

QUARTERLY ACTIVITY REPORT

JUNE QUARTER 2023

1. Aurora Tank: Discovery of new high-grade gold zone

During the quarter, Marmota announced [ASX:MEU 3 April 2023] the discovery of a new high-grade gold zone at Aurora Tank lying underneath the high-grade NW flank [see Figure 1].

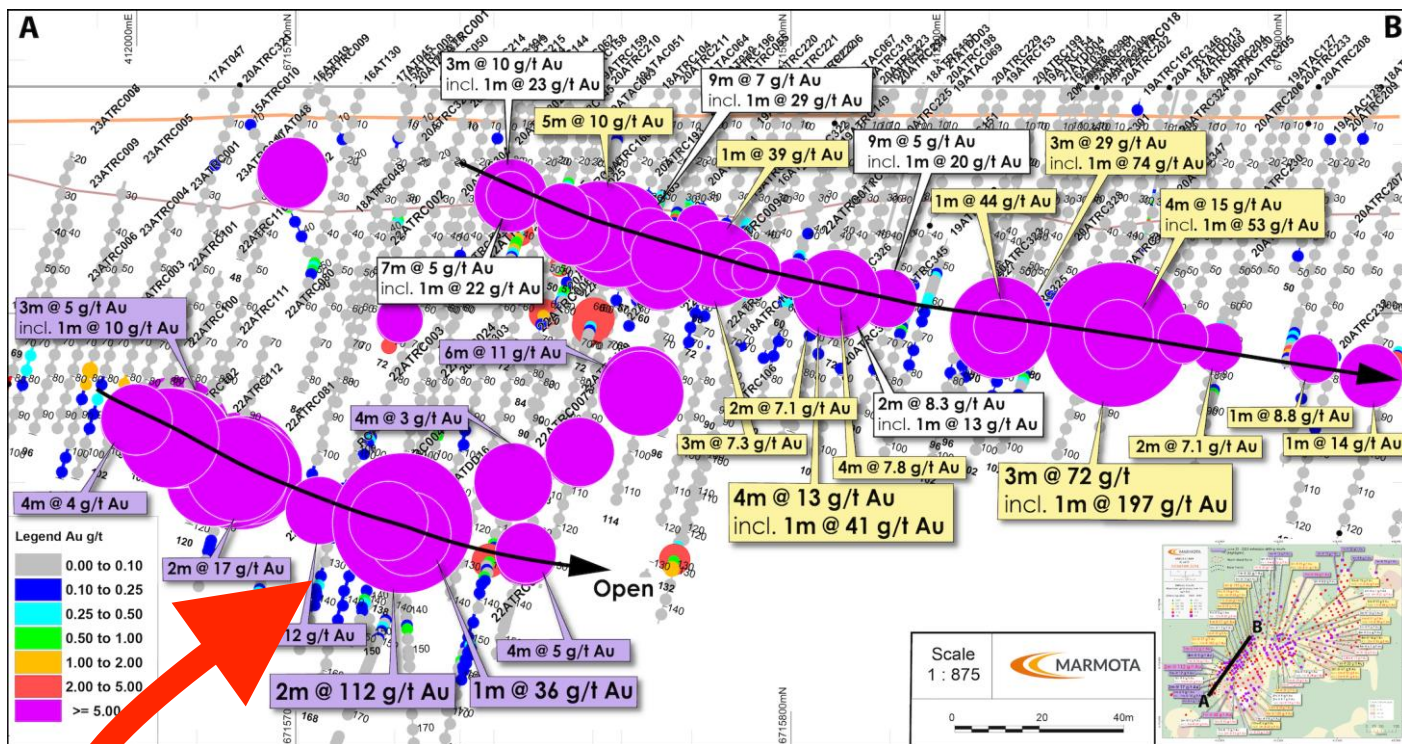


Figure 1: Schematic long-section through NW flank (top black arrow) + NEW high-grade ZONE (lower black arrow) discovered beneath the NW flank

A desirable feature of Aurora Tank is the prevalence of very high gold grades close to surface [typically just 20m to 50m from surface], with multiple intersections exceeding **100 g/t** gold over 1m.

In the previous program, Marmota intersected, for the first time, high grade gold at depths below 80m. In the new extensional program, the latter has blossomed into a new distinct separate high-grade zone featuring multiple high-grade intersections, including an outstanding intersection of **217 g/t** gold over 1m [Hole 22ATRC024] at approximately 102m from surface, surrounded by multiple high-grade intersections, all on trend. The new zone is open. For more detail, see ASX:MEU 3 April 2023.

2. Aurora Tank: **Diamond drilling completed**

During the quarter, Marmota commenced and successfully completed [[ASX:MEU 11 May & 30 May 2023](#)] diamond drilling at Aurora Tank. The purpose of the program was to re-drill diamond holes previously drilled in 2021 by GD Geodrill Australia Pty Ltd ('Geodrill') whose work unfortunately did not meet contractual quality or quantity requirements, whose rig was not fit for its intended purpose, and who had ongoing and repeated breakdowns, and repeated difficulties with softer weathered zones, resulting in Geodrill abandoning 5 of the 11 holes they attempted prior to reaching the planned/targeted zone/depth, and loss of between 22% and 33% of the core they drilled. Due to the significant core loss on the holes drilled by Geodrill (typically, shorter holes closer to surface) and related quality issues with their core, there was insufficient core for the intended metallurgical testing that was the primary purpose of that program. For more detail, see [ASX:MEU 14 April 2022](#).

All of these issues were rectified during the quarter by a new driller engaged by Marmota: new diamond holes in the same locations (or as close as possible) were successfully drilled by the new driller who did not experience problems completing them. The diamond program successfully completed with no holes abandoned, and with excellent core recoveries. Marmota is very pleased that the blockage to our important metallurgical testwork program has been removed, enabling the metallurgical testwork program to be carried out.



Figure 2: Sample core from diamond drilling during the quarter

3. Major Recon Program about to Commence

On 17 July 2023, Marmota announced a **major regional reconnaissance program** is about to commence. Marmota’s team has already departed Adelaide. Stage 1 Drilling is about to commence and anticipated to continue throughout August.

The program is likely to be Marmota’s largest regional reconnaissance program ever, with **multiple targets over multiple minerals** on a **multitude of tenements** across the Company’s substantial ~10,000 km² tenement package. **Figure 3** provides an overview of the multiple targets in Stage 1 of the program.

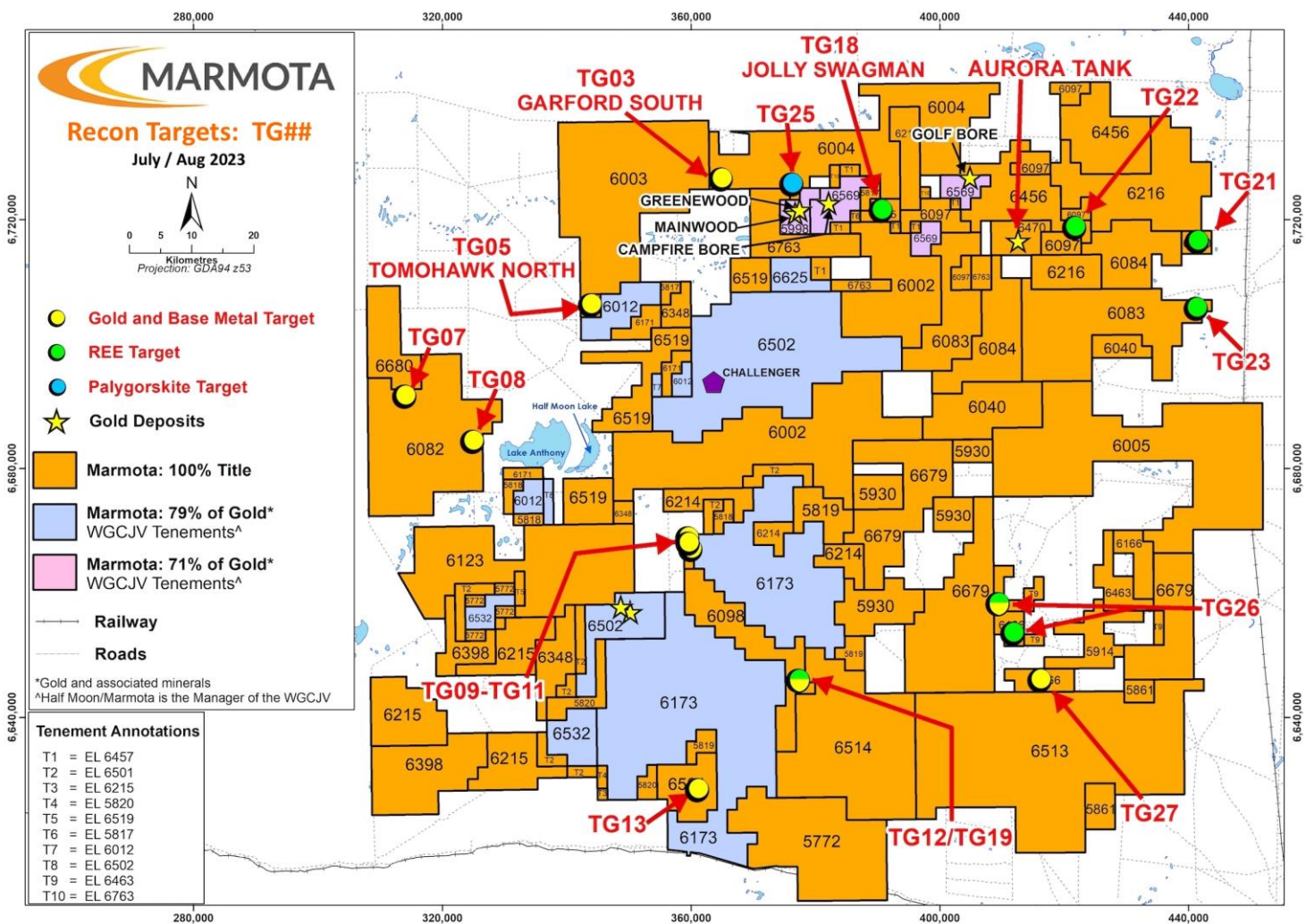


Figure 3: STAGE 1 Targets

PROGRAM: STAGE 1

- **AC holes:** 200 holes (may vary) ~ 7,000 m
- **RC holes:** 11 holes (may vary) ~ 1,000 m
- **Auger holes:** 130 holes (may vary) ~ 650 m

Marmota Chairman, Dr Colin Rose, said:

“ This is shaping up as our most interesting and exciting exploration program since Marmota’s gold discovery of Aurora Tank, with multiple targets over multiple tenements. The program – known internally as Project X – has been under development for more than a year and represents an enormous amount of work by Marmota’s exploration team.

The timing is also perfect, being carried out simultaneously just as the metallurgical testwork program for our flagship Aurora Tank gold deposit gets underway aimed at optimising the gold recoveries from low-cost open-pit heap leach mining there. ”

4. URANIUM Junction Dam EL6530 100% owned

1. During the quarter, uranium prices continued their upward momentum to over US\$56 per pound.

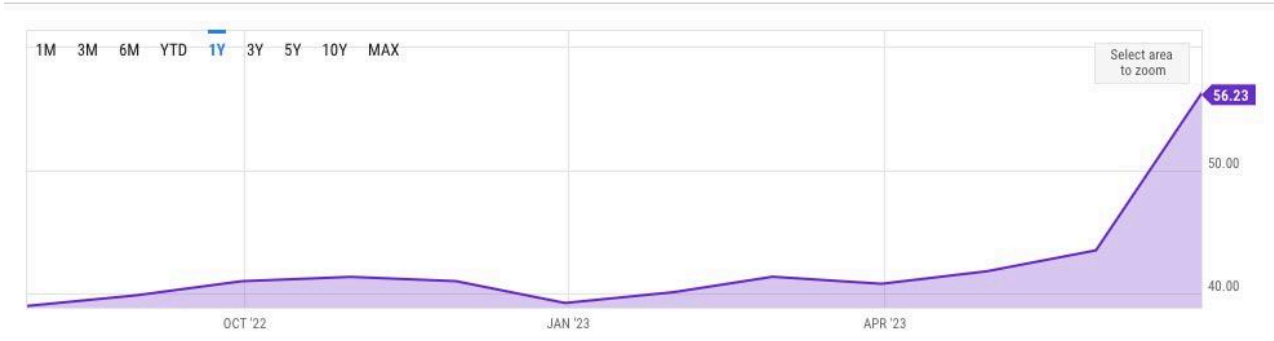


Figure 4: Spot uranium prices continued their upward resurgence during the quarter

2. Boss Energy (ASX:BOE) (market cap ~\$1 billion) – owners of the Honeymoon in-situ recovery (ISR) uranium mine on the immediately adjacent tenement – have just announced [ASX:BOE 25 July 2023] they are anticipating first uranium production in the December quarter of 2023, which will see Honeymoon become Australia’s third uranium producer.
3. According to their own feasibility studies, a larger resource would allow BOE to achieve economies of scale that lower the cost of production and extend mine life through development of satellite resources [cf. ASX:BOE 21 June 2021, 4 Aug 2021 (p.6), 2 Sept 2021].
4. Boss have also just announced commencement of their own exploration program, in particular at Jason’s (Boss’s highest grade uranium deposit), adjacent to Marmota’s NW target [see ASX:BOE 5 July 2023] with the aim to potentially expand Honeymoon’s production profile and extend current mine life.

Marmota already 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 Target¹ 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

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.

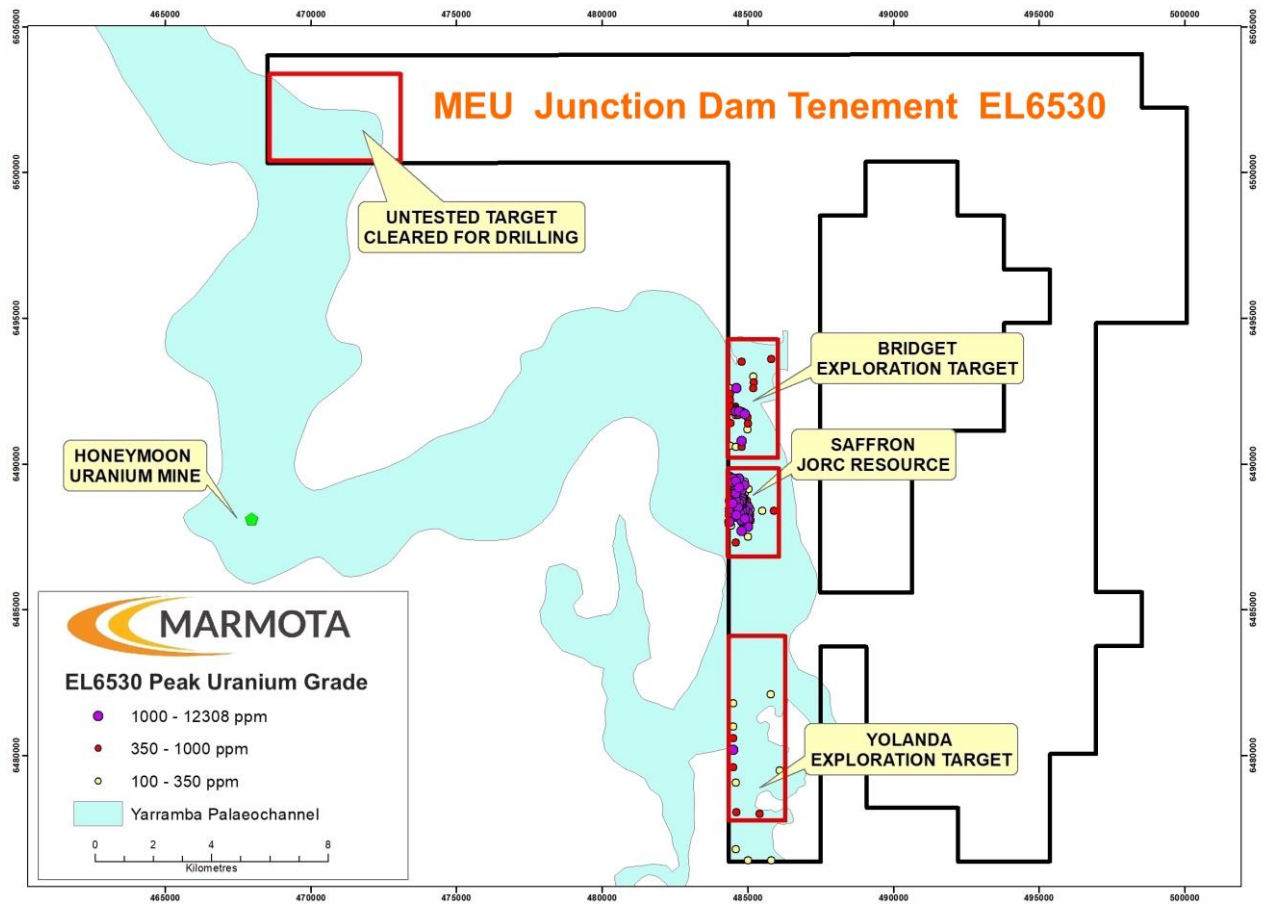


Figure 5: Junction Dam tenement – Peak Uranium Grades
– highlighting work so far on Bridget, Saffron and Yolanda areas

The Junction Dam uranium tenement (now 100% MEU) bookends both sides of the palaeochannel of the Boss Energy Ltd (ASX:BOE market cap ~ \$1 billion) Honeymoon uranium plant

5. Corporate

Marmota to commence Supreme Court Proceedings against Barton

Shortly after the end of the quarter, Marmota and its wholly owned subsidiary, Half Moon Pty Ltd ('Half Moon') issued a pre-action claim pursuant to Rule 61.7 of the *Uniform Civil Court Rules 2020* (SA) giving formal notice of the intent to commence proceedings in the Supreme Court of South Australia against Barton Gold Holdings Ltd ('Barton' ASX:BGD) and Barton's wholly owned subsidiary Challenger 2 Pty Ltd ('Challenger 2') [ASX:MEU 13 July 2023]

- Half Moon is the Manager and majority partner (78.84%) in the Western Gawler Craton Joint Venture ('WGCJV'). The WGCJV has existed since 2010 and includes the Sandstone JV which has existed since 1995.
- As of 31 March 2023, more than \$9.5 million has been contributed by the relevant parties to the WGCJV, and which has already given rise to the discovery of 6 gold deposits with confirmed gold JORC resources.
- The percentage ownership of the WGCJV and respective contributions are as follows:
 - **Half Moon:** 78.84%, contribution to 31 March 2023 of: \$7,527,046
 - **Challenger 2:** 21.16%, contribution to 31 March 2023 of: \$2,020,530

Half Moon and/or Marmota have given formal notice of their intent to issue proceedings against Challenger 2 and/or Barton in the Supreme Court of South Australia, seeking orders including:

- 1.1 A declaration that Challenger 2 is in default of the WGCJV Agreement.
- 1.2 An order for specific performance of the WGCJV Agreement by Challenger 2, including the grant of access to the Manager (Half Moon), execution of the PEPR and any other related documents required to implement any approved Programs of the Operating Committee, or as otherwise provided for by the WGCJV Agreement.
- 1.3 Damages as a result of Challenger 2's breaches of the WGCJV Agreement including damages relating to opportunity cost of capital, damages due to delay, and damages due to current or future mandatory reductions consequent on the conduct of Barton and/or Challenger 2.
- 1.4 Declarations regarding the gold that has been appropriated, mined or sold by Challenger 2 and/or Barton (or its predecessors in title) that is the property of the WGCJV.
- 1.5 An order for specific performance of the WGCJV Agreement by Challenger 2 to carry out the outstanding rehabilitation it is responsible for under the WGCJV.
- 1.6 Costs.

Marmota Chairman, Dr Colin Rose, said:

“ Barton / Challenger 2 have been artificially delaying / frustrating the unanimously approved exploration programs of the WGCJV for over a year, by denying access to the Manager of the WGCJV (Half Moon). Marmota is taking the necessary steps to clear these artificial blockages and seek commensurate damages for both the above and to resolve the quantum of compensation for any gold that was mined from WGCJV ground.”

What is next?

Aurora Tank Gold

- Metallurgical testwork program commencing.
- Full suite of tests aimed at optimising heap leach gold recoveries.
- Essential component to transition Marmota's gold discovery at Aurora Tank to production via open-pittable low-cost low capex heap leach methods.

Major Recon program

- Marmota's exploration team already arrived on site.
- Drilling about to commence.
- Multiple targets, multiple minerals, multiple tenements
- Marmota's largest recon program ever.

Uranium

- For all the reasons outlined above!

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 (\$351K on exploration). Details are provided in the attached Appendix 5B. During the quarter, related party expenses were: executive directors salaries (\$52K), 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.

ASX: **MEU**

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.

Follow Marmota on Twitter at: twitter.com/MarmotaLimited

For further information, please contact:

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About Marmota Limited

Marmota Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's copper project is based at the Melton project on the Yorke Peninsula. The Company's uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: www.marmota.com.au

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MARMOTA LTD

ABN

38 119 270 816

Quarter ended ("current quarter")

30 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(42)	(146)
(e) administration and corporate costs	(67)	(302)
1.3 Dividends received (see note 3)		
1.4 Interest received	84	111
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	(25)	(337)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(4)	(65)
(d) exploration & evaluation	(351)	(1,714)
(e) investments		
(f) other non-current assets	-	(70)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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)	47	47
2.6 Net cash from / (used in) investing activities	(308)	(1,802)

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	-	(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)	(37)
3.10 Net cash from / (used in) financing activities	(10)	4,033

Appendix 5B
Mining exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	4,393	2,156
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(25)	(337)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(308)	(1,802)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	4,033
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,050	4,050

5. Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
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	4,012	4,355
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)	4,050	4,393

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	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	42

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.

Appendix 5B
Mining exploration entity quarterly cash flow report

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)	(25)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(308)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(333)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,050
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,050
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.2
	<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	
	<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: 28 July 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 30 June 2023)

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