

COMPLIANCE STATEMENTS

DISCLAIMER

This Annual Report contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.

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.

EXPLORATION TARGETS

Exploration Targets are reported according to Clause 18 of the JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.

COMPETENT PERSON

The information in the Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr 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 the report of the matters based on this information in the form and context in which it appears.

ANNUAL GENERAL MEETING (in Sydney)

Shareholders are invited to attend the Marmota 2023 AGM:

Venue: BDO
Level 11
1 Margaret Street
Sydney, NSW 2000

Time: Thursday **23 November 2023** at 3 pm (Sydney time)

Full details are contained in the Notice of Meeting available online.



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ASX: **MEU**



CHAIRMAN'S REPORT

Dear Fellow Shareholder

It is with considerable pleasure that we present the Marmota Ltd 2023 Annual Report.

- **GOLD: Bonanza gold grades + best ever intersections**

During the financial year, extensional drilling at Aurora Tank [ASX:MEU 31 Oct 2022] yielded bonanza grades including Marmota's new best ever gold result with **217 g/t gold** over 1m among a string of new high-grade gold extensions. This is the fifth time and fifth area at Aurora Tank that Marmota has intersected grades of ~100 g/t gold (or more) over 1m at Aurora Tank. It is now clear that the outstanding high grades at Aurora Tank occur not just conveniently close to surface, but also extend deeper into fresh rock. In follow-up drilling, Marmota was delighted to announce [ASX:MEU 3 April 2023] the discovery of a contiguous new high-grade zone at Aurora Tank lying underneath the high-grade NW flank.

Production pathway

We are equally delighted to get the metallurgical testwork program underway. It is an essential component to transition Marmota's gold discovery at Aurora Tank to production via open-pittable low-cost low capex heap leach methods. It will comprise a full suite of tests aimed at optimising heap leach recoveries of gold.

- **Uranium Resurgent: Junction Dam**

As we go to press, Marmota was excited to announce [ASX:MEU 26 Oct 2023] its decision to re-commence exploration at its Junction Dam uranium project, **to substantially grow the Company's uranium resource**. This is particularly meaningful as Marmota started life exclusively as a very successful uranium explorer.

The global energy crisis and concerns over climate change have seen a resurgence in the uranium market. Marmota is perfectly placed (a) already holding a substantial uranium JORC resource on the 100% owned Junction Dam tenement, and (b) located on the tenement immediately adjacent to the Boss Energy Ltd ('Boss') Honeymoon in-situ recovery (ISR) uranium mine which is one of only 4 permitted uranium mines in Australia.

The Honeymoon plant is currently set to start production in or around December 2023; the Boss market cap is currently over \$1.5 billion with obvious implications for the value of Marmota's adjacent uranium JORC resource. Marmota's Junction Dam tenement bookends both sides of the palaeochannel of the Boss Honeymoon uranium plant. The market is only beginning to become aware of Marmota's uranium JORC resource; the Board expects that to change with the resumption of Marmota's uranium program, for the clear benefit of our shareholders.

- **RARE EARTH Elements and Project X**

Marmota has highlighted multiple REE targets over multiple tenements as part of its recent Project X regional drilling program. Drilling started shortly after the end of the financial year [ASX:MEU 1 Aug 2023, 20 Sept 2023]. The Company is looking forward to receiving the first assay results from same.

- **Corporate**

During the financial year, the Company raised over \$4 million [\$4,172,122 before costs] via placement to sophisticated investors at 5.3c per share, replenishing the Company's cash position. The Company is very grateful for the support of our shareholders.

- **AGM in Sydney**

For the first time, we are holding the AGM in Sydney, to make the AGM accessible to many shareholders who have previously not had an opportunity to attend. We very much look forward to meeting and welcoming many new shareholders on 23 November 2023.

In summary

In the last year, the Company has seen significant improvement in every core space within which it operates: with highest ever gold grades at Aurora Tank (including, for the first time, continuing at depth), and with the resurgence of uranium having the potential to dramatically increase the company's fortunes. The discovery of high-value magnet Rare Earths adds an exciting third dimension.

In particular, the Junction Dam Uranium Resource is one of the most exciting uranium deposits in South Australia. The future for Marmota looks very promising with both Aurora Tank gold and Junction Dam uranium showing the potential to be outstanding deposits accompanied by strongly resurgent fundamentals.

We very much look forward to the year ahead!



Dr Colin Rose
Chairman



REVIEW OF OPERATIONS

GOLD

RARE EARTHS

URANIUM

COPPER

Gawler Craton

Gawler Craton

Junction Dam

Melton

NW of Tarcoola, SA

NW of Tarcoola, SA

NW of Broken Hill (in SA)

Yorke Peninsula, SA

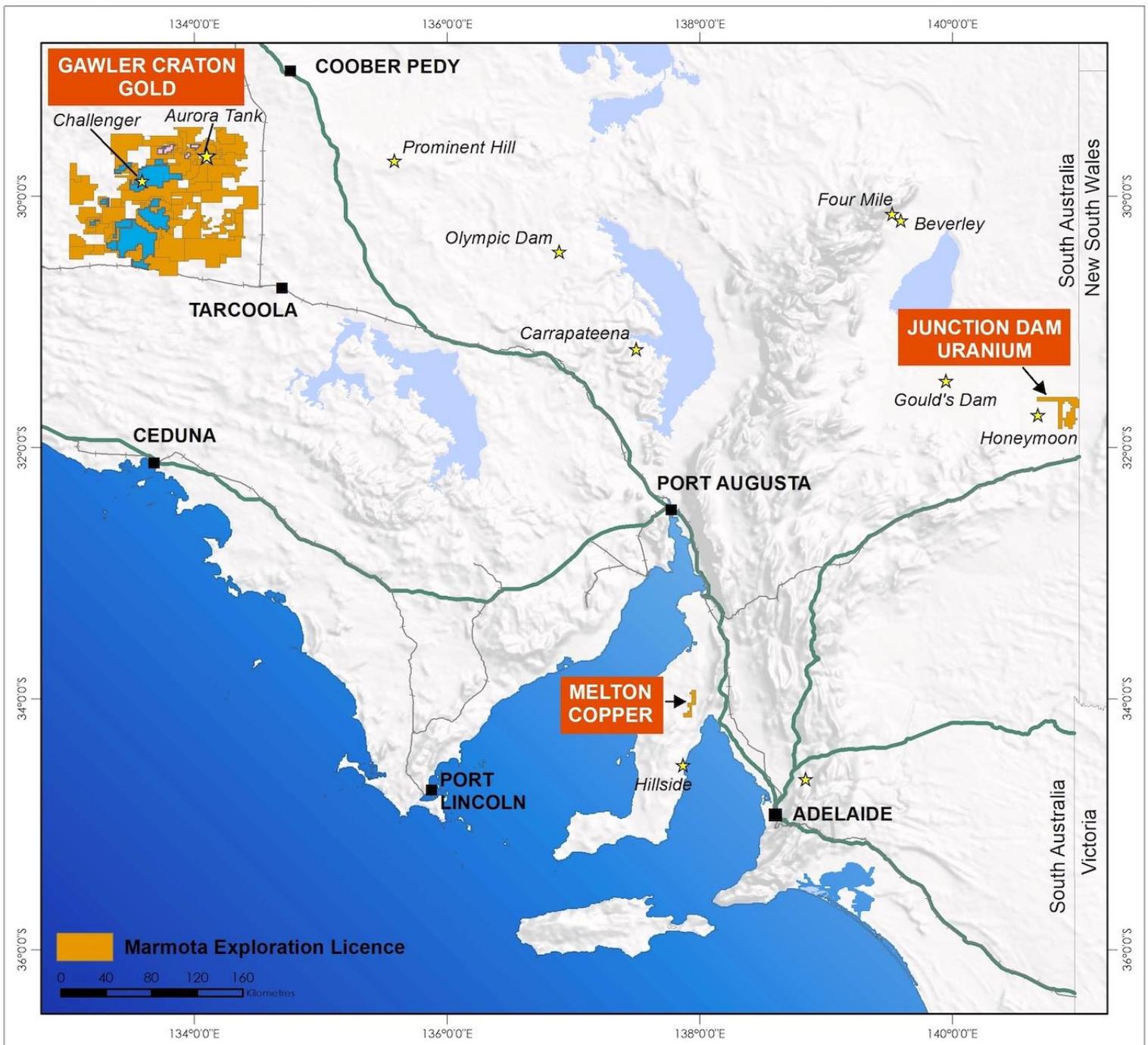


Figure 1: Map showing Marmota's 100%-owned tenements

TENEMENT STATUS

(as at 30 September 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 (km2)	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

* **BLUE** tenements: Gold rights increase from 78.84% to 100% (effective 9 November 2023)

† **PINK** tenements: Gold rights increase from 70.96% to 90% (effective 9 November 2023)

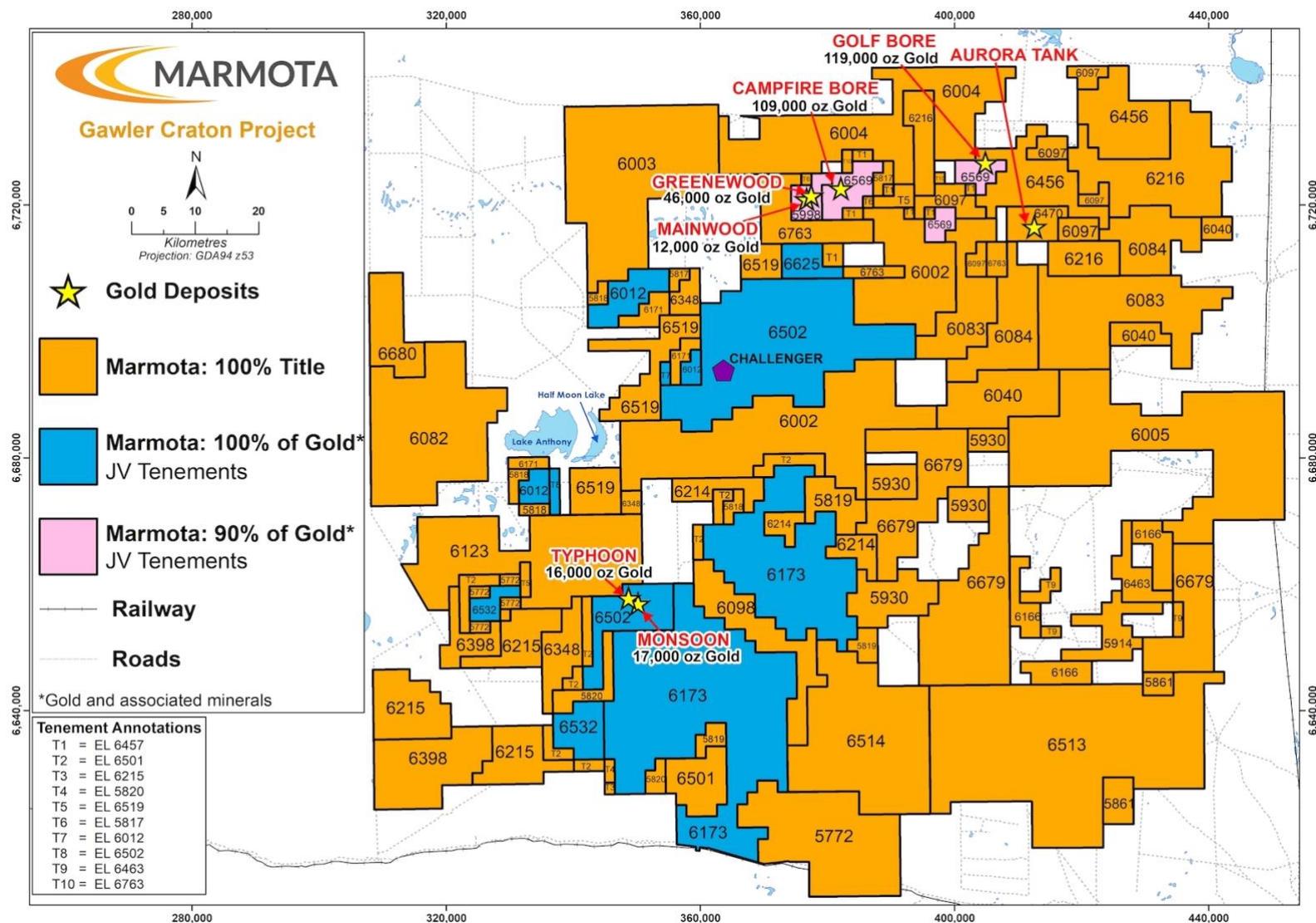


Figure 2: Marmota's Gawler Gold Tenements and % Gold interests (effective 9 November 2023)



Figure 3: Drilling at Aurora Tank gold discovery during FY23

AURORA TANK Gold 100% owned

Bonanza gold grades

New high-grade zone discovered

Marmota was delighted to discover [see ASX:MEU 3 April 2023] a new high-grade gold zone at Aurora Tank lying underneath the high-grade NW flank [see Figure 4].

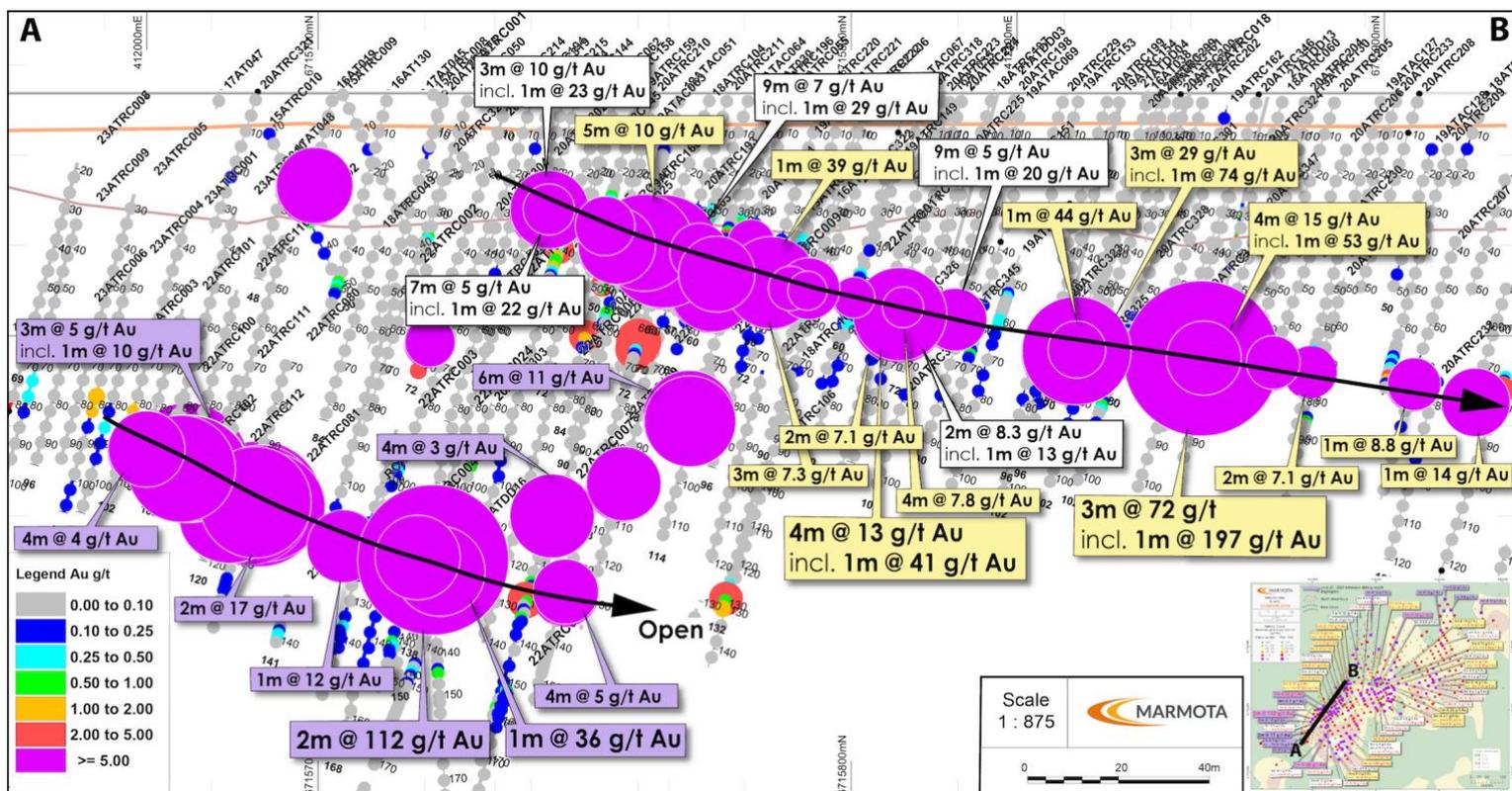


Figure 4: Schematic long-section through NW flank (see top black arrow) + high-grade NEW ZONE (see lower black arrow) discovered beneath the NW flank

High grades continue into fresh rock

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 new extensional drilling, Marmota announced [ASX:MEU 3 April 2023] the discovery of a contiguous new high-grade zone at Aurora Tank lying underneath the high-grade NW flank. It is now clear that the outstanding high grades at Aurora Tank occur not just conveniently close to surface, but also extend deeper into fresh rock.

Best ever grades

Extension drilling at Aurora Tank [ASX:MEU 31 Oct 2022, 3 April 2023] yielded Marmota's new best ever gold result with **217 g/t gold** over 1m (at approximately 103m from surface) among a string of new high-grade gold extensions. Marmota has now intersected grades of ~ **100 g/t gold** (or more) over 1m, in 5 distinct areas at Aurora Tank:

Grade	Location	Depth from Surface	Hole ID	Date of Result
93 g/t	Central east zone	28 m	17ATAC021	ASX:MEU 4 Sept 2017
105 g/t	Bottom of NW flank	33 m	18ATRC104	ASX:MEU 7 May 2019
120 g/t	South zone	18 m	19ATAC049	ASX:MEU 19 Sept 2019
197 g/t	extension to NW flank	57 m	20ATRC324	ASX:MEU 4 Feb 2021, 22 Feb 2022
217 g/t	extension to SW	103 m	22ATRC024	ASX:MEU 29 Sept 2022

Figure 5 illustrates these results (table above) and the different zones:

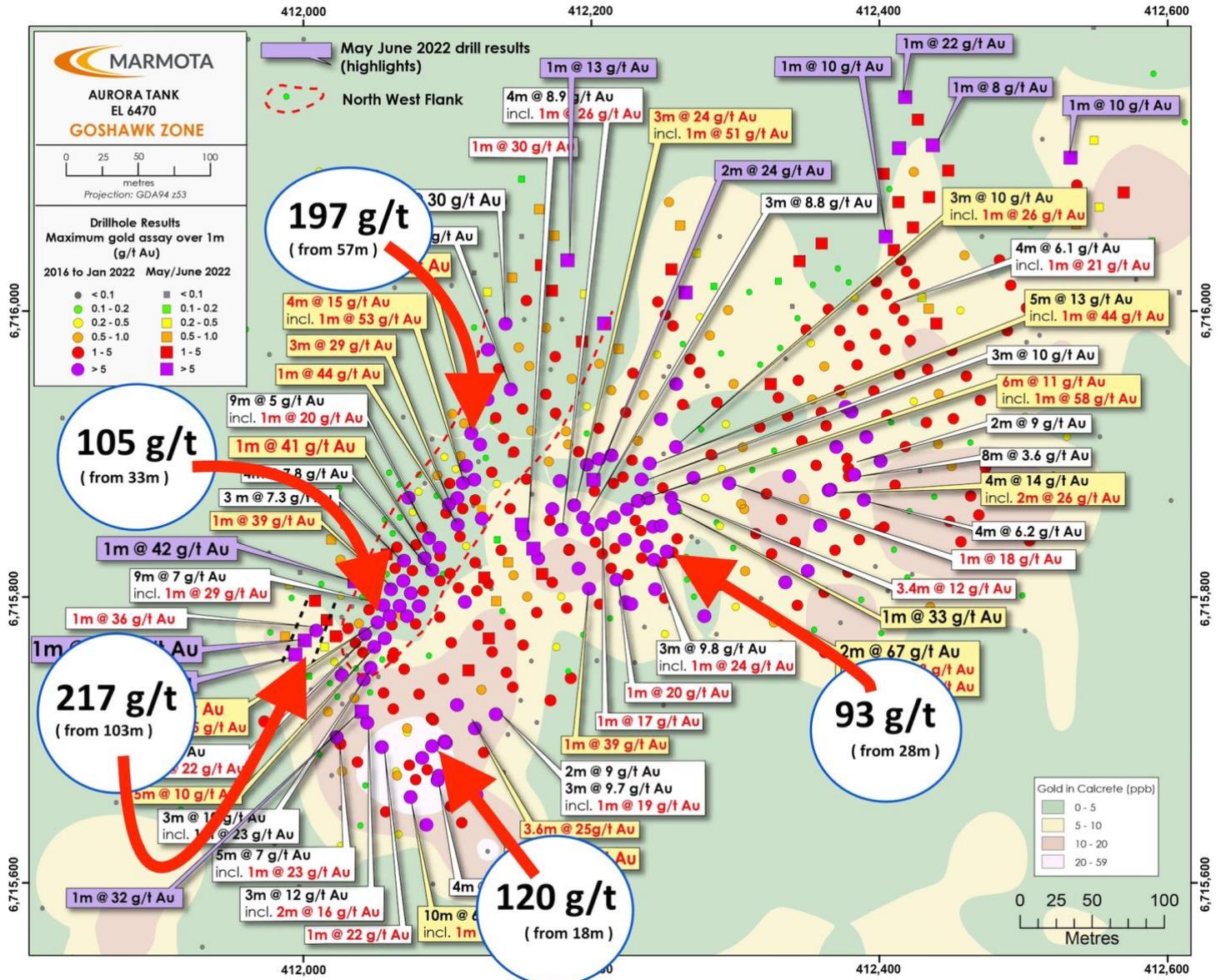


Figure 5: Aurora Tank: location and grade of best intersections over 1m (circled)

Aurora Tank Outstanding intersections (close to surface)

Summary Highlights [to 30 September 2023]

▪	2m at	112 g/t	gold	from 117m	– Hole 22AT024	(incl	1m @ 217g/t	from 118m)
▪	3m at	72 g/t	gold	from 66m	– Hole 20AT324	(incl	1m @ 197 g/t	from 66m)
▪	2m at	67 g/t	gold	from 32m	– Hole 17AT021	(incl	1m @ 93 g/t	from 32m)
▪	3m at	41 g/t	gold	from 21m	– Hole 19AT049	(incl	1m @ 120 g/t	from 21m)
▪	5m at	27 g/t	gold	from 38m	– Hole 18AT104	(incl	1m @ 105 g/t	from 38m)
▪	3m at	29 g/t	gold	from 63m	– Hole 20AT200	(incl	1m @ 74 g/t	from 64m)
▪	3m at	25 g/t	gold	from 29m	– Hole 21ATDD1	(incl	1m @ 36 g/t	from 31m)
▪	3m at	24 g/t	gold	from 34m	– Hole 18AT065	(incl	1m @ 51 g/t	from 35m)
▪	4m at	15 g/t	gold	from 67m	– Hole 19AT162	(incl	1m @ 53 g/t	from 69m)
▪	4m at	13 g/t	gold	from 54m	– Hole 20AT224	(incl	1m @ 42 g/t	from 55m)
▪	6m at	11 g/t	gold	from 40m	– Hole 18AT074	(incl	1m @ 58 g/t	from 44m)
▪	6m at	11 g/t	gold	from 77m	– Hole 22AT025	(incl	1m @ 42 g/t	from 77m)
▪	5m at	13 g/t	gold	from 41m	– Hole 17AT022	(incl	1m @ 44 g/t	from 45m)
▪	4m at	14 g/t	gold	from 32m	– Hole 17AT011	(incl	1m @ 42 g/t	from 33m)
▪	4m at	10 g/t	gold	from 25m	– Hole 16AT043	(incl	1m @ 39 g/t	from 27m)
▪	9m at	7.5g/t	gold	from 41m	– Hole 20AT201	(incl	1m @ 29 g/t	from 49m)
▪	2m at	24 g/t	gold	from 42m	– Hole 22AT034	(incl	1m @ 28 g/t	from 43m)
▪	2m at	20 g/t	gold	from 46m	– Hole 19AT065	(incl	1m @ 39 g/t	from 47m)
▪	2m at	21 g/t	gold	from 120m	– Hole 20AT303	(incl	1m @ 36 g/t	from 120m)
▪	2m at	17 g/t	gold	from 100m	– Hole 22AT080	(incl	1m @ 22 g/t	from 101m)
▪	3m at	10 g/t	gold	from 28m	– Hole 18AT070	(incl	1m @ 24 g/t	from 29m)
▪	3m at	12 g/t	gold	from 29m	– Hole 17AT045	(incl	1m @ 20 g/t	from 30m)
▪	3m at	11 g/t	gold	from 22m	– Hole 16AT019	(incl	1m @ 23 g/t	from 22m)
▪	3m at	10 g/t	gold	from 58m	– Hole 18AT120	(incl	1m @ 26 g/t	from 59m)
▪	3m at	10 g/t	gold	from 22m	– Hole 17AT035	(incl	1m @ 19 g/t	from 23m)
▪	3m at	10 g/t	gold	from 28m	– Hole 20AT144	(incl	1m @ 23 g/t	from 28m)
▪	10m at	6 g/t	gold	from 17m	– Hole 17AT042	(incl	1m @ 42 g/t	from 18m)
▪	9m at	5 g/t	gold	from 52m	– Hole 20AT198	(incl	1m @ 20 g/t	from 52m)
▪	4m at	9 g/t	gold	from 28m	– Hole 17AT026	(incl	1m @ 26 g/t	from 31m)
▪	3m at	12 g/t	gold	from 44m	– Hole 21ATDD14			
▪	1m at	47 g/t	gold	from 35m	– Hole 19AT051			
▪	1m at	44 g/t	gold	from 45m	– Hole 20AT199			
▪	1m at	33 g/t	gold	from 45m	– Hole 20AT167			
▪	1m at	32 g/t	gold	from 32m	– Hole 22AT001			
▪	1m at	30 g/t	gold	from 17m	– Hole 17AT029			
▪	1m at	30 g/t	gold	from 82m	– Hole 20AT313			
▪	1m at	22 g/t	gold	from 75m	– Hole 22AT067			
▪	1m at	23 g/t	gold	from 35m	– Hole 16AT061			
▪	1m at	20 g/t	gold	from 17m	– Hole 17AT024			
▪	1m at	22 g/t	gold	from 20m	– Hole 17AT044			

Note: The depths recorded in the above table are all downhole depths.

Since the holes are angled, the true depth from surface is *closer* to the surface.

True Depth from surface = $\sin(-60^\circ) \times (\text{Depth in table})$, where $\sin(-60^\circ) \approx 0.87$.

Aurora Tank (Goshawk): Marmota Drill Program Summary

Date	Number of Drill Holes	Metres
September 2016	98 angled AC	4,385 m
December 2016	31 angled RC	2,604 m
June – July 2017	48 angled AC	2,299 m (at Goshawk)
November 2017	6 angled diamond core	186 m
April – May 2018	41 angled RC	3,538 m (at Goshawk)
September 2018	24 angled RC	2,795 m (at Goshawk)
June 2019	64 angled AC	3,300 m (at Goshawk)
Dec 2019 – Jan 2020	64 angled RC	5,508 m (at Goshawk)
July – Sept 2020	130 angled RC	12,145 m (at Goshawk)
July – Oct 2021	16 angled diamond core	1,247 m
May – June 2022	79 angled RC	10,414 m
Oct 2022 / Feb 2023	61 angled RC	5,572 m
May 2023	10 diamond core (re-drill)	651m (from surface)
Total	~ 672 holes	~ 54,600 m



Figure 6: RC drilling underway at Aurora Tank during the financial year

Aurora Tank **Production pathway**

In May 2023 [ASX:MEU [11 May](#) & [30 May 2023](#)], Marmota re-drilled the diamond holes previously drilled in 2021 by GD Geodrill Australia Pty Ltd ('Geodrill') whose work unfortunately did not meet contractual quality or quantity requirements, and whose rig was not fit for its intended purpose. Marmota is very pleased that all of these previous problems were rectified during the final quarter of the financial year by a new driller engaged by Marmota: the diamond program successfully completed, now with no holes abandoned, and with excellent core recoveries. The blockage to our important metallurgical program has now been removed, enabling the metallurgical testwork program to be commenced.

The metallurgical testwork is an essential component to transition Marmota's gold discovery at Aurora Tank to production via open-pittable low-cost low capex heap leach methods, and it will comprise a full suite of tests aimed at optimising heap leach recoveries of gold.



Figure 7: Diamond core being pumped out of the drilling rods at Aurora Tank (May 2023)

Western Gawler Craton Joint Venture **WGCV**

Marmota is the manager and majority partner in the Western Gawler Craton Joint Venture (WGCV) by virtue of its acquisition of Half Moon Pty Ltd (the latter acquired as part of the Jumbuck gold transaction). Within the Joint Venture area, there is an existing JORC Resource of 319,000 ounces gold (see Resource Estimates Table below), most of which is located on tenements near Aurora Tank.

Resource Estimates

Table 1. Jumbuck Project Mineral Resource Estimates May 2018 - 0.5g/t cut-off grade

Deposit 0.5 g/t cut-off grade	Indicated Resources			Inferred Resources			Total Mineral Resources		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
Golf Bore	0.57	1.0	18	3.22	1.0	100	3.79	1.0	119
Campfire Bore	-	-	-	2.78	1.2	109	2.78	1.2	109
Greenwood	0.14	1.4	7	0.75	1.6	39	0.90	1.6	46
Monsoon	-	-	-	0.61	0.8	17	0.61	0.8	17
Typhoon	-	-	-	0.27	1.9	16	0.27	1.9	16
Mainwood	-	-	-	0.35	1.1	12	0.35	1.1	12
Total	0.74	1.1	25	7.99	1.1	294	8.70	1.1	319

*The figures in these tables are rounded to reflect the precision of the estimates and include rounding errors.

Source: ASX:TYX 30 May 2018

Subsequent to the end of the financial year:

1. Marmota and Half Moon issued a pre-action claim pursuant to Rule 61.7 of the *Uniform Civil Court Rules 2020* (SA) [ASX:MEU 13 July 2023], 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'), including relating to their attempts to frustrate the WGCV.
2. On 31 August 2023, Challenger 2 issued a Notice of Withdrawal from the WGCV (effective 9 November 2023).

The consequence of the above is that, effective 9 November 2023, Marmota's ownership of the gold rights over JV tenements in [Figure 2](#) increase as follows:

- **BLUE** tenements: Gold rights increase from 78.84% to 100%
- **PINK** tenements: Gold rights increase from 70.96% to 90%

RARE EARTH Discovery

Marmota’s first ever reconnaissance program for rare earth elements (REE) yielded a new REE discovery at Muckanippie: [ASX:MEU 20 March 2023]

- **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:

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

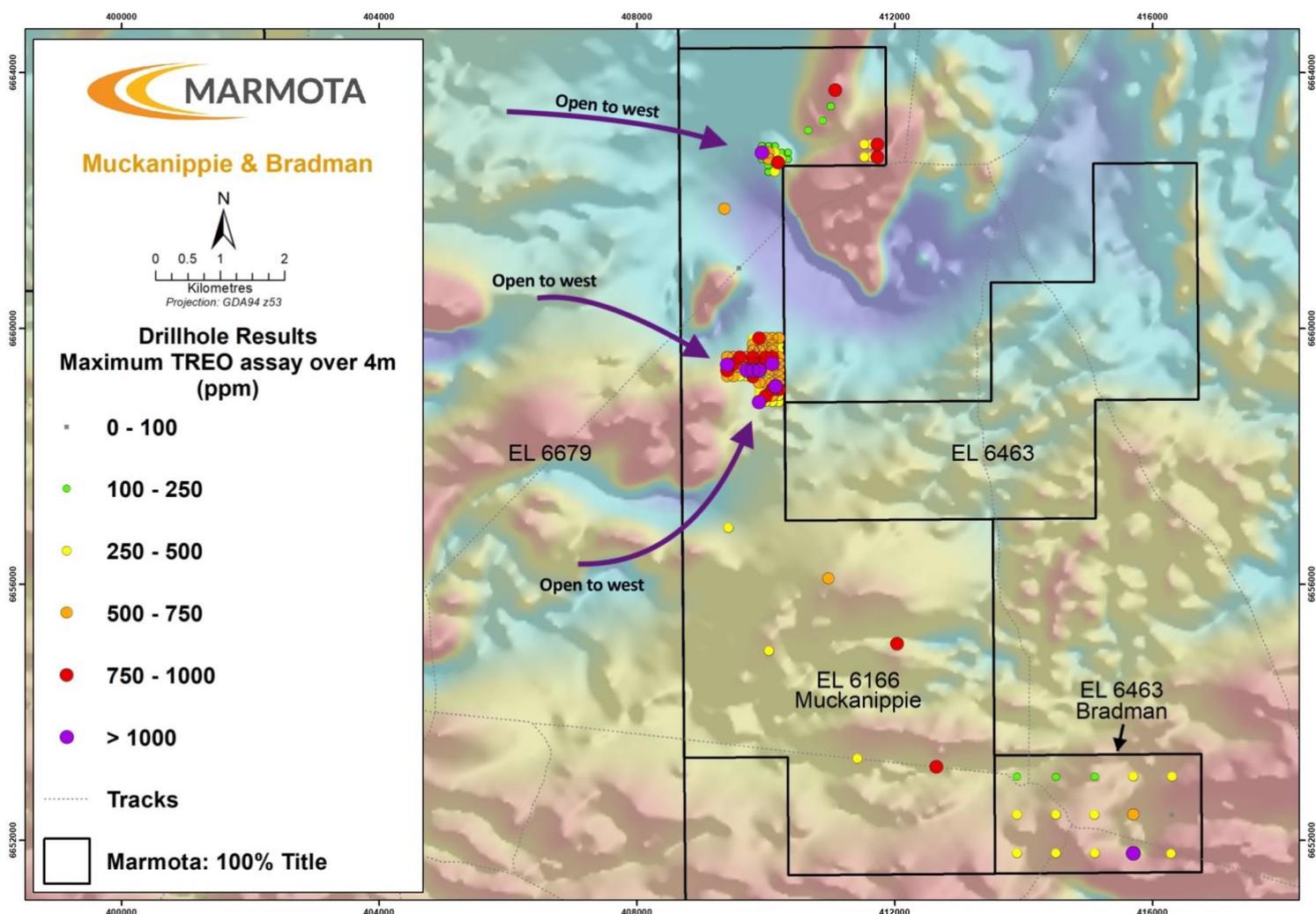


Figure 10: Muckanippie – Plan Overview of Recon Program (Best downhole TREO results on TMI background)

Advantages of ionic clay hosted REE

- China dominates global REE mining and processing: most of its supply comes from ionic clay-hosted deposits
- Low-cost rapid exploration
- Low operating costs (soft material, no blasting required, minimal stripping)
- Relatively simple processing plant compared to hard rock deposits (no crushing or milling)
- Non-radioactive tailings

Broader Implications

- This is the first of 4 highly prospective REE target areas that Marmota has identified within its tenements.
- Marmota is fortunate to hold tenure over the majority of the large area of the Mulgathing Complex metamorphic rocks surrounding the new discoveries.
- The close-to-surface regolith-hosted deposits offer great potential, and together with the results of others, show the presence of an emerging and large new REE province in which Marmota is ideally placed.

“ This is a style of exploration that suits Marmota particularly well: rapid, close to surface, inexpensive, and with considerable upside potential for our shareholders. ”

Project X

Shortly after the end of the financial year [ASX:MEU 1 Aug 2023, 20 Sept 2023], Marmota commenced its 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 11 provides an overview of the multiple targets in Stage 1 of the program.

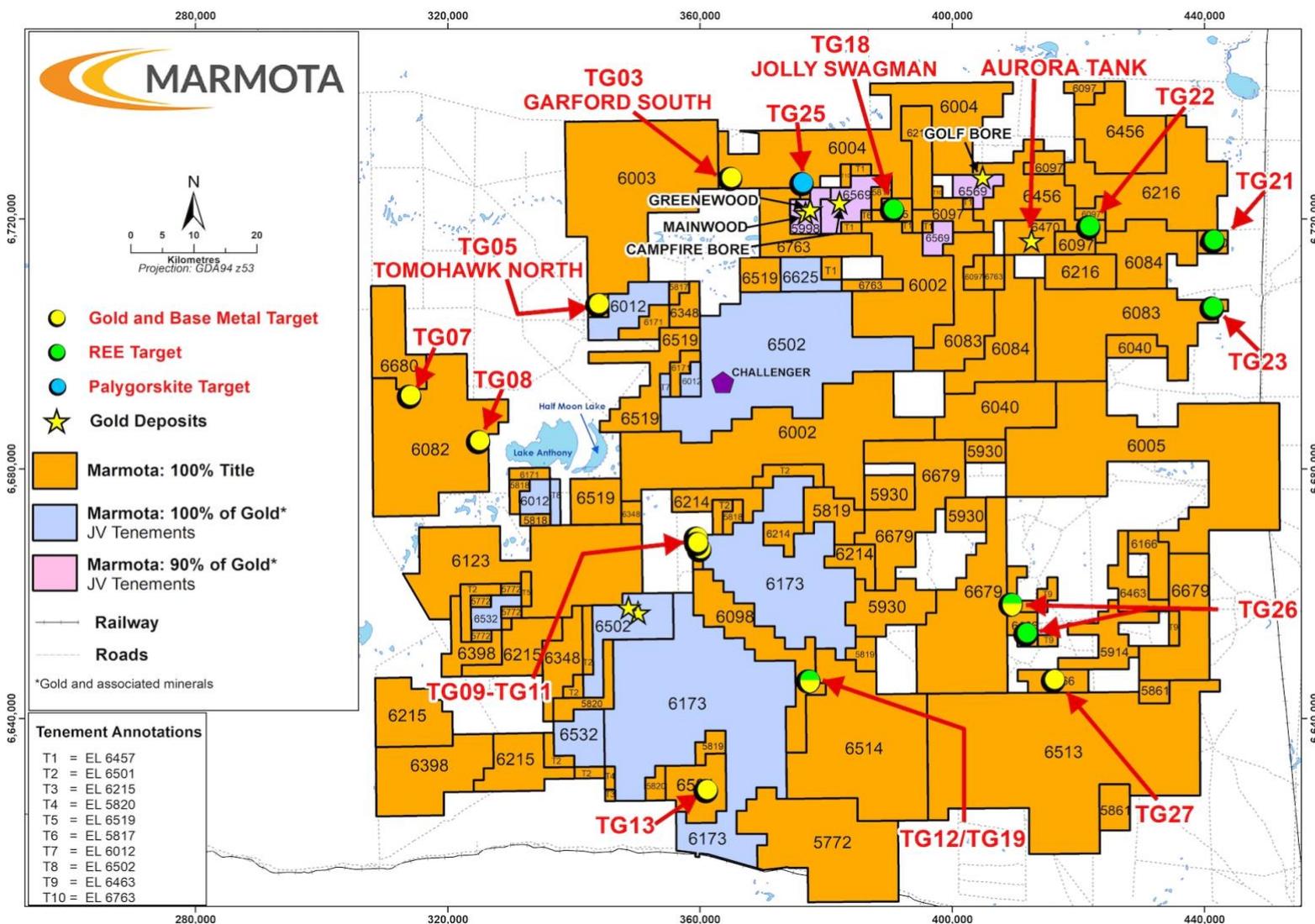


Figure 11: Project X – Stage 1 TARGETS

Stage 1 AC Drilling has already completed on:

Target Number	Objective
● Target 5 <i>Tomohawk North</i>	Gold
● Target 3 <i>Garford South</i>	Gold
● Target 25	Palygorskite
● Target 18 <i>Jolly Swagman</i>	REE (rare earth elements)
● Target 22	REE
● Target 21 <i>Manna From Heaven</i>	REE
● Target 23 <i>More Manna</i>	REE
● Target 12	Gold and REE
● Target 19	Gold and REE
● Target 9	Gold
● Target 10	Gold

[see targets clockwise from TOP LEFT in **Figure 11**]

Project X AC drilling total to date: ~ 7,010m AC (258 holes)

Samples from the above targets have been delivered to the laboratory for assaying.

Marmota Chairman, Dr Colin Rose, said:

“ This is shaping up as our most interesting and exciting exploration program since Marmota’s gold discovery at 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. ”

URANIUM Junction Dam

As this Annual Report went to press, Marmota was excited to announce its decision [[ASX:MEU 26 October 2023](#)] to re-commence exploration at its Junction Dam Uranium Project to **substantially grow the Company's uranium resource.**

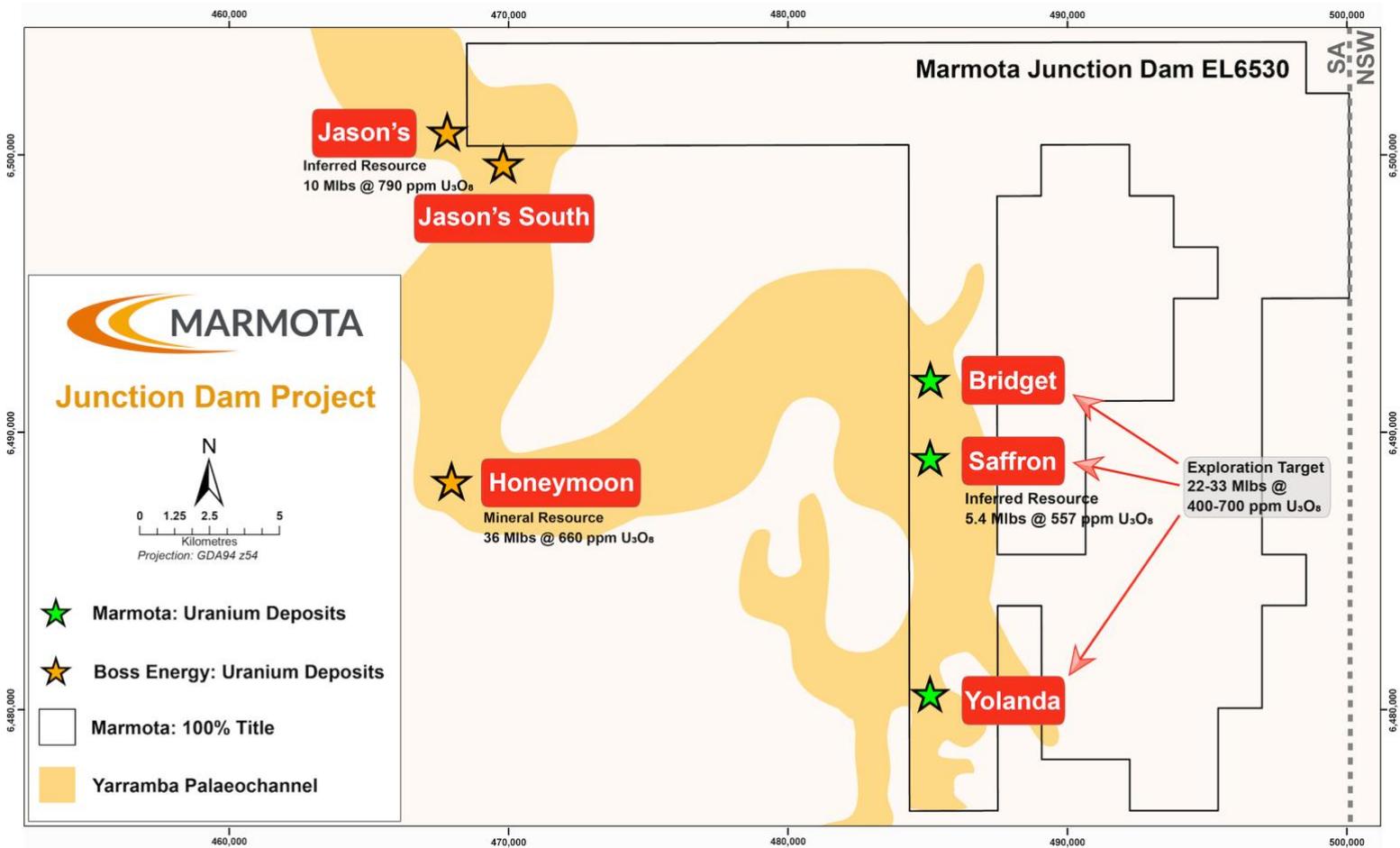


Figure 12:

The Junction Dam uranium tenement (100% MEU) bookends both sides of the palaeochannel of the Boss Energy Ltd (ASX:BOE market cap ~ \$1.5 billion) Honeymoon uranium plant

Junction Dam Uranium JORC Resource

- JORC Inferred Resource of **5.4 million pounds**¹ U₃O₈ [Saffron deposit]
with average grade of 557 ppm U₃O₈ [ASX:MEU 18 Nov 2011, 20 Feb 2012, 17 July 2013]
- Overall Exploration Target² of **22–33 million pounds** U₃O₈
at approx. 400 to 700 ppm U₃O₈ [ASX:MEU 9 July 2012]
[Uranium price is currently over US\$70 per pound]
- Assay grades of up to **8,143ppm** U₃O₈.

Key Points

- The Junction Dam uranium resource is located within the same Yarramba Palaeochannel as the Boss Energy ('Boss' ASX:BOE) Honeymoon Uranium mine (36 Mlbs @ 660 ppm U₃O₈). Marmota's Junction Dam tenement bookends both sides of the palaeochannel of the Boss Honeymoon plant [see Figure 12].
- The value of uranium in the Yarramba Palaeochannel is self-evident from the market capitalisation of Boss Energy which currently exceeds \$1.5 billion.
- Previous exploration was highly successful: halted due to market conditions after Fukushima.
- **Potential to significantly increase the size of Marmota's Junction Dam uranium resource**, particularly since Marmota's two adjoining uranium prospects (Bridget and Yolanda) are not yet included in the current Junction Dam uranium resource.

¹ By 2014, Marmota exploration work at Junction Dam ceased, and no further drilling work has been carried out subsequently. For comparison, at a similar point in time, in 2015, at the time of the Boss acquisition, the Honeymoon Uranium Project had global resources of 16.6 million pounds U₃O₈ [ASX:BOE 4 Aug 2021 (p.6)], and with the benefit of further work, has grown substantially.

² 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.



2023 FINANCIAL REPORT

Marmota Ltd Consolidated Entity

ABN 38 119 270 816

Consolidated Financial Statements for the year ended 30 June 2023

The Directors present their report on Marmota Limited and controlled entities ('Group') for the financial year ended 30 June 2023 and the auditor's report thereon.

Directors

The Directors of Marmota Limited ('the Company') at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows:

Dr Colin Rose Executive Chairman
PhD (Economics)

Experience and expertise

Dr Rose has been non-executive Chairman of Marmota since 1 May 2015 and Executive Chairman since 5 June 2017. Dr Rose holds a PhD in Economics from the University of Sydney. He is a long-term fundamentals investor in the mining and exploration sector, with particular exposure to gold and copper. He has extensive business experience as the founder and director of a technology company whose software is used in over 55 countries. He has been invited to speak to the Reserve Bank of Australia, the Bank of England, the National Bureau of Economic Research (USA), and the London School of Economics (Financial Markets Group).

Responsibilities

Special responsibilities include Chairman of the Board of Directors, and Chairman of the Audit, Governance and Remuneration Committee.

Interests in Shares and Options (as at 13 September 2023):

- 102,896,042 ordinary shares

Mr Neville Bergin Non-executive Director – Production
BSc Mining, First Class Mine Managers Certificate, MAusIMM, MAICD

Experience and expertise

Mr Bergin is a mining engineer with over four decades of experience in the mining industry, primarily in operations in the gold sector. He has both open pit and underground operational experience. Mr Bergin has previously held roles as a director of Northern Star Resources Ltd, as Vice President of Gold Fields Australia Pty Ltd where he oversaw operational management of the company's Australian mines, and as General Manager (Operations) for Jubilee Mines. He was the manager of the Fosterville Gold Project when it was an oxide gold heap leach operation – of particular relevance to Marmota, which plans a heap leach operation at its Aurora Tank gold discovery. Mr Bergin most recently managed the Definitive Feasibility Study for Capricorn Metals Karlawinda Gold Project which poured its first gold in the June quarter 2021. He has a BSc from the Camborne School of Mines in the UK.

Responsibilities

Mr Bergin is a member of the Audit, Governance and Remuneration Committee.

Current and former directorships in the last 3 years

Mr Bergin was a Director of Metal Tiger PLC between March 2018 and January 2023.

Interests in Shares and Options (as at 13 September 2023):

- 330,000 ordinary shares
- 2,000,000 unlisted 8.6 cent Options expiring 20 December 2024 issued under the Director & Employee Share Option Plan (DESOP).

Mr Aaron Brown Executive Director – Exploration
BSc (Hons), Geology

Experience and expertise

Mr Brown is an exploration geologist with over 18 years' experience, exploring for gold, uranium, copper and nickel across a range of terrains in South Australia (particularly in the Gawler Craton), the Northern Territory and Western Australia. Aaron joined Marmota in January 2018 as Senior Geologist, and has been working together with Dr Kevin Wills in driving the development of the Aurora Tank gold discovery. Mr Brown also heads up Marmota's biogeochemical exploration program that has given rise to the discovery of the new NW flank at Aurora Tank, including multiple outstanding intersections of over 100 g/t gold over 1m.

Responsibilities

Mr Brown acts as Head of Exploration and as a competent person on JORC resource reporting matters.

Interests in Shares and Options (as at 13 September 2023):

- 500,000 ordinary shares

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

Director	Directors' Meetings		Audit, Governance and Remuneration Committee Meetings	
	Number Eligible to attend	Number attended	Number Eligible to attend	Number attended
	Dr Colin Rose	6	6	2
Neville Bergin	6	6	2	2
Aaron Brown	6	6	-	-

Company Secretary

Lisa Askham-Levy (CGMA, FGIA) was appointed Company Secretary, effective 18 January 2018.

Ms Askham-Levy is a Member of the Chartered Institute of Management Accountants and Fellow of Governance Institute of Australia and has completed a Graduate Diploma of Applied Corporate Governance and Risk Management. She has over 15 years of accounting experience, including accounting positions in a number of listed companies. Lisa has worked within the mining, healthcare, finance and not-for-profit sectors.

Principal activities

The Group's principal activity is minerals exploration.

Review and results of operations

During the Financial Year, Marmota focused its exploration efforts on its highly prospective gold tenements in the Gawler Craton that are yielding excellent results.

Gold update: Aurora Tank 100% owned

During the year, extension drilling at Aurora Tank [ASX:MEU 31 Oct 2022] yielded bonanza grades including Marmota's new best ever gold result with **217 g/t gold** over 1m (at approximately 103m from surface) among a string of new high-grade gold extensions. This is the fifth time and fifth area at Aurora Tank that Marmota has intersected grades of ~100 g/t gold (or more) over 1m at Aurora Tank. It is now clear that the outstanding high-grades at Aurora Tank occur not just conveniently close to surface, but also extend deeper into fresh rock. In follow-up drilling, Marmota was delighted to announce [ASX:MEU 3 April 2023] the discovery of a contiguous new high-grade zone at Aurora Tank lying underneath the high-grade NW flank.

Production pathway

In May 2023 [ASX:MEU 11 May & 30 May 2023], Marmota re-drilled the diamond holes previously drilled in 2021 by GD Geodrill Australia Pty Ltd ('Geodrill') whose work unfortunately did not meet contractual quality or quantity requirements, and whose rig was not fit for its intended purpose. Marmota is very pleased that all of these previous problems were rectified during the final quarter of the financial year by a new driller engaged by Marmota: the diamond program successfully completed, now with no holes abandoned, and with excellent core recoveries. The blockage to our important metallurgical testwork program has now been removed, enabling the metallurgical testwork program to be commenced. The metallurgical testwork is an essential component to transition Marmota's gold discovery at Aurora Tank to production via open-pit table low-cost low capex heap leach methods, and it will comprise a full suite of tests aimed at optimising heap leach recoveries of gold.

Uranium Resurgent: Junction Dam 100% owned

The global energy crisis and concerns over climate change have seen a resurgence in the uranium market. Marmota is perfectly placed (a) already holding a substantial uranium JORC resource on the 100% owned Junction Dam tenement [ASX:MEU 6 Oct 2021, 29 July 2022], and (b) located on the tenement immediately adjacent to the Boss Energy Ltd ('Boss') Honeymoon in-situ recovery (ISR) uranium mine which is one of only 4 permitted uranium mines in Australia. The Honeymoon plant is currently set to start production in or around December 2023; the Boss market cap is currently ~ \$1.4 billion (prior to even being in production) with obvious implications for the value of Marmota's adjacent uranium JORC resource. Marmota's Junction Dam tenement bookends both sides of the palaeochannel of the Boss Honeymoon uranium plant. The market appears to be largely unaware of Marmota's uranium JORC resource; the Board expects that to change with the resumption of Marmota's uranium program, for the clear benefit of our shareholders ... some of whom first invested in Marmota when it started life exclusively as a very successful uranium explorer.

Rare Earths and Project X

Marmota was delighted at the recent discovery of high-value magnetic **Rare Earth Elements** (REE) in the Gawler Craton directly on the border with MEU tenements.

Of particular relevance to Marmota shareholders:

- (a) the Rare Earth discovery is directly on the border with Marmota tenements
- (b) geologically, the hosting clay systems are regional
- (c) the largest and most exceptional of the high-value *magnet* REE results attained so far is located on the Marmota tenement boundary

Marmota has highlighted multiple REE targets over multiple tenements as part of its recent Project X regional drilling program. Drilling started shortly after the end of the financial year [ASX:MEU 1 Aug 2023, 28 Aug 2023]; the Company is looking forward to receiving the first assay results from same.

Corporate

During the financial year, the Company raised over \$4 million [\$4,172,122 before costs] via placement to sophisticated investors at 5.3c per share, replenishing the Company's cash position. The Company is very grateful for the support of our shareholders.

In summary, in the last year, the Company has seen significant improvement in every core space within which it operates: with bonanza and highest ever gold grades at Aurora Tank (including, for the first time, continuing at depth), and with the resurgence of uranium having the potential to dramatically increase the company's fortunes. The discovery of high-value magnet Rare Earths adds an exciting third dimension.

We very much look forward to the year ahead!

Competent person statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Aaron Brown who is a Member of The Australian Institute of Geoscientists. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown consents to the inclusion in the report of the matters based on his information in the form and context in which they appear. Where results from previous announcements are quoted, Marmota confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Results

During the year, total cash expenditure on exploration and evaluation activities totalled \$1,654,212.

The net loss of the Group after income tax was \$355,697 (2022: loss \$422,245).

The net assets of the Group have increased by \$3,718,432 during the financial year from \$15,100,695 at 30 June 2022 to \$18,819,127 at 30 June 2023.

Dividends

No dividends have been paid or provided by the Group since the end of the previous financial year (2022: nil).

Junior Mineral Exploration Incentive (JMEI) Credits

Marmota has been granted up to \$951,000 in JMEI Tax Credits to distribute to MEU investors relating to the 2022-23 financial year.

State of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events subsequent to reporting date

Subsequent to the end of the financial year, Marmota (via its fully owned subsidiary Half Moon Pty Ltd) will be moving to 100% ownership of the Western Gawler Craton Joint Venture (WGCJV). There has otherwise not arisen any matters or circumstances, since the end of the financial year, which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the Group in future years.

Likely developments

The Group's strategy is to explore for gold, base metals and uranium within the Company's highly prospective portfolio of projects. The Board of Marmota Limited is pursuing a balance of direct self-funded exploration and exploration via strategic partnerships and funding arrangements. The primary focus of exploration has been directed at progressing the Company's Gawler Craton gold project which is yielding excellent results.

Environmental regulation and performance statement

The Group's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Group on any of its tenements. To date, the Group has only carried out exploration activities and there have been no known breaches of any environmental obligations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other Officers of the Company against any liabilities incurred by the Directors and Officers that may arise from their position as Directors and Officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Options

At the reporting date, unissued ordinary shares of Marmota Limited under option are:

Expiry date*	Exercise price	Number of Options	Vested	Unvested	Amount paid/payable by recipient (\$)
23/08/2023	\$0.10	3,000,000	3,000,000	-	-
08/12/2023	\$0.10	2,000,000	2,000,000	-	-
28/07/2024	\$0.10	39,359,643	39,359,643	-	-
20/12/2024	\$0.086	3,500,000	3,500,000	-	-
11/05/2026	\$0.055	4,000,000	4,000,000	-	-

* All options may be exercised at any time before expiry subject to escrow restrictions. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in share issues of the Company.

During the financial year, no ordinary shares were issued by the Company as a result of the exercise of employee options (2022: 2,000,000). There were no amounts unpaid on shares issued.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2023 may be accessed from the Company's website at: www.marmota.com.au/corporate/policies

Non-audit services

There were no non-audit services provided by the external auditors of the Parent or its related entities during the year ended 30 June 2023.

Auditor of the Company

The auditor of the Company for the financial year was BDO Audit Pty Ltd.

Auditor's independence declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2023 is set out immediately following the end of the Directors' report.

Remuneration Report

Remuneration policy

The remuneration policy of Marmota Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Marmota Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of Board members and other key management personnel of the Company is as follows.

Remuneration and Nomination

The Audit, Governance and Remuneration Committee oversees remuneration matters and makes recommendations to the Board on remuneration policy, fees and remuneration packages for non-executive directors and senior executives. Details of the committee's members and its responsibilities are set out in the Corporate Governance Statement.

Non-executive Remuneration Policies

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of board committees. The fees are set by the Audit, Governance and Remuneration Committee which consults independent advice from time to time.

Non-executive Directors do not receive bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Executive Chairman is determined by the Audit, Governance and Remuneration Committee and approved by the Board as part of the terms and conditions of his/her employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Executive Chairman subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Audit, Governance and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The remuneration structure and packages offered to executives are summarised below:

- Short-term incentive - The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota Limited given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



- Long-term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention rights as considered appropriate by the Audit, Governance and Remuneration Committee and the Board, as a long-term incentive for key management personnel. These rights are subject to shareholder approval at the Annual General Meeting in the year of grant. The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.

The Company also has a Director & Employee Share Option Plan approved by shareholders that will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long-term performance of the Company. Options issued under the DESOP are generally issued with an exercise price that is significantly higher than the current share price, which implicitly requires that the ultimate performance target of maximising shareholder value is achieved.

At this time, the remuneration that is paid to Key Management Personnel is not otherwise related to the Company's financial performance over the last five years.

Remuneration Consultants

The company did not use any remuneration consultants during the year.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the consolidated entity and for the executives receiving the highest remuneration.

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the consolidated entity during the whole of the financial year are:

Directors	Position		
Dr C Rose	Chairman	Executive	from 5 June 2017
Mr N Bergin	Director (Production)	Non-executive	from 11 May 2021
Mr A Brown	Director (Exploration)	Executive	from 11 May 2021
Key Management Personnel			
Ms L Askham-Levy	Company Secretary and CFO		from 18 January 2018

**Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited**



(b) Directors' remuneration

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits	Share-based payments			Total
	Directors' fees	Fixed Remuneration	Non-Monetary Benefits	Super contributions	Change in LSL Provision	Option based benefits	Share based payments	
2023 primary benefits	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Dr C Rose	1	72,999	-	12,000	-	-	-	85,000
Mr N Bergin	36,000	-	-	-	-	-	-	36,000
Mr A Brown ⁽¹⁾	-	163,419	-	16,443	-	-	-	179,862
	36,001	236,418	-	28,443	-	-	-	300,862

⁽¹⁾Mr Brown's FY23 remuneration includes salary of \$135,000 including superannuation guarantee, three bonuses of \$10,000 (including superannuation guarantee) for the satisfactory completion of each substantial drill program, an annual leave payout of \$8,048 including superannuation guarantee and time-in-lieu payout of \$6,814 (no superannuation on time-in-lieu payout).

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits	Share-based payments			Total
	Directors' fees	Fixed Remuneration	Non-Monetary Benefits	Super contributions	Change in LSL Provision	Option based benefits	Share based payments	
2022 primary benefits	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Dr C Rose	1	72,999	-	12,000	-	-	-	85,000
Mr N Bergin	36,000	-	-	-	-	579	-	36,579
Mr A Brown ⁽²⁾	-	112,373	-	11,237	-	-	-	123,610
	36,001	185,372	-	23,237	-	579	-	245,189

⁽²⁾Mr Brown's FY22 remuneration includes salary of \$110,000 including superannuation guarantee and an annual leave payout of \$13,610 including superannuation guarantee.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(c) Key management personnel remuneration

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits		Total	Proportion of remuneration related to performance
	Invoiced	Fixed Remuneration	Super contributions	Option based benefits	Share based payments		
	\$	\$	\$	\$	\$		
2023 primary benefits							
Key management personnel excluding Directors							
Ms L Askham-Levy	-	66,335	6,965	2,006	-	75,306	-
	-	66,335	6,965	2,006	-	75,306	-

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits		Total	Proportion of remuneration related to performance
	Invoiced	Fixed Remuneration	Super contributions	Option based benefits	Share based payments		
	\$	\$	\$	\$	\$		
2022 primary benefits							
Key management personnel excluding Directors							
Ms L Askham-Levy	-	56,506	5,651	-	-	62,157	-
	-	56,506	5,651	-	-	62,157	-

(d) Share based payments

Share-based payments are in line with the Marmota Limited Director & Employee Share Option Plan (DESOP), and approved under ASX Listing Rule 10.14. Listed below are summaries of options granted:

(i) Options issued to directors and key management personnel

3,000,000 unlisted 10 cent Options expiring 23 August 2023 issued under the DESOP.

2,000,000 unlisted 10 cent Options expiring 8 December 2023 issued under the DESOP.

3,500,000 unlisted 8.6 cent Options expiring 20 December 2024 issued under the DESOP.

4,000,000 unlisted 5.5 cent Options expiring 11 May 2026 issued under the DESOP.

(ii) Share based payments to key management personnel
Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant Date ¹	Expiry date	Exercise price	Fair value per option at grant date
Dr C Rose	-	-	-	-	-
Mr N Bergin	2,000,000	21/12/2021	20/12/2024	8.6 cents	0.029 cents
Mr A Brown	1,500,000	24/08/2020	23/08/2023	10 cents	0.140 cents
Ms L Askham-Levy	1,500,000	24/08/2020	23/08/2023	10 cents	0.140 cents
Ms L Askham-Levy	1,500,000	11/05/2023	11/05/2026	5.5 cents	0.130 cents

¹ Also the Vesting date and Exercisable date

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company, with no performance conditions attached. The objective of the issue of these options is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long-term performance of the Company. Options issued under the DESOP are generally issued with an exercise price that is significantly higher than the current share price, which implicitly requires that the ultimate performance target of maximising shareholder value is achieved. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Dr C Rose	-	-	-	-
Mr N Bergin	-	-	-	-
Mr A Brown	-	-	-	-
Ms L Askham-Levy	2,006	-	-	2.6%

(e) Service agreements

Dr Rose moved from the role of non-executive Chairman to Executive Chairman on 5 June 2017. The salary under the terms of his employment was set at \$85,000 per annum inclusive of superannuation guarantee contributions and included a one-month notice period.

Mr Brown was appointed Executive Director (Exploration) on 11 May 2021. The salary under the terms of his employment was set at \$110,000 including superannuation guarantee contributions and includes a one month notice period.

Mr Brown's remuneration was reviewed from 1 July 2022; the salary under the terms of his employment was set at \$135,000 including superannuation guarantee contributions plus a bonus of \$10,000 for the satisfactory completion of each substantial drill program and includes a four month notice period.

There were no post-employment, retirement or termination benefits previously approved by members of the Company in a general meeting, nor any such benefits paid to Directors of the Company.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(f) Director related entities

Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

There are no amounts recognised during the year or the prior year (excluding remuneration and reimbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities.

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	Consolidated	
	2023	2022
	\$	\$
Current payables		
Amounts payable to directors ⁽¹⁾	3,000	3,000
Accrued directors fees ⁽¹⁾	7,083	7,083
	<u>10,083</u>	<u>10,083</u>

(1) FY23 amount is amount payable to Directors:

- Dr C Rose \$7,083 (FY22 \$7,083); and
- Mr N Bergin \$3,000 (FY22 \$3,000)

(g) Post-employment/retirement and termination benefits

Other than superannuation contributions, there were no post-employment retirement and termination benefits paid or payable to directors and key management personnel.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(h) Directors and key management personnel equity remuneration, holdings and transactions

(i) Share holdings

The number of shares in the company held during the financial year by each director of Marmota Limited and other key management personnel of the group, including their personal related parties, are set out below. There were no shares granted to directors or key management personnel during the financial year.

Shares	Balance 1/07/22	Received as remuneration	Options exercised	Net change Other ⁽¹⁾	Balance 30/06/23	Total held in escrow 30/06/23
Held by Directors in own name						
Dr C Rose	98,719,726	-	-	747,386	99,467,112	-
Mr N Bergin	-	-	-	-	-	-
Mr A Brown	500,000	-	-	-	500,000	-
Held by Directors' personally related entities						
Dr C Rose	851,316	-	-	-	851,316	-
Mr N Bergin	330,000	-	-	-	330,000	-
Mr A Brown	-	-	-	-	-	-
Total held by Directors	100,401,042	-	-	747,386	101,148,428	-

(1) Net changes represent securities purchased by directors' on-market during the financial year.

Shares	Balance 1/07/22	Received as remuneration	Options exercised	Net change Other	Balance 30/06/23	Total held in escrow 30/06/23
Held by Key Management Personnel in own name						
Ms Lisa Askham-Levy	250,000	-	-	-	250,000	-
Held by Key Management Personnel in personally related entities						
Ms Lisa Askham-Levy	-	-	-	-	-	-
Total held by Key Management Personnel	250,000	-	-	-	250,000	-

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Marmota Limited and any other key management personnel of the group, including their personal related parties, are set out below.

Options	Balance 1/07/22	Received as remuneration	Options exercised	Lapsed	Balance 30/06/23	Total vested 30/06/23	Total exercisable 30/06/23
Held by Directors in own name							
Dr C Rose	-	-	-	-	-	-	-
Mr N Bergin	-	-	-	-	-	-	-
Mr A Brown	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000

Directors' personally related entities

Dr C Rose	-	-	-	-	-	-	-
Mr N Bergin	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000
Mr A Brown	-	-	-	-	-	-	-
Total held by Directors	3,500,000	-	-	-	3,500,000	3,500,000	3,500,000

Options	Balance 1/07/22	Received as remuneration	Options exercised	Lapsed	Balance 30/06/23	Total vested 30/06/23	Total exercisable 30/06/23
Held by Key Management Personnel in own name							
Ms Lisa Askham-Levy	1,500,000	1,500,000	-	-	3,000,000	3,000,000	3,000,000
	-	-	-	-	-	-	-
Held by Key Management Personnel in personally related entities							
Ms Lisa Askham-Levy	-	-	-	-	-	-	-
Total held by Key Management Personnel	1,500,000	1,500,000	-	-	3,000,000	3,000,000	3,000,000

(iii) Share rights holdings

No rights over ordinary shares in the company were held during the financial year by any director of Marmota Limited or by any other key management personnel of the group, including their personal related parties. No share rights were granted to directors or key management personnel during the financial year.

End of Remuneration Report

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



The Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read "Colin Rose". The signature is fluid and cursive, with a prominent initial 'C' and 'R'.

Dr Colin Rose
Chairman

Dated at Sydney this 21st day of September 2023

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

As lead auditor of Marmota Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 21 September 2023

**Consolidated Statement of Profit and Loss and Other
Comprehensive Income
For the year ended 30 June 2023**

	Note	Consolidated	
		2023 \$	2022 \$
Interest revenue		111,351	4,175
Other income	2	49,647	12,289
Total revenue		160,998	16,464
Administration expenses	3	148,590	144,379
Consulting expenses	3	139,688	94,611
Depreciation expense	3	33,408	30,983
Employment expenses	3	195,009	168,736
Impairment of assets	3	-	-
(Loss) before income tax expense		(355,697)	(422,245)
Income tax (expense)	4	-	-
(Loss) for the year		(355,697)	(422,245)
Loss attributable to members of the parent entity		(355,697)	(422,245)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Fair value movement on other financial assets		(1,000)	(2,000)
Total comprehensive income for the year net of tax		(356,697)	(424,245)
Basic earnings per share (cents)	6	(0.034 cents)	(0.043 cents)
Diluted earnings per share (cents)	6	(0.034 cents)	(0.043 cents)

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2023



		Consolidated	
	Note	2023	2022
		\$	\$
Current assets			
Cash and cash equivalents	7	4,012,269	2,118,448
Short term investments		37,500	37,500
Trade and other receivables	8	34,659	91,425
Other assets	10	33,703	36,668
Total current assets		<u>4,118,131</u>	<u>2,284,041</u>
Non-current assets			
Trade and other receivables	8	169,000	99,000
Plant and equipment	11	250,249	231,594
Right of use assets	9	53,642	86,799
Other financial assets	12	1,000	2,000
Exploration and evaluation assets	14	14,976,891	13,298,906
Total non-current assets		<u>15,450,782</u>	<u>13,718,299</u>
Total assets		<u><u>19,568,913</u></u>	<u><u>16,002,340</u></u>
Current liabilities			
Trade and other payables	15	637,591	776,484
Provisions	16	23,752	15,315
Lease liabilities	17	37,775	36,769
Total current liabilities		<u>699,118</u>	<u>828,568</u>
Non-current liabilities			
Provisions	16	31,158	21,183
Lease liabilities	17	19,510	51,894
Total non-current liabilities		<u>50,668</u>	<u>73,077</u>
Total liabilities		<u>749,786</u>	<u>901,645</u>
Net assets		<u><u>18,819,127</u></u>	<u><u>15,100,695</u></u>
Equity			
Issued capital	18	51,894,838	47,825,059
Reserves	26	(1,127)	(5,477)
Retained losses		(33,074,584)	(32,718,887)
Total equity		<u><u>18,819,127</u></u>	<u><u>15,100,695</u></u>

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 30 June 2023



	Issued capital (Note 18) \$	Share option reserve (Note 26) \$	FVOCI reserve (Note 26) \$	Retained Earnings \$	Total \$
Balance at 1 July 2021	47,269,360	16,271	(11,500)	(32,305,903)	14,968,228
Loss attributable to the members of the parent entity	-	-	-	(422,245)	(422,245)
Other comprehensive income	-	-	(2,000)	-	(2,000)
Total comprehensive income	-	-	(2,000)	(422,245)	(424,245)
Transactions with owners in their capacity as owners:					
Shares issued during the year	60,000	-	-	-	60,000
Shares issued for Jumbuck acquisition	500,000	-	-	-	500,000
Options issued during the year	-	1,013	-	-	1,013
Options expired or exercised	-	(9,261)	-	9,261	-
Transaction costs associated with the issue of shares net of tax	(4,301)	-	-	-	(4,301)
	555,699	(8,248)	-	9,261	556,712
Balance at 30 June 2022	47,825,059	8,023	(13,500)	(32,718,887)	15,100,695
Balance at 1 July 2022	47,825,059	8,023	(13,500)	(32,718,887)	15,100,695
Loss attributable to the members of the parent entity	-	-	-	(355,697)	(355,697)
Other comprehensive income	-	-	(1,000)	-	(1,000)
Total comprehensive income	-	-	(1,000)	(355,697)	(356,697)
Transactions with owners in their capacity as owners:					
Shares issued during the year	4,172,122	-	-	-	4,172,122
Options issued during the year	-	5,350	-	-	5,350
Options expired or exercised	-	-	-	-	-
Transaction costs associated with the issue of shares net of tax	(102,343)	-	-	-	(102,343)
	4,069,779	5,350	-	-	4,075,129
Balance at 30 June 2023	51,894,838	13,373	(14,500)	(33,074,584)	18,819,127

The accompanying notes form part of these financial statements.

**Consolidated Statement of Cash Flows
For the year ended 30 June 2023**

		Consolidated	
	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		-	10,371
Cash payments in the course of operations		(508,225)	(519,234)
Interest received		111,351	4,175
Net cash (used in) operating activities	22(b)	<u>(396,874)</u>	<u>(504,688)</u>
Cash flows from investing activities			
Payments for plant and equipment		(64,495)	(76,278)
Payments for exploration and evaluation assets		(1,654,212)	(1,410,966)
Payments for short term investments		-	-
Payments for security deposits		(70,000)	-
Cash receipts from insurance claim		46,773	-
Net cash (used in) investing activities		<u>(1,741,934)</u>	<u>(1,487,244)</u>
Cash flows from financing activities			
Proceeds from issue of shares		4,172,122	60,000
Payment of transaction costs associated with capital raisings		(102,343)	(4,301)
Repayment of leasing liabilities		(37,150)	(33,908)
Net cash provided by financing activities		<u>4,032,629</u>	<u>21,791</u>
Net increase/ (decrease) in cash held		1,893,821	(1,970,141)
Cash at the beginning of the financial year		<u>2,118,448</u>	<u>4,088,589</u>
Cash at the end of the financial year	22(a)	<u>4,012,269</u>	<u>2,118,448</u>

The accompanying notes form part of these financial statements.

1 Statement of significant accounting policies

The financial report includes the consolidated financial statements and notes of Marmota Limited and controlled entities ('consolidated group' or 'Group').

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for the purposes of preparing financial statements.

The following report covers the consolidated entity, Marmota Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) New accounting standards and interpretations**Accounting standards issued but not yet effective and not adopted early by the Company**

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023.

New Standards and Interpretations

The Directors reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2023. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies. All new Standards and Interpretations were adopted with no material impact to the financial statements.

(c) Principles of consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2023. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Notes to the financial statements

For the year ended 30 June 2023

(d) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred income tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Plant and equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All fixed assets are depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	5% – 33%

The depreciation rates have not changed during the year ending 30 June 2023.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the

exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(i) Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments that the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(j) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Equity settled compensation

The Group operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions. The fair value of retention rights is ascertained using the Binomial valuation model.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(n) Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of goods and services tax (GST).

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Statement of Financial Position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Interests in joint arrangements

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

(q) Investments in associates

Associate companies are companies in which the group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the initial investment at cost and adjusted thereafter for the Group's share of post-acquisition reserves and profits/ (losses) of its associates.

(r) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(s) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements - exploration and evaluation expenditure

The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been

extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(v) Parent entity financial information

The financial information for the parent entity, Marmota Limited, disclosed in Note 28 has been prepared on the same basis as the consolidated financial statements.

(w) Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is Marmota Limited's functional and presentational currency.

(x) Authorisation for issue of financial statements

The financial statements were authorised for issue by the Board of Directors on 21 September 2023.

Notes to the financial statements

For the year ended 30 June 2023

	Consolidated	
	2023	2022
	\$	\$
2 Other income		
Other income:		
From operating activities		
Joint venture administration fees	2,874	1,918
ATO cash boost payment	-	-
Other	46,773	10,371
Total revenues	49,647	12,289
3 Profit/ (Loss) before income tax expense has been determined after		
Expenses		
Administration expenses		
ASX fees	51,404	44,921
Share registry fees	15,356	21,790
Insurance	16,831	10,330
Audit and other services	33,865	31,500
Travel	16,282	627
Marketing	6,850	30,508
Software licences and IT services	3,674	3,704
Other	4,328	999
	148,590	144,379
Consulting expenses		
Legal fees	139,288	92,881
Accounting and secretarial services	400	-
Other	-	1,730
	139,688	94,611
Depreciation expense		
Plant and equipment	45,841	52,809
Reallocation to exploration costs	(39,887)	(46,862)
Right of use assets	37,918	36,429
Reallocation to exploration costs	(10,464)	(11,393)
	33,408	30,983
Employment expenses		
Salaries and wages	410,191	415,408
Directors fees	36,001	36,000
Superannuation	45,963	44,058
Provisions	18,411	(7,535)
Share-based payments	5,350	1,013
Other	9,436	7,689
Reallocation to exploration costs	(330,343)	(327,897)
	195,009	168,736
Impairment expenses		
Impairment of exploration assets	-	-

Notes to the financial statements

For the year ended 30 June 2023

4 Income tax

	Consolidated	
	2023	2022
	\$	\$
The components of tax expense comprise:		
Current income tax	-	-
Deferred tax	-	-
Tax portion of capital raising costs	-	-
Income tax (expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie income tax (expense) calculated at 25% on loss (2022: 25%)	(88,924)	(105,561)
Tax effect of:		
Deferred tax asset in respect of tax losses not brought to account	529,529	1,322,290
Exploration expenditure s40-730	(419,497)	(461,997)
Capital acquisition of tenement	-	(750,000)
Tax effect in amounts not deductible	(21,108)	(4,732)
Impairment expense previously brought to account	-	-
Income tax (expense) attributable to loss	-	-
Income tax losses		
Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria		
- tax losses at 25%	8,572,344	8,081,323
- tax losses distributed as JMEI credits	-	(439,459)
Total deferred tax asset	8,572,344	7,641,864
Temporary differences	4,478	(3,134)

The consolidated entity has tax losses arising in Australia of \$32,521,528 (2022: \$30,567,456) that may be available and may be offset against future taxable profits. In addition, these losses can only be utilised in the future if the continuity of ownership test is passed, or if failing that, the same business test is passed.

The Group had nil franking credits in its franking account at 30 June 2023 (2022: nil).

No deferred tax liability has been recognised for expenditure pertaining to exploration and evaluation. The deferred tax amount of \$3,744,224 (2022: \$3,324,727) is fully offset by available deferred tax assets.

No deferred tax asset has been recognised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

Notes to the financial statements

For the year ended 30 June 2023

	Consolidated	
	2023	2022
	\$	\$
5 Auditors' remuneration		
Audit services:		
Auditors of the Group – BDO Audit Pty Ltd		
Audit and review of the financial reports	31,500	31,500
	<u>31,500</u>	<u>31,500</u>

No non-audit services are provided.

6 Earnings per share**(a) Classification of securities**

All ordinary shares have been included in basic earnings per share.

(b) Classification of securities as potential ordinary shares (as at 30 June 2023)

- 0 unlisted options exercisable at \$0.10 by 22/07/2022 (2022: 68,820,755)
- 3,000,000 unlisted options exercisable at \$0.10 by 23/08/2023 (2022: 3,000,000)
- 2,000,000 unlisted options exercisable at \$0.10 by 8/12/2023 (2022: 2,000,000)
- 39,359,643 unlisted options exercisable as \$0.10 by 28/07/2024 (2022: -)
- 3,500,000 unlisted options exercisable as \$0.086 by 20/12/2024 (2022: 3,500,000)
- 4,000,000 unlisted options exercisable as \$0.055 by 11/05/2026 (2022: -)

Options granted to employees under the Marmota Limited Director & Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	Consolidated	
	2023	2022
	\$	\$
(c) Earnings used in the calculation of earnings per share		
(Loss) after income tax expense	(355,697)	(422,245)

Weighted average number of shares outstanding during the year in calculating earnings per share**Number for basic and diluted earnings per share**

Ordinary shares	<u>1,049,888,366</u>	<u>975,768,061</u>
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Notes to the financial statements

For the year ended 30 June 2023

	Consolidated	
	2023	2022
	\$	\$
7 Cash and cash equivalents		
Cash at bank	4,012,269	2,118,448
Deposits at call	-	-
	<u>4,012,269</u>	<u>2,118,448</u>
8 Trade and other receivables		
Current		
Other receivables	34,659	91,425
	<u>34,659</u>	<u>91,425</u>
Non-Current		
Other receivables	169,000	99,000
	<u>169,000</u>	<u>99,000</u>
Other receivables represent accrued interest receivable, bond deposits, and GST refunds. Receivables are not considered past due and/or impaired.		
9 Right of use assets		
Right of use assets (Property)		
At cost	115,164	110,403
Accumulated depreciation	(61,522)	(23,604)
	<u>53,642</u>	<u>86,799</u>
Net book value		
	<u>53,642</u>	<u>86,799</u>
Reconciliations		
Reconciliations of the carrying amounts for each Right of use asset are set out below:		
<i>Right of use assets</i>		
Carrying amount at beginning of year	86,799	67,889
Additions	4,761	55,339
Disposals	-	-
Depreciation	(37,918)	(36,429)
	<u>53,642</u>	<u>86,799</u>
Carrying amount at end of year		
	<u>53,642</u>	<u>86,799</u>
10 Other current assets		
Prepayments	33,703	36,668
	<u>33,703</u>	<u>36,668</u>
11 Plant and equipment		
Plant and equipment		
At cost	1,033,128	1,035,610
Accumulated depreciation	(782,879)	(804,016)
	<u>250,249</u>	<u>231,594</u>
Net book value		
	<u>250,249</u>	<u>231,594</u>

Notes to the financial statements

For the year ended 30 June 2023

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

Plant and equipment

Carrying amount at beginning of year	231,594	208,124
Additions	64,496	76,279
Disposals	-	-
Depreciation	(45,841)	(52,809)
	<hr/>	<hr/>
Carrying amount at end of year	250,249	231,594

12 Financial Assets

	Consolidated	
	2023	2022
	\$	\$
Equity investments at fair value through other comprehensive income – shares in listed companies	1,000	2,000

13 Controlled entities**(a) Controlled entities consolidated**

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity in accordance with the accounting policy described in Note 1(c):

	Country of incorporation	Percentage owned (%)	
		2023	2022
Parent entity:			
Marmota Limited	Australia		
Subsidiary entity:			
Marmosa Pty Ltd	Australia	100	100
Half Moon Pty Ltd	Australia	100	100
Unincorporated entity:			
Western Gawler Craton Joint Venture	Australia	78.84	78.84

Notes to the financial statements

For the year ended 30 June 2023

14 Exploration and evaluation assets

	Consolidated	
	2023	2022
	\$	\$
Movement:		
Carrying amount at beginning of year	13,298,906	8,450,918
Additional costs capitalised during the year	1,677,985	1,847,988
Jumbuck acquisition	-	3,000,000
Impairment ⁽¹⁾	-	-
Carrying amount at end of year	14,976,891	13,298,906

(1) The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas. If during the year, any tenements expired or were not renewed, then all of the associated costs with such tenements were written off during the year.

15 Trade and other payables

Trade payables	268,801	445,118
Other payables and accruals	358,707	321,283
Amounts payable to Directors	10,083	10,083
	637,591	776,484

16 Provisions**Current**

Employee benefits	23,752	15,315
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Non-current

Employee benefits	31,158	21,183
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Provision for long service leave

A provision for long service leave has been recognised for employee benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(k) to this report.

17 Lease liabilities**Current**

Lease liabilities	37,775	36,769
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Non-current

Lease liabilities	19,510	51,894
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	Consolidated	
	2023	2022
	\$	\$
18 Issued capital		
Issued and paid-up share capital		
1,058,800,575 (2022:980,081,316) ordinary shares, fully paid	51,894,838	47,825,059
(a) Ordinary shares		
Balance at the beginning of year	47,825,059	47,269,360
Shares issued during the year:		
48,824,919 shares: pursuant to placement (28 Jul 2022) at \$0.053	2,587,722	-
5,960,378 shares: pursuant to placement (9 Aug 2022) at \$0.053	315,900	-
10,500,000 shares: pursuant to placement (30 Aug 2022) at \$0.053	556,500	-
9,433,962 shares: pursuant to placement (7 Sep 2022) at \$0.053	500,000	-
4,000,000 shares: pursuant to placement (27 Sep 2022) at \$0.053	212,000	-
Shares issued during the prior year		
9,547,626 shares:	-	500,000
--- acquisition of Jumbuck Gold Project (15 Nov 2021) at \$0.052369		
2,000,000 shares: exercise of employee options (9 Nov 2021) at \$0.03	-	60,000
Less transaction costs arising from issue of shares net of tax	(102,343)	(4,301)
Balance at end of year	51,894,838	47,825,059

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

In the event of winding up of the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

(b) Options/rights

There were 4,000,000 share options issued under the Director and Employee Share Option Plan during the financial year.

For information relating to the Marmota Limited Director & Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 19.

At 30 June 2023, there were 51,859,643 unissued shares for which the following options were outstanding:

- 3,000,000 unlisted options exercisable at \$0.10 by 23/08/2023
- 2,000,000 unlisted options exercisable at \$0.10 by 08/12/2023
- 39,359,643 unlisted options exercisable at \$0.10 by 28/07/2024
- 3,500,000 unlisted options exercisable at \$0.086 by 20/12/2024
- 4,000,000 unlisted options exercisable at \$0.055 by 11/05/2026

Notes to the financial statements

For the year ended 30 June 2023

At 30 June 2022, there were 77,320,755 unissued shares for which the following options were outstanding:

- 68,820,755 unlisted options exercisable at \$0.10 by 22/07/2022
- 3,000,000 unlisted options exercisable at \$0.10 by 23/08/2023
- 2,000,000 unlisted options exercisable at \$0.10 by 08/12/2023
- 3,500,000 unlisted options exercisable at \$0.086 by 20/12/2024

(c) Capital Management

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure accordingly. These responses include share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The Group's capital is shown as issued capital in the Statement of Financial Position.

19 Share-based payments

Share-based payments are in line with the Marmota Limited Employee Share Option Plan, details of which are outlined in the Directors' Report. Listed below are summaries of options granted:

(i) Options

	2023			2022		
	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
Marmota Limited						
Outstanding at the beginning of the year	8,500,000	\$0.094		9,000,000	\$0.084	
Granted	4,000,000	\$0.055		3,500,000	\$0.086	
Forfeited/Lapsed	-	-		(2,000,000)	\$0.10	
Exercised	-	-		(2,000,000)	\$0.03	
Expired	-	-		-	-	
Outstanding at year-end	<u>12,500,000</u>	\$0.082	524 days	<u>8,500,000</u>	\$0.094	644 days
Exercisable at year-end	<u>12,500,000</u>			<u>8,500,000</u>		

On 9 November 2016, 5,000,000 share options were granted to directors and employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.03 each. During the 2020 year, 1,000,000 options were exercised and 2,000,000 lapsed. The remaining 2,000,000 options were exercised during the year ending 30 June 2022.

On 24 August 2020, 4,500,000 share options were granted to employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.10 each. During the 2021 year, 1,500,000 options lapsed. 3,000,000 options remain at 30 June 2023; these options are exercisable on or before 23 August 2023.

On 9 December 2020, 4,000,000 share options were granted to directors under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.10 each. During the 2022 year, 2,000,000 options lapsed. 2,000,000 options remain at 30 June 2023; these options are exercisable on or before 8 December 2023.

Notes to the financial statements

For the year ended 30 June 2023

On 21 December 2021, 3,500,000 share options were granted to directors and employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.086 each. 3,500,000 options remain at 30 June 2023; these options are exercisable on or before 20 December 2024.

On 11 May 2023, 4,000,000 share options were granted to employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.055 each. 4,000,000 options remain at 30 June 2023; these options are exercisable on or before 11 May 2026.

The options are non-transferable except as allowed under the Director & Employee Share Option Plan and are not quoted securities. At the reporting date, other than as disclosed in the table above, no share options had been exercised. All options granted to key management personnel are over ordinary shares in Marmota Limited, which confer a right of one ordinary share for every option held.

20 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries and related entities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	4,012,269	2,118,448
Short term investments	37,500	37,500
Loans and receivables	203,659	190,425
Equity investments at FVOCI	1,000	2,000
	<u>4,254,428</u>	<u>2,348,373</u>
Financial liabilities		
Trade and other payables	637,591	776,484
Lease liabilities	57,285	88,663
	<u>694,876</u>	<u>865,147</u>

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the group.

Specific financial risk exposures and management

The main financial risks the group is exposed to include liquidity risk, credit risk and interest rate risk.

(a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Notes to the financial statements

For the year ended 30 June 2023

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the consolidated group in managing its cash flows. Financial liabilities are expected to be settled within 12 months, except for lease liabilities for which the longest expected maturity is for the year ending 30 June 2026.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at reporting date.

The consolidated entity holds its cash and cash equivalents with one financial institution who hold credit ratings of A+.

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset. Interest rate risk is managed with a mixture of fixed and floating rate cash deposits.

(d) Sensitivity analysis*Interest rate*

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the Group does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

Interest rate sensitivity analysis

At reporting date, the effect on profit/ (loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2023	2022
	\$	\$
Change in loss		
Increase in interest rates by 2%	80,995	43,119
Decrease in interest rates by 2%	(80,995)	(43,119)
Change in equity		
Increase in interest rates by 2%	80,995	43,119
Decrease in interest rates by 2%	(80,995)	(43,119)

21 Commitments & contingent liabilities**(a) Exploration expenditure commitments**

There is no fixed commitment required by the group in order to maintain current rights of tenure to exploration tenements, as the obligations are subject to renegotiation on renewal.

(b) Guarantees

The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is \$37,500 (2022: \$37,500). These bank guarantees are fully secured by cash on term deposit.

(c) Contingent liabilities

As at 30 June 2023, there was a contingent liability of \$66,434:

- \$47,915 for the Groundhog Services Partnership alleged assessment attributed to Marmota received from Revenue SA for payroll tax relating to 2010 – 2015 financial years in respect of a disputed change in grouping.
- \$18,519 for Marmota Ltd's alleged assessment from Revenue SA for payroll tax relating to 2013-2015 financial years in respect of the disputed change in grouping.

These alleged assessments are currently being disputed. (2022: \$66,434).

22 Notes to the statements of cash flows

	Note	Consolidated	
		2023	2022
		\$	\$
(a) Cash at the end of the financial year consists of the following:			
Cash at bank and at call	7	4,012,269	2,118,488
		<u>4,012,269</u>	<u>2,118,488</u>
(b) Reconciliation of (loss) after income tax to net cash outflow from operating activities			
(Loss) after income tax		(355,697)	(422,245)
Add/(less) non-cash items			
Depreciation		84,223	35,061
Gain on sale of plant and equipment		-	-
Share based payments		5,350	1,013
Impairment of assets		-	-
Changes in operating assets and liabilities			
(Increase)/decrease in other assets		2,965	911
(Increase)/decrease in trade and other receivables		(13,234)	(119,718)
(Decrease)/increase in trade and other payables		(138,893)	7,824
(Decrease)/increase in provisions		18,412	(7,534)
Net cash (used in) operating activities		<u>(396,874)</u>	<u>(504,688)</u>

23 Related parties**Directors' transactions with the Company**

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis. There are no amounts recognised during the year or the prior year (excluding remuneration and re-imbursment of expenses incurred on behalf of the Company) relating to Directors and their Director related entities.

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	Consolidated	
	2023	2022
	\$	\$
Current payables		
Amounts payable to directors ⁽¹⁾	3,000	3,000
Accrued directors fees ⁽¹⁾	7,083	7,083
	<u>10,083</u>	<u>10,083</u>

(1) FY23 amount is amount payable to Directors:

- Dr C Rose \$7,083 (FY22 \$7,083); and
- Mr N Bergin \$3,000 (FY22 \$3,000)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2023.

The totals of remuneration paid to executive and non-executive directors and key management personnel during the year are as follows:

	Consolidated	
	2023	2022
	\$	\$
Short term employee benefits	338,754	277,879
Post-employment benefit	35,408	28,888
Share-based payments	2,006	579
	<u>376,168</u>	<u>307,346</u>

24 Operating segments

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

25 Events subsequent to reporting date

Subsequent to the end of the financial year, Marmota (via its fully owned subsidiary Half Moon Pty Ltd) will be moving to 100% ownership of the Western Gawler Craton Joint Venture (WGCV). There has otherwise not arisen any matters or circumstances, since the end of the financial year, which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the Group in future years.

26 Reserves

Share options reserve

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

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

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

	Consolidated	
	2023	2022
	\$	\$
Reserves		
<i>Share option reserve</i>		
Opening balance at beginning of year	8,023	16,271
Fair value of options issued to employees	5,350	1,013
Options exercised, forfeited or expired	-	(9,261)
Balance at end of year	13,373	8,023
<i>FVOCI reserve</i>		
Opening balance at beginning of year	(13,500)	(11,500)
Fair value movement	(1,000)	(2,000)
Balance at end of year	(14,500)	(13,500)
Total Reserves	(1,127)	(5,477)

27 Fair value measurement of financial instruments

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

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

The group's financial asset and financial liabilities measured and recognised at fair value at 30 June 2023 and 30 June 2022 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
30 June 2023	\$	\$	\$	\$

Financial assets at fair value

Equity instruments designated at FVOCI

Listed securities	1,000	-	-	1,000
Net fair value	1,000	-	-	1,000

	Level 1	Level 2	Level 3	Total
30 June 2022	\$	\$	\$	\$

Financial assets at fair value

Equity instruments classified as available for sale

Listed securities	2,000	-	-	2,000
Net fair value	2,000	-	-	2,000

Measurement of fair value of financial instruments

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

Listed securities

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

Fair values of other financial assets and financial liabilities

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

28 Marmota Limited company information

	2023	2022
	\$	\$
Parent entity		
Assets		
Current assets	4,420,249	2,284,041
Non-current assets	15,148,664	13,718,299
Total assets	19,568,913	16,002,340
Liabilities		
Total liabilities	749,786	901,645
Equity		
Issued capital	51,894,838	47,825,059
Retained losses	(33,074,584)	(32,718,887)
Share option reserve	13,373	8,023
FVOCI reserve	(14,500)	(13,500)
Total equity	18,819,127	15,100,695
Financial performance		
(Loss) for the year	(332,654)	(408,974)
Other comprehensive income	-	-
Total comprehensive income	(332,654)	(408,974)
Guarantees in relation to the debts of subsidiaries:		
Bank guarantees – Government authorities	37,500	37,500
Contingent liabilities	66,434	66,434
Exploration expenditure commitments (Note 21)	-	-
Contractual commitments	-	-

29 Company details

The registered office and principal place of business of the Company is:

Marmota Limited
Unit 6, 79–81 Brighton Road
Glennelg SA 5045

Directors' declaration

The Directors of Marmota Limited declare that

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standards; and
 - (iii) Marmota Limited complies with International Financial Reporting Standards as disclosed in Note 1.

- (b) The person holding the Chief Executive Officer and the Chief Financial Officer functions has declared that:
 - (i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
 - (ii) The financial statements and notes for the financial year comply with the accounting standards; and
 - (iii) The financial statement and notes for the financial year give a true and fair view;

- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Sydney this 21st day of September 2023



Dr Colin Rose
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Marmota Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
<p>Refer to note 14 in the financial report. As at 30 June 2023, the Group has recognised significant exploration and evaluation assets.</p> <p>The carrying value of exploration and evaluation assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the total balance; and • The risk that these assets, comprising areas of interest, may be impaired due to the existence of impairment indicators that have not been sufficiently considered and require significant judgements by management. 	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Evaluating management’s assessment of whether impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources have been identified across the Group’s exploration projects. • Verifying current tenement licences to determine whether the Group has the rights to tenure and maintain the tenements in good standing. • Obtaining the exploration budget for the 2023 financial year to assess whether there is reasonable forecasted expenditure to confirm continued exploration spend for the projects. • Reviewing ASX announcements and Board meeting minutes for the year and subsequent to year end for exploration activity to identify any indicators of impairment.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2023, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Marmota Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



BDO Audit Pty Ltd



Andrew Tickle
Director

Adelaide, 21 September 2023



SHAREHOLDER INFORMATION

(as at 20 OCTOBER 2023)

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The information is current at 20 October 2023.

Distribution of Equity Securities

Ordinary Share Capital

Fully paid ordinary shares are held by 3,084 individual shareholders.

Options

Unlisted options are held by 76 individual option holders.

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Substantial shareholder	Number of fully paid ordinary shares held
Dr Colin Rose	102,044,726

Voting rights

Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Distribution of equity security holders

Category	Holders of Ordinary shares	Holders of 08/12/2023 \$0.10 Options	Holders of 28/07/2024 \$0.10 Options	Holders of 20/12/2024 \$0.086 Options	Holders of 04/09/2025 \$0.045 Options	Holders of 11/05/2026 \$0.055 Options
1 – 1,000	243	-	-	-	-	-
1,001 – 5,000	119	-	1	-	-	-
5,001 – 10,000	305	-	-	-	-	-
10,001 – 100,000	1,522	-	17	-	-	-
100,001 and over	895	1	54	2	3	3
Total Number of security holders	3,228	1	72	2	3	3

The number of shareholders holding less than a marketable parcel of ordinary shares is 912.

On market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders at 20 October 2023 are as follows:

Name	Number of fully paid ordinary shares held	Percentage held
Dr Colin Rose	102,044,726	9.64
Ms Jacqueline Rose	39,796,111	3.76
Cosell Pty Limited	37,700,000	3.56
Mr Maxwell Alfred Kippe	37,000,000	3.49
Mrs Bete Rose	28,306,803	2.67
Citicorp Nominees Pty Limited	23,267,443	2.20
HSBC Custody Nominees (Australia) Limited	22,212,139	2.10
Astor Superannuation Pty Ltd	18,284,903	1.73
Mr Peter James Holley	14,003,300	1.32
Proco Pty Ltd	13,800,000	1.30
Mr Gregory Ross Plummer	13,000,000	1.23
SEP Investments Pty Limited	12,500,000	1.18
Robbie Hunt Pty Ltd	11,063,947	1.04
Mr Bradley Keith Moir	10,300,000	0.97
Pitt Superannuation Fund Pty Ltd	10,000,000	0.94
WFC Nominees Australia Pty Ltd	8,809,335	0.83
Mabeth Pty Ltd	8,450,000	0.80
Tattersfield Securities Limited	7,544,670	0.71
Mr Robert Jesse Hunt	7,227,151	0.68
Emerald Plumbing Services Investments Pty Ltd	6,876,766	0.65
	432,187,294	40.82

Unquoted equity securities

Options

Details of options on issue which are unquoted are as follows.

Expiry date	Exercise price	Number of Options	Number Unquoted	Number of holders
08/12/2023	\$0.10	2,000,000	2,000,000	1
28/07/2024	\$0.10	39,359,643	39,359,643	72
20/12/2024	\$0.086	3,500,000	3,500,000	2
04/09/2025	\$0.045	2,500,000	2,500,000	3
11/05/2026	\$0.055	4,000,000	4,000,000	3



CORPORATE DIRECTORY

BUSINESS & REGISTERED OFFICE

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Marmota Ltd
PO Box 117
GLENELG SA 5045

DIRECTORS

Dr COLIN ROSE

PhD (Economics)
Executive Chairman

AARON BROWN

BSc (Hons) Geology *MAIG*
Executive Director – Exploration

NEVILLE BERGIN

*BSc Mining, First Class Mine Managers
Certificate, MAusIMM, MAICD*
Non-executive Director – Production

COMPANY SECRETARY

LISA ASKHAM–LEVY

BA (Hons), *ACMA, CGMA, FGIA*

STOCK EXCHANGE CODE

ASX: **MEU**

AUDITORS

BDO Audit Pty Ltd
Level 7
420 King William St
ADELAIDE SA 5000

SHARE REGISTER

Location of Share Register

Link Market Services Ltd
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
Facsimile: (02) 9287 0303
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Web: www.linkmarketservices.com.au