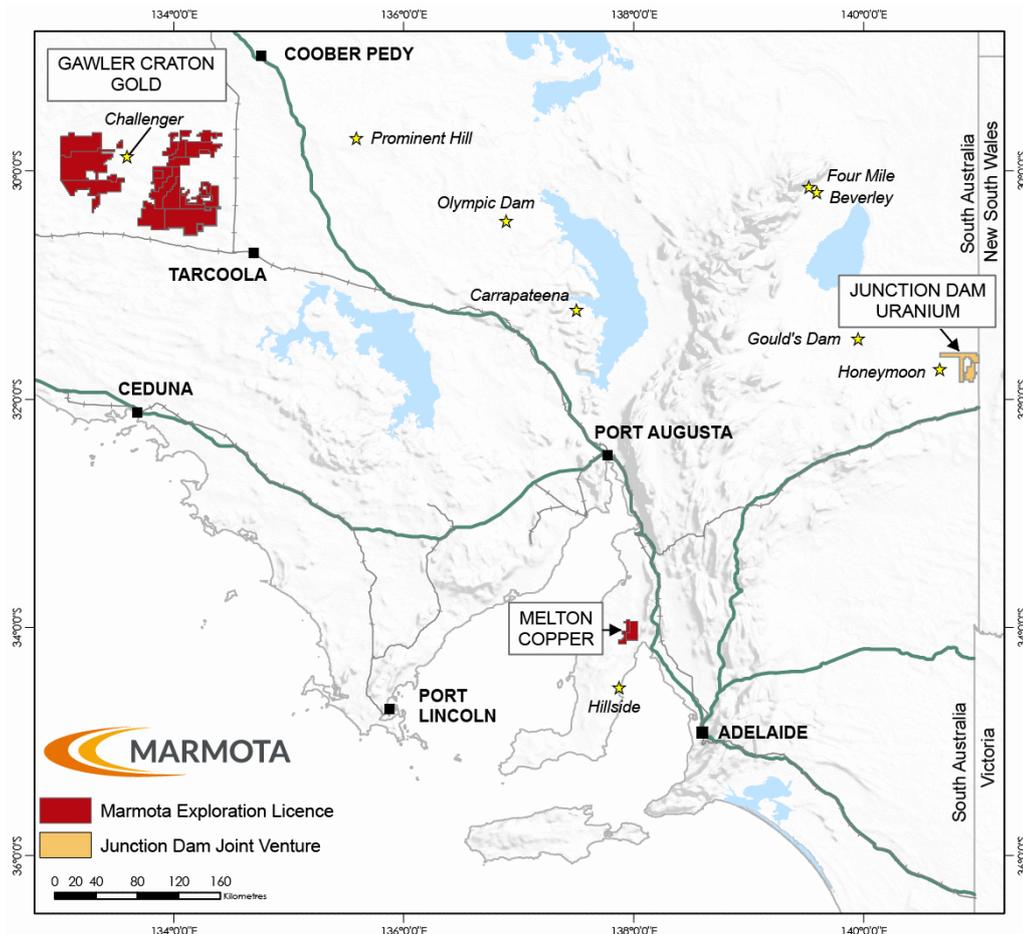


Figure 4: Location of Junction Dam

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.

Over the quarter:

1. The uranium price has risen significantly from around US\$25 per pound to over US\$30 per pound.
2. It is very much apparent that sentiment in the uranium sector has significantly improved, and continues to improve.
3. Boss Resources (ASX:BOE) – the owners of the Honeymoon plant approximately 15km away – appear to be making solid progress towards bringing the Honeymoon plant back into operation.

Marmota is particularly well-placed for an 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. The Board is watching this space with interest.

What is next?

Aurora Tank Gold

- Zones open – Next program already being planned**
 The new assay results have yielded high-grade gold intercepts on the current known extremes of the NW flank, to the North of the main body, and to the East of the main body. The next round of drilling is already being planned.
- Running in Parallel: expediting pathway to production**
 Marmota is seeking to actively advance Aurora Tank towards production, even while further drilling is carried out. The Board has decided to implement parallel paths: at the same time as further drilling is carried out to increase the known mineralised zone, the Company will simultaneously commence work on the various studies (including work required for regulatory approvals) that are necessary for the decision to mine and production approval process.

Significant changes to underlying fundamentals

- Marmota is in the fortunate position that *both* of its core underlying fundamentals – gold and uranium – have been rising. At the same time, the Company is in its strongest financial position in years, and no capital raisings are currently planned for the foreseeable future.
- The Board especially notes that gold prices have continued to rise. The following diagram plots the spot price of gold (in AUD) over the last 12 months, which has risen from A\$1,800 per ounce to around A\$2,700 per ounce.

1 Year Gold Price in AUD/oz



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 the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

For further information, please contact:

Marmota Limited

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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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MARMOTA LTD

ABN

38 119 270 816

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(2)	(61)
(e) administration and corporate costs	(17)	(169)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	19
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	(9)	(211)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(12)	(12)
(d) exploration & evaluation (if capitalised)	(361)	(907)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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)		
2.6	Net cash from / (used in) investing activities	(373)	(919)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		2,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	30	30
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(17)
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	27	2,513

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,120	1,382
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9)	(211)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(373)	(919)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	27	2,513
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,765	2,765

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	2,726	3,082
5.2	Call deposits	39	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)	2,765	3,120

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	13

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.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(9)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(361)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(370)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,765
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,765
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	7.5
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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	
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	
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	

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: 27 April 2020

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 2020)

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	West Melton	EL 5832	88		100%	Granted
Gawler Craton West Block	Indooroopilly	EL 5799	100		100%	Granted
	Lake Anthony	EL 6082	495		100%	Granted
	Mt Christie	EL 6123	466		100%	Granted
	Cudyea	EL 6348	110		100%	Granted
Gawler Craton NE Block	Aurora Tank	EL 6470	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	145		100%	Granted
	Mulgathing	EL 5759	652		100%	Granted
	Pundinya	EL 5684	435		100%	Granted
	Bradman	EL 6463	92		100%	Granted
	Carnding	EL 5861	53		100%	Granted
	Irria	EL 5930	406		100%	Granted
	Pegler	EL 5914	77		100%	Granted
Malbooma	EL 6371	178		100%	Granted	