



ASX ANNOUNCEMENT

23 October 2015

## NOTICE OF AGM AND ANNUAL REPORT

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Marmota Energy Limited (ASX:MEU) advises that it has today despatched to all shareholders the Notice of Meeting for the 2015 Annual General Meeting of Marmota and associated Proxy Form. Attached is a copy of that Notice of Meeting for the 2015 Annual General Meeting of Marmota and a sample Proxy Form. Also attached is the 2015 Annual Report of Marmota:

For further information, please contact:

**Marmota Energy Limited**

**David Williams** Managing Director

Email: [info@marmotaenergy.com.au](mailto:info@marmotaenergy.com.au)

Level 30, Westpac House  
91 King William Street  
Adelaide SA 5000  
ABN: 38 119 270 816  
T: (61 8) 7088 4883  
F: (61 8) 7088 4884  
[www.marmotaenergy.com.au](http://www.marmotaenergy.com.au)

### **About Marmota Energy Limited**

Marmota Energy Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centered on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's cornerstone copper project is based at the Melton project on the Yorke Peninsula. The Company's largest uranium project (JORC Inferred Resource of \*5.4Mlbs @ 557ppm U3O8 - see ASX Release of 18 July 2012)) is at Junction Dam adjacent to the Honeymoon mine. For more information, please visit: [www.marmotaenergy.com.au](http://www.marmotaenergy.com.au)



## Notice of Annual General Meeting 2015

Notice is hereby given that:

The Annual General Meeting (**Meeting**) of Marmota Energy Limited (**Company**) will be held at:

VENUE: Level 29  
Westpac House  
91 King William Street  
Adelaide, South Australia 5000

Time: Thursday, 26 November 2015 at 3.00pm (Adelaide time)

## ORDINARY BUSINESS

### Financial Report

To receive and consider the financial report and reports of the Directors and Auditor for the year ended 30 June 2015.

The Annual Financial Report is available at the website of the Company ([www.marmotaenergy.com.au](http://www.marmotaenergy.com.au)), under: Investors → Corporate Reports → Annual Reports

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### Resolution 1 Adoption of Remuneration Report

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That the Remuneration Report for the financial year ended 30 June 2015 be adopted.”

*Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.*

*Note: Key management personnel whose remuneration details are contained in the remuneration report (and their closely related parties) are restricted from voting on this resolution under section 250R(4) of the Corporations Act.*

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

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### Resolution 2 Re-election of Dr C Rose as a Director

To consider and, if thought fit, to pass as an **ordinary resolution**:

“ That Dr C Rose, being a Director of the Company who retires in accordance the Company’s constitution, and being eligible, is re-elected as a Director of the Company.”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

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**Resolution 3 Election of Mr P Thompson as a Director**

To consider and, if thought fit, to pass as an **ordinary resolution**:

“ That Mr P. Thompson, being a Director of the Company who retires in accordance the Company’s constitution, and being eligible, is elected as a Director of the Company.”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

## OTHER BUSINESS

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**Resolution 4 Approval of issue of shares to Mr P Thompson**

To consider and, if thought fit, to pass as an **ordinary resolution**:

“ That approval be given for the purpose of ASX Listing Rule 10.11 and for all other purposes, for the issue of 1,700,000 Shares (in lieu of 50% of his Director’s fees) to Mr Peter Thompson, who is a Director of the Company, or his nominee on the terms set out in the Explanatory Memorandum accompanying this Notice.”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

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**Resolution 5 Approval of future issue of shares**

To consider and, if thought fit, to pass as an **ordinary resolution**:

“ That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approve the issue of up to 50,000,000 Shares for a price to be determined by the Directors but which is not less than the minimum price permitted by the market price formula in ASX Listing Rule 7.3.3 (**Minimum Price**) to the persons named, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

*Note: Pre-approval provides the company with flexibility, including the flexibility to pursue market opportunities as they arise. It does not mean that the approval will necessarily be used. The Company last sought (and obtained approval) for such capacity at the General Meeting on 1 May 2015 --- none of that capacity was used and that has now expired. For more detail, see notes on Resolution 5 in the Explanatory Memorandum.*

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

## CONTINGENT BUSINESS

**As a result of the First Strike against the Remuneration Report at the 2014 AGM, if at least 25% of the votes cast on Resolution 1 at this Meeting are voted against the adoption of the Remuneration Report, the Chairman will put Resolution 6 to the Meeting.**

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### **Resolution 6**      **Board Spill Meeting**

To consider and, if thought fit, to pass, with or without amendment, as an **ordinary resolution**:

“ That, in accordance with section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**);
- (b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting.”

**Note: If less than 25% of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report, the Chair will withdraw this Resolution 6.**

RECOMMENDATION: The Board recommends voting **AGAINST** this Resolution.

### **To transact any further business that may be lawfully brought forward.**

Further information regarding the business to be transacted at the Meeting is set out in the Explanatory Memorandum accompanying the Notice convening this Meeting. This Notice should be read in conjunction with the accompanying Explanatory Memorandum which forms part of this Notice.

By order of the Board

David Williams  
Company Secretary

Date: 23 October 2015



## VOTING INFORMATION AND NOTES

### A. Voting entitlement on a poll

On a poll, each Shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid Share they hold.

### B. Proxies

A Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on the Shareholder's behalf. If the Shareholder is entitled to cast two or more votes at the meeting, the Shareholder may appoint up to two proxies to attend and vote on the Shareholder's behalf.

If a Shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the Shareholder's votes. Absent this specification, on a poll, each proxy may exercise half the votes.

A proxy can be either an individual or a body corporate and need not be a Shareholder of the Company. If a Shareholder appoints a body corporate as proxy, the body corporate will need to appoint an individual as its corporate representative and provide satisfactory evidence of this appointment.

If a Shareholder's instruction is to abstain from voting for a particular item of business, the Shareholders' votes will not be counted in computing the required majority on a poll.

To appoint a proxy, a proxy form must be signed by the Shareholder or the Shareholder's attorney duly authorised in writing. If the Shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the meeting. Proxy form and authorities may be lodged:

- by post to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235 Australia; or
- by facsimile to Link Market Services on (within Australia) (02) 9287 0309 (outside Australia) +61 9287 0309; or
- by hand to Link Market Services at 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000; or
- online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

#### ***Chairman acting as proxy***

Shareholders may appoint the Chairman as their proxy.

Where the Chairman is appointed as a proxy by a Shareholder entitled to cast a vote on a particular Resolution and the proxy form specifies how the Chairman is to vote on the Resolution (that is, a directed proxy), the Chairman must vote in accordance with that direction.

**In respect of proxies where no voting direction has been given (undirected proxies), the Chairman intends to vote all available proxies in favour of each of Resolutions 1 to 5 (both inclusive) and against Resolution 6.**

In relation to Resolutions 1, 4 and 6, if the Shareholder has appointed the Chairman as their proxy and no voting direction has been given, the Shareholder will be expressly authorising the Chairman to exercise the undirected proxy in respect of Resolutions 1, 4 and 6 even though the resolution is connected with the remuneration of members of the KMP of the Company. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairman of the meeting as your proxy.

### **C. Voting Exclusion Statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast:

- in respect of Resolutions 1 and 6, by a member of the Key Management Personnel of the Company whose remuneration details are contained in the remuneration report and any Closely Related Party of such a member;
- in respect of Resolutions 4, by Mr Peter Thompson and any of his associates or as a proxy by a person who is a member of the KMP or their Closely Related Parties; and
- in respect of Resolution 5, by or on behalf of any person who may participate in any issue of Shares under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as the holder of Shares, if the resolution is passed and any associate of any such persons.

However, the Company need not disregard a vote in relation to any resolution if:

- it is cast by a person referred to above who is otherwise excluded from voting on that resolution as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also apply the above voting restrictions in relation to persons appointed to vote on behalf of a shareholder under a power of attorney.

### **D. Entitlement to vote at the meeting**

For the purpose of the meeting, Shares in the Company will be taken to be held by those persons who are registered holders at 7.00 pm (Sydney time) on Tuesday, 24 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### **E. Quorum**

The Constitution of the Company provides that 10 Shareholders present in person, by proxy, attorney or body corporate representative shall be a quorum for a general meeting of the Company.

### **F. Appointing a corporate representative**

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

### **G. Appointment of an attorney**

Attorneys are requested to bring a power of attorney pursuant to which they are appointed. Proof of identity will also be required for attorneys.

## EXPLANATORY MEMORANDUM ACCOMPANYING THE NOTICE OF AGM TO BE HELD ON 26 NOVEMBER 2015

### Financial Report

The Financial Report and the reports of the Directors and Auditor will be laid before the meeting in accordance with section 317 of the Corporations Act.

Shareholders will be given an opportunity to ask questions or make comments about the management of the Company and may also ask a representative of the Company's Auditor questions relevant to the conduct of the audit and the accounting policies adopted by the Company.

### 1. Adoption of Remuneration Report

The Company has included in the 2015 Annual Report a detailed Remuneration Report which provides prescribed information relating to remuneration.

As required by the Corporations Act, the Remuneration Report is submitted for adoption by a non-binding vote.

The Remuneration Report is set out on pages 30 to 36 of the 2015 Annual Report and is available from the Company's website [www.marmotaenergy.com.au](http://www.marmotaenergy.com.au).

A reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the Company is approved will be the directors of the Company.

At the Company's previous annual general meeting (**2014 AGM**), the votes cast against the Remuneration Report considered at the 2014 AGM were more than 25%. Accordingly, the Spill Resolution will be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report resolution (Resolution 1) are voted against the adoption of the Remuneration Report. Refer to Resolution 6 for further information.

Shareholders appointing a proxy for this Resolution should note the following:

- (a) If you appoint a member of the Key Management Personnel as your proxy (other than the Chairman) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy you must direct the proxy how they are to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- (b) If you appoint the Chairman as your proxy (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member) you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chairman how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chairman to exercise his discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) If you appoint any other person as your proxy you do not need to direct your proxy how to vote, and you do not need to tick any further acknowledgement on the proxy form.

*RECOMMENDATION: The Board recommends shareholders vote in favour of adopting the Remuneration Report.*

## **2. Re-election of Dr C Rose as a Director**

Dr Rose was elected as a Director at the General Meeting of the Company held on 1 May 2015 and retires under the compulsory retirement provisions of clause 47.1.1 of the Company's constitution and, being eligible, has offered himself for re-election as a Director.

### **Dr Colin Rose PhD (Economics)**

Dr Rose has been Non-Executive Chairman of Marmota Energy since 1 May 2015. Dr Colin 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).

*RECOMMENDATION: The Board (other than the director who is the subject of this resolution) recommends that shareholders vote in favour of Dr Rose's re-election.*

## **3. Election of Mr P Thompson as a Director**

Mr Thompson was appointed as a Director on 26 May 2015 by the Directors in accordance with the Company's Constitution and retires under the compulsory retirement provisions of clause 47.1.1 of the Company's Constitution and, being eligible, has offered himself for election as a Director.

### **Mr Peter Thompson BSc Hons (Geology), MSc (Mineral Exploration and Mining Geology)**

Mr Thompson has been a Board member since 26 May 2015. He is a Geologist with significant industry experience in both Exploration and Mining roles. Educated at Trinity College Dublin (BSc Hons – Geology) and Leicester University (MSc – Mineral Exploration and Mining Geology), he has worked in exploration for gold, copper, nickel and platinum, and in open pit and underground gold mines. Over a career of 27 years, Mr Thompson has worked for BCD Resources NL as CEO, at St Barbara Mines Limited as General Manager Exploration, as well as holding senior exploration and project development roles with Jubilee Mines NL, Anaconda Nickel Ltd and Western Mining Corporation. At St Barbara Mines, Mr Thompson's responsibility included managing a team of 22 geoscientists. In addition to being responsible for the discovery of several nickel and gold deposits, he has extensive mining and corporate development experience. Mr Thompson is CEO and Managing Director of Central Asia Resources NL (ASX:CVR) since July 2014.

*RECOMMENDATION: The Board (other than the director who is the subject of this resolution) recommends that shareholders vote in favour of Mr Thompson's re-election.*

#### 4. Approval of an issue of shares to Mr P Thompson

At the time of the appointment of Mr Peter Thompson as a Director of the Company, the Board and Mr Thompson agreed that Mr Thompson would receive a Director's fee of \$34,000 per annum (inclusive of superannuation) and that half of that fee, \$17,000, would be provided in Shares, if approved by shareholders at the AGM in November 2015 ("**Share Component**"). If not so approved, the Share Component would be paid in cash. The number of Shares comprising the Share Component was agreed to be calculated by dividing \$17,000 by \$0.01, being 1,700,000 fully paid Shares. Shares due will be issued as soon as possible, after approval at the AGM.

Resolution 4 seeks shareholder approval for the issue of such Shares for the purpose of ASX Listing Rule 10.11. ASX Listing Rule 10.11 provides that a company must not issue or agree to issue securities to a Director of the company or an associate of a Director without shareholder approval.

If shareholder approval is not received under Resolution 4, the Company, subject to future Board approval, will pay the amount in cash.

ASX Listing Rule 10.13 provides that the following information must be provided to the shareholders:

- The name of the person to whom the Shares are to be issued: Mr Peter Thompson or his nominee.
- The maximum number of Shares to be issued is 1,700,000.
- The issue price: \$0.01 per share.
- Terms of issue: The Shares issued will be fully paid ordinary shares in the Company. The Shares will be issued as compensation for director's fees not being paid in cash, in accordance with the existing agreement terms. Each Share issued pursuant to this Resolution will rank pari passu with all existing ordinary fully paid shares of the Company.
- Issue Date: The Company will issue the Shares no more than 1 month after the date of the Meeting to which this Explanatory Memorandum relates.
- Voting exclusion: a voting exclusion statement has been included in the Notice of Meeting.
- Use of funds: No funds will be raised.

*RECOMMENDATION: The Board (other than the director who is the subject of this resolution) recommends that shareholders vote in favour of approving the issue of Shares to Mr Thompson.*

#### 5. Approval of future issues of shares

The Company seeks pre-approval to raise additional equity capital (in addition to that permitted by ASX Listing Rule 7.1) by way of Placement. A placement may involve a capital raising to professional, sophisticated and institutional investors (**Placement**). Pre-approval provides the Company with flexibility, including the flexibility to pursue market and exploration opportunities as they arise. It does not mean that such approval will necessarily be used. The Company last sought (and obtained approval) for such capacity at the General Meeting on 1 May 2015) --- none of that capacity was used and that approval has expired. This Resolution effectively refreshes the same capacity.

Under ASX Listing Rule 7.1, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if, in doing so, it would mean that the number of equity securities issued in the preceding 12 month period would exceed 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period (**Placement Capacity**).

In accordance with ASX Listing Rule 7.3, the Company provides the following information:

|   |  |
|---|--|
| <b>Details of the potential allottees to be issued shares under the Placement</b> | The shares will be allotted to sophisticated investors (in accordance with sections 708(8) and (10) of the Corporations Act), professional investors (in accordance with section 708(11) of the Corporations Act), other institutional and accredited investors to whom no disclosure is required under the Corporations Act.  |
| <b>Potential maximum number of Placement shares to be issued</b>                  | 50,000,000   |
| <b>The issue price of the securities</b>  | In accordance with ASX Listing Rule 7.3.3 the issue price of any Placement shares will not be less than 80% of the volume weighted average market price for ordinary shares (excluding special crossings, overnight sales and exchange traded options exercises) calculated over the last 5 days on which sales of ordinary shares were recorded before the date on which the Placement shares are issued. |
| <b>The date by which the Company will issue the Placement shares</b>              | If approved, and Placements occur, all shares will be issued no later than 3 months after the date of the meeting (being 25 February 2016) as required by the ASX Listing Rules. Note: Placements and issues of shares may occur progressively during that period.   |
| <b>The terms of the Placement shares issued</b>                                   | All shares issued under any Placement will be fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.   |
| <b>The use (or intended use) of the funds raised</b>                              | To fund future exploration programs and working capital requirements.  |
| <b>Voting exclusion statement</b>   | A voting exclusion applies to this resolution – please see the notes to Resolution 5.  |

**RECOMMENDATION:** *The Board recommends that shareholders vote in favour of approving the future issue of Shares.*

## 6. Spill Resolution

The Corporations Act requirements for this Resolution to be put to a vote are set out in relation to Resolution 1.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

Shareholders appointing a proxy for this Resolution should note the voting restrictions set out in relation to Resolution 1 apply in the same manner to this Resolution.

*RECOMMENDATION: The Board recommends shareholders vote against calling the Spill Meeting.*

***The Chairman of the Meeting intends to vote undirected proxies:***

***FOR each of the Resolutions 1 to 5***

***AGAINST Resolution 6***

## GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means ASX Limited;

**Chairman** means the chairman of the Meeting in accordance with the Constitution;

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act;

**Company** or **Marmota** means Marmota Energy Ltd ACN 119 270 816;

**Constitution** means the Constitution of the Company;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** means the Directors of the Company;

**Explanatory Memorandum** means this Explanatory Memorandum incorporated in the Notice of Meeting;

**Key Management Personnel** or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group;

**Listing Rules** means the listing rules of ASX;

**Notice** or **Notice of Meeting** means the notice of meeting incorporating this Explanatory Memorandum;

**Relevant Interest** has the meaning given to that term in the Corporations Act;

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2015.

**Resolution** means a resolution set out in the Notice of Meeting;

**Shares** means fully paid ordinary shares in the Company;

**Shareholder** means a holder of Shares;

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the Directors' Report considered at the last annual general meeting of the Company was passed, other than the Managing Director of the Company at that time;

**2014 AGM** means the Annual General Meeting of the Company held on 25 November 2014.





## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Marmota Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: 1300 554 474      Overseas: +61 1300 554 474

## PROXY FORM

I/We being a member(s) of Marmota Energy Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting *(mark box)*

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm on Thursday, 26 November 2015 at Level 29, Westpac House, 91 King William Street, Adelaide, South Australia 5000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).


**The Chairman of the Meeting intends to vote undirected proxies 'FOR' Resolutions 1 to 5, and 'AGAINST' Resolution 6.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

| Resolutions                                    | For                      | Against                  | Abstain*                 | For                                     | Against                  | Abstain*                 |
|--|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5 Approval of future issue of shares    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re election of Dr C Rose as a Director       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 Board Spill Meeting (Contingent Item) | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Election of Mr P Thompson as a Director      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |                          |                          |
| 4 Approval of issue of shares to Mr P Thompson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |                          |                          |

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm on Tuesday, 24 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Marmota Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**





**MARMOTA  
ENERGY**

**ANNUAL REPORT 2015**



# 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.

## 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 the 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 Daniel Gray as Senior Project Geologist of Marmota Energy, 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 Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# ANNUAL GENERAL MEETING

Shareholders are invited to attend the 2015 Annual General Meeting of Marmota Energy Limited:

**Venue:** Level 29  
Westpac House  
91 King William Street  
Adelaide, South Australia

**Time:** Thursday 26th November 2015 commencing at 3.00pm (ACDT)

Full details are contained in the Notice of Meeting which is mailed to shareholders.



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# CHAIRMAN'S REPORT

Dear Fellow Shareholder

This has been a year of transition for Marmota – especially so in the last 6 months, since the EGM on 1 May 2015. The EGM itself showed overwhelming support for change at Marmota. And change has come.

So what is new?

- **A New Board**

The entire Board of Marmota has refreshed, compared to 30 June 2014 last year. We are delighted to have recently appointed, in May 2015, highly-experienced **geologist** Peter Thompson to the Board. Peter was in charge of a team of 22 geoscientists at St Barbara Ltd, and has held senior positions with companies like Anaconda, Western Mining, etc. Our Board now has technical expertise and technical direction again. Peter has already made a superb contribution to Marmota, and we are absolutely delighted to have him on the Board.

Our new managing director, David Williams (appointed Sept 2014), has years of experience in the mining and exploration space. As of 1 July 2015, David has also taken on the role of company secretary – a further efficiency and considerable saving to the Company and shareholders. David carries out both roles with equal aplomb and drive.

For the first time ever, Marmota has a Board that is not just based in Adelaide. Our new Board is spread across 3 states (SA, Victoria, NSW), which provides the Company with considerably greater exposure to opportunity, contacts and capital across Australia. In fact, many of the firms operating in our space in South Australia are actually headquartered outside South Australia, often in Sydney and Perth, and our contact with them has increased considerably.

- **Non-exec director's fees:** expenditure slashed

Money is being targeted into exploration (not administration). As Chair, I currently receive \$1 per year. Our technical director, Peter Thompson receives half his fees in shares (subject to shareholder approval), and half in cash: this is not only a sign of considerable confidence in the Company's future, but also a great incentive for directors to work to maximise shareholder value. The new Marmota runs the entire non-executive Board for a tiny fraction of what was the status quo, and which must now be one of the most efficient cost structures across the exploration space. We aim to operate much more akin to a start-up: aggressive, lean, and smart, incentivized by equity (not cash), with shareholder funds targeted into exploration.

- **Operating costs cut:** saving around \$700,000 per annum! <sup>1</sup>

---

<sup>1</sup> New financial year (estimate), compared to year to June 2015.

- **New capital:** since May 2015, over \$640,000 in new capital has been brought in, including a very successful Share Purchase Plan (SPP) that was more than doubly oversubscribed thanks to the support of fellow shareholders.
- **New premises:** in June, Marmota moved into new physical premises perfect to our needs. They cost us dramatically less, and they are far nicer: less is more! Up and running ...

Now to the year ahead, and beyond ...

- **A new gold exploration program**

In July 2015, Marmota commenced an aggressive new gold exploration program across its prime tenement holdings around the Challenger gold mine. We are adopting the same calcrete sampling methodology that was used to find Challenger itself. Since July, Marmota's in-house geoscientists have been stationed in the Gawler Craton (in the Woomera Prohibited Defence Area), auger drilling calcrete samples.

Marmota has a plethora of enticing targets in the Gawler Craton ... what is currently developing is not just the testing of a one-off target, but the unfolding of an expanding exploration program that is gaining traction, and with increasing momentum.

- **Multi-commodity opportunities: gold, copper and uranium**

As a company, we are extremely lucky to have multi-commodity opportunities. At our Melton tenements on the Yorke Peninsula, we have a beautiful copper project. In the peak of summer, just as it gets extremely hot in the desert of the Gawler Craton, our exploration focus will shift for the summer months to Melton, which also fits neatly into the cropping lay periods in that area.

On the uranium side, the Company's largest project is at Junction Dam (over 5 million pounds of inferred JORC resource: see p 18). While this is currently on the backburner pending change to market conditions, it is of interest to note that the Honeymoon Uranium Plant (next door to our Junction Dam resource) has recently (in September 2015) been sold: another interesting space to watch.

In summary, in the last 6 months, Marmota has undergone a significant transition. The company is fortunate to have highly prospective tenements. Your new Board is working extremely hard to realise both their potential and shareholder value. I am very confident indeed that the year ahead will be an exciting one for shareholders.

On behalf of the Board, we warmly welcome shareholders to attend the AGM – we look forward to meeting with you.

Welcome again to the new Marmota!



**Dr Colin Rose**  
Chairman



# REVIEW OF OPERATIONS

**GOLD**  
**COPPER**  
**URANIUM**

**Gawler Craton** - NW of Tarcoola  
**Melton Project** - Yorke Peninsula  
**Junction Dam**

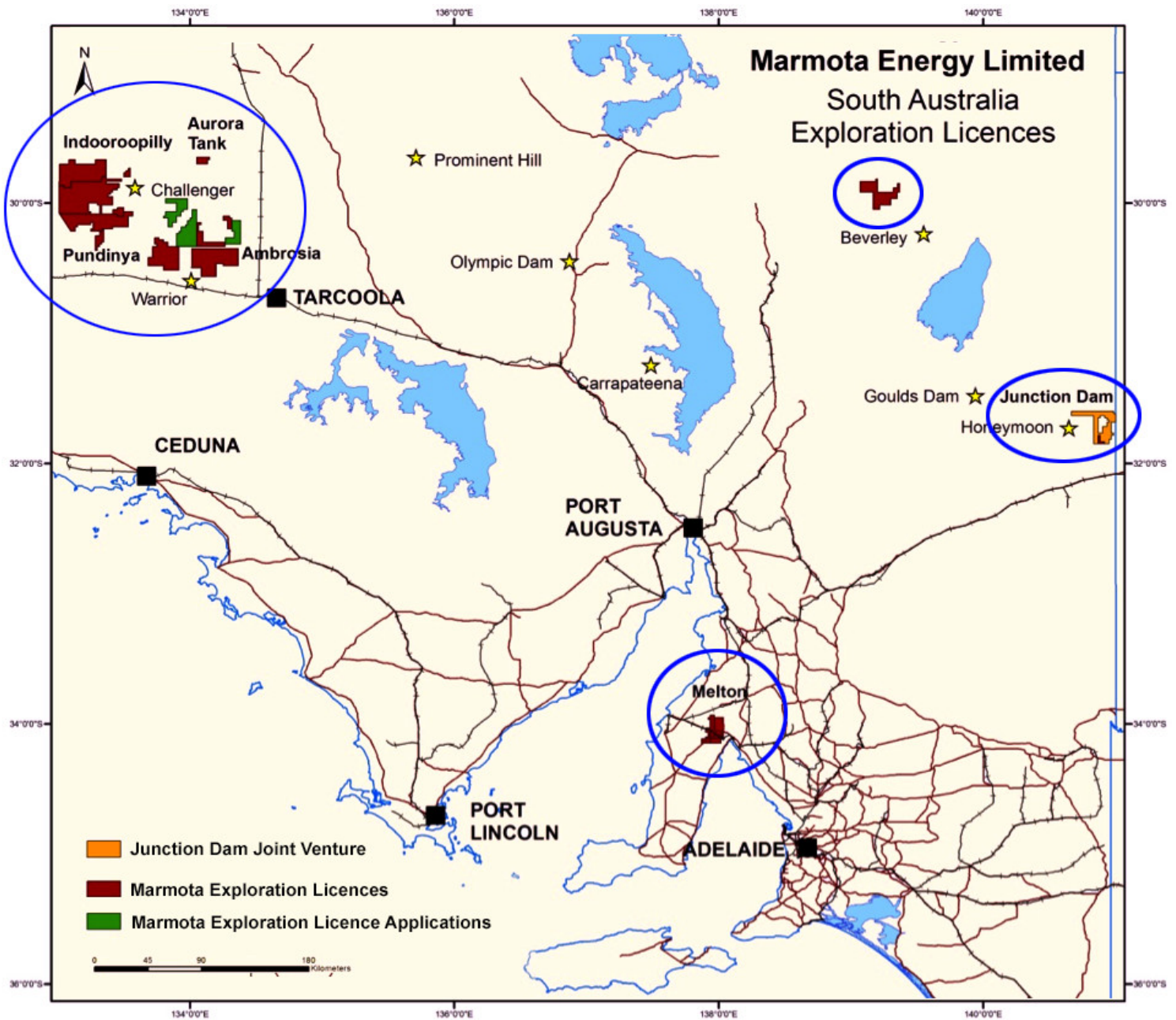


Figure 1: Map showing Marmota tenements



# TENEMENT STATUS

(AS AT 30 SEPTEMBER 2015)

## South Australia

| Project name                 | Tenement      | No             | Area (km <sup>2</sup> ) | Details  | Nature of Company's interest %     | Status                         |
|------------------------------|---------------|----------------|-------------------------|--|------------------------------------|--------------------------------|
| Junction Dam                 | Junction Dam  | EL 4509        | 341                     | JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting | 100% of the uranium mineral rights | Granted                        |
|                              | Junction Dam  | ELA 2015/00052 | 341                     | JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting | 100% of the uranium mineral rights | Subsequent licence application |
| Melton                       | Melton        | EL 5122        | 28                      | JV with Monax Mining   | 75% of all minerals                | Granted                        |
|                              | North Melton  | EL 5209        | 137                     | JV with Monax Mining   | 75% of all minerals                | Granted                        |
|                              | West Melton   | EL 4648        | 88                      |  | 100%                               | Granted                        |
| Ambrosia                     | Ambrosia      | EL 4510        | 854                     |  | 100%                               | Granted                        |
|                              | Ambrosia      | ELA 2015/00053 | 603                     |  | 100%                               | Subsequent licence application |
|                              | Muckanippie   | EL 5195        | 181                     |  | 100%                               | Granted                        |
|                              | Mulgathing    | ELA 2015/00175 | 652                     |  | 100%                               | Application                    |
| Pundinya                     | Pundinya      | EL 4526        | 435                     |  | 100%                               | Granted                        |
|                              | Pundinya      | ELA 2015/00062 | 435                     |  | 100%                               | Subsequent licence application |
| Western Spur                 | Western Spur  | EL 4528        | 333                     |  | 100%                               | Granted                        |
|                              | Western Spur  | ELA 2015/00065 | 333                     |  | 100%                               | Subsequent licence application |
| Aurora Tank                  | Aurora Tank   | EL5589         | 48                      | JV with Southern Exploration   | 75% of all minerals                | Granted                        |
| Indooroopilly - Lake Anthony | Indooroopilly | EL 4702        | 570                     |  | 100%                               | Granted                        |
|                              | Mt Christie   | EL 4995        | 620                     |  | 100%                               | Granted                        |
|                              | Lake Anthony  | EL 5060        | 981                     |  | 100%                               | Granted                        |
|                              | Cudyea        | EL5377         | 145                     |  | 100%                               | Granted                        |
| Mulyungarie                  | Mulyungarie   | EL 5124        | 17                      |  | 100%                               | Granted                        |

## Highlights

- Marmota has a **dominant** holding around the Challenger gold mine
- Challenger has produced over 1 million ounces of gold already (*i.e.* A\$1.5 billion of gold at current prices)
- Discovered using simple calcrete sampling
- Marmota tenements cover around **4000 km<sup>2</sup>** of highly prospective area around Challenger
- Woomera Prohibited Defence Zone: desirable area of exploration focus
- Aggressive exploration program commenced in July 2015
- Adopting same techniques as used to find Challenger
- Multiple targets

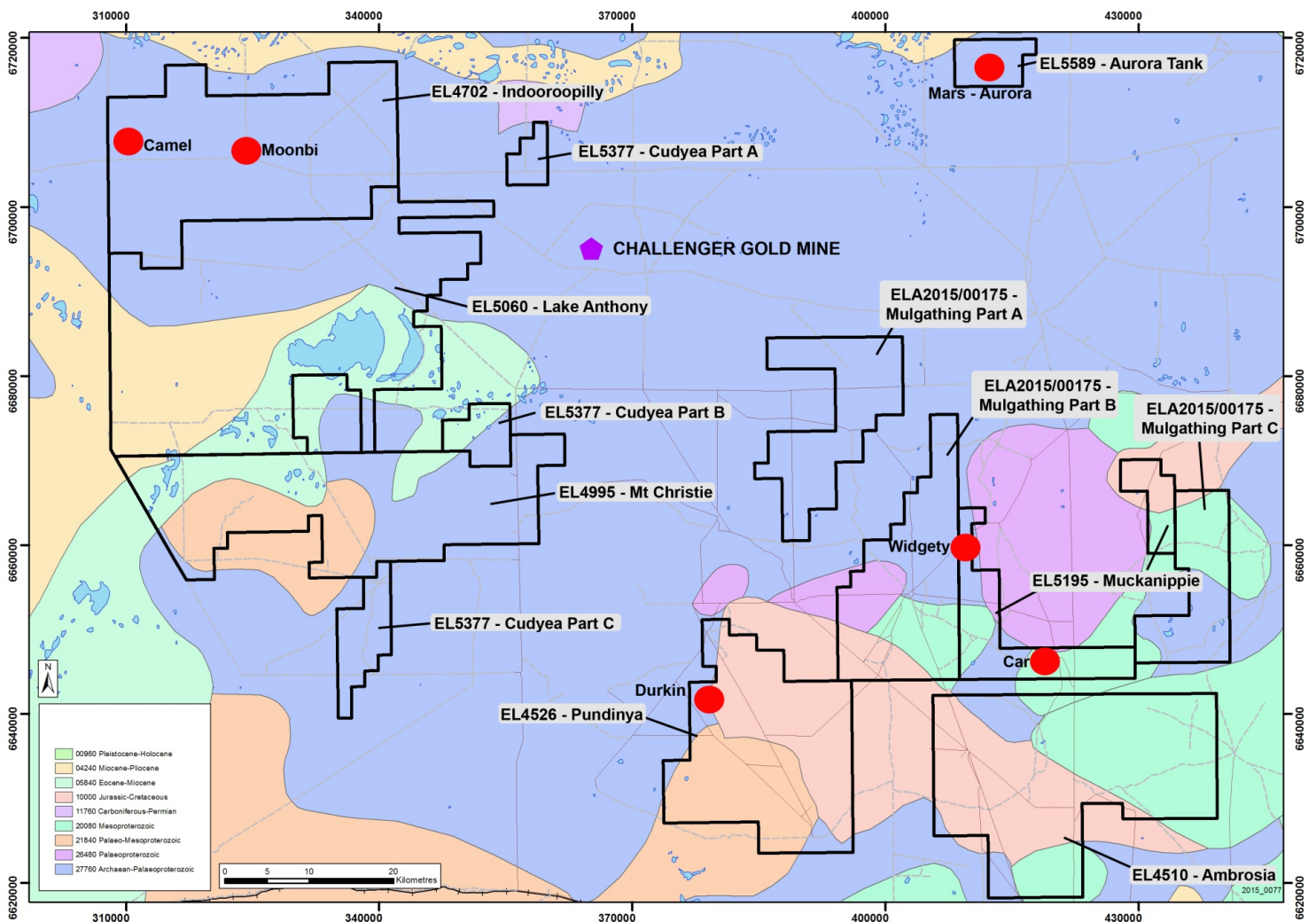


Figure 2: Marmota's Gawler Craton Gold Project, around the Challenger Gold mine

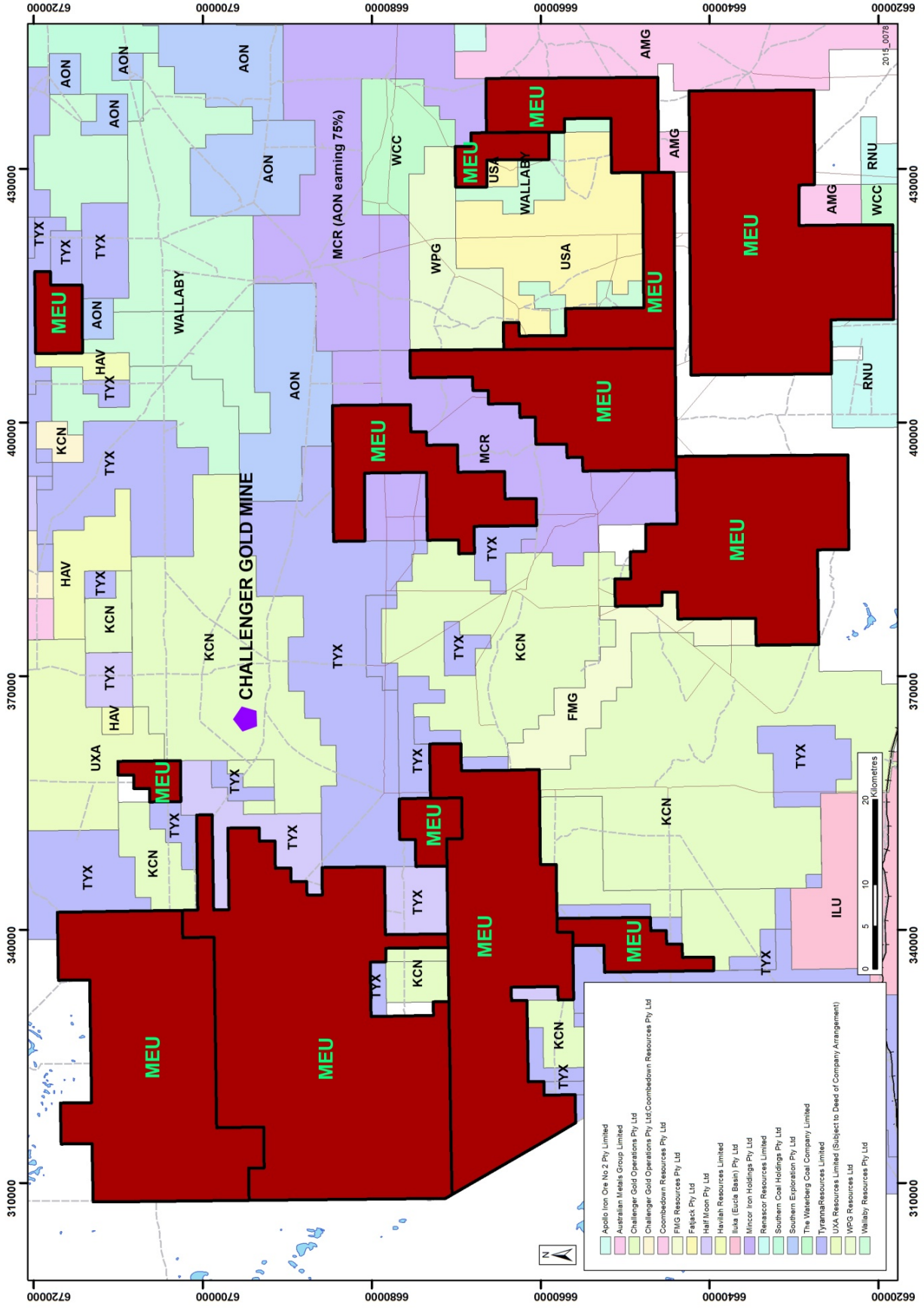


Figure 3: Marmota Tenements around Challenger, and neighbours

## CALCRETE SAMPLING

Calcrete sampling is a useful exploration tool utilised to detect potential gold mineralisation hosted in basement rocks beneath the surface. It is the method that was used to discover the Challenger Gold Mine. Calcrete is a calcium rich sedimentary rock type that typically forms just below the surface in the project region (see Figure 4). It is typically formed by calcium carbonate precipitated from solution and re-deposited through the agency of infiltrating waters, or deposited by the escape of carbon dioxide from groundwater. It occurs in a variety of forms, where it can form a duricrust, can be pisolitic, nodular, pebbly, slabby or massive and powdery. It is a proven accumulator of gold and other metals in the Gawler Craton, with a number of gold prospects and deposits identified within the region using this method.



Figure 4: Typical calcrete encountered at the Widgety and Camel prospect included sheet calcrete.

## CALCRETE SAMPLING PROGRAM

Marmota has commenced an aggressive exploration program at key target areas in the Gawler Craton Woomera Defence Zone Area, searching for gold anomalism with the potential for Challenger-style gold mineralisation [see ASX announcement: [6 July 2015](#)]. Since July 2015, Marmota's in-house geoscientists have been stationed in the Gawler Craton, auger drilling calcrete samples. The program is on-going and expanding.

## GOLD Aurora Tank

*Joint venture agreement with Apollo Minerals Limited (ASX:AON)*

### JOINT VENTURE with APOLLO MINERALS LIMITED

The Aurora Tank target is interpreted to represent structurally controlled zones of high density material immediately west of a high intensity magnetic zone. Historical drilling by Minotaur Gold in 1997 of the magnetic zone provided encouraging results where drillhole RCAT-13 intersected 4m at 1.6g/t gold from 120m and drillhole RCAT-8 intersected 4m at 0.68 g/t gold from 104m. Marmota and Apollo Minerals entered into a joint venture agreement in February 2013.

Two Reverse Circulation holes were advanced into strong chargeability anomalies identified during the 2014 IP survey. Drillhole 14AT003 intersected high grade gold near surface including:

- 4m at 5 g/t gold from 16m down hole depth, including 15 g/t gold over 1m from 19m

Results confirm coincident gold anomalism with a high IP chargeability zone over 1,000m strike length. These results support a regional mineralised north-east trend and confirm the presence of similar host rocks to the nearby Challenger Gold Mine.

In May 2015, further drilling targeting the near surface gold mineralisation was completed in a 1,750m drilling program. Three north-south traverses covering a strike length of 500m were



drilled to a maximum depth of 50m (see Figure 5). Highlights from the drilling include:

- 16m at 1.0 g/t Au from 20m, including 12m at 1.3 g/t Au from 20m, 15ATRC019
- 16m at 0.7 g/t Au from 19m, including 4m at 0.9 g/t Au from 31m, 15ATRC010
- 12m at 0.6 g/t Au from 34m, including 8m at 0.8 g/t Au from 38m, 15ATRC018

The Company is highly encouraged by these results which are similar in grade and thickness to pre-discovery results from the Challenger mine, located approximately 60km to the west.

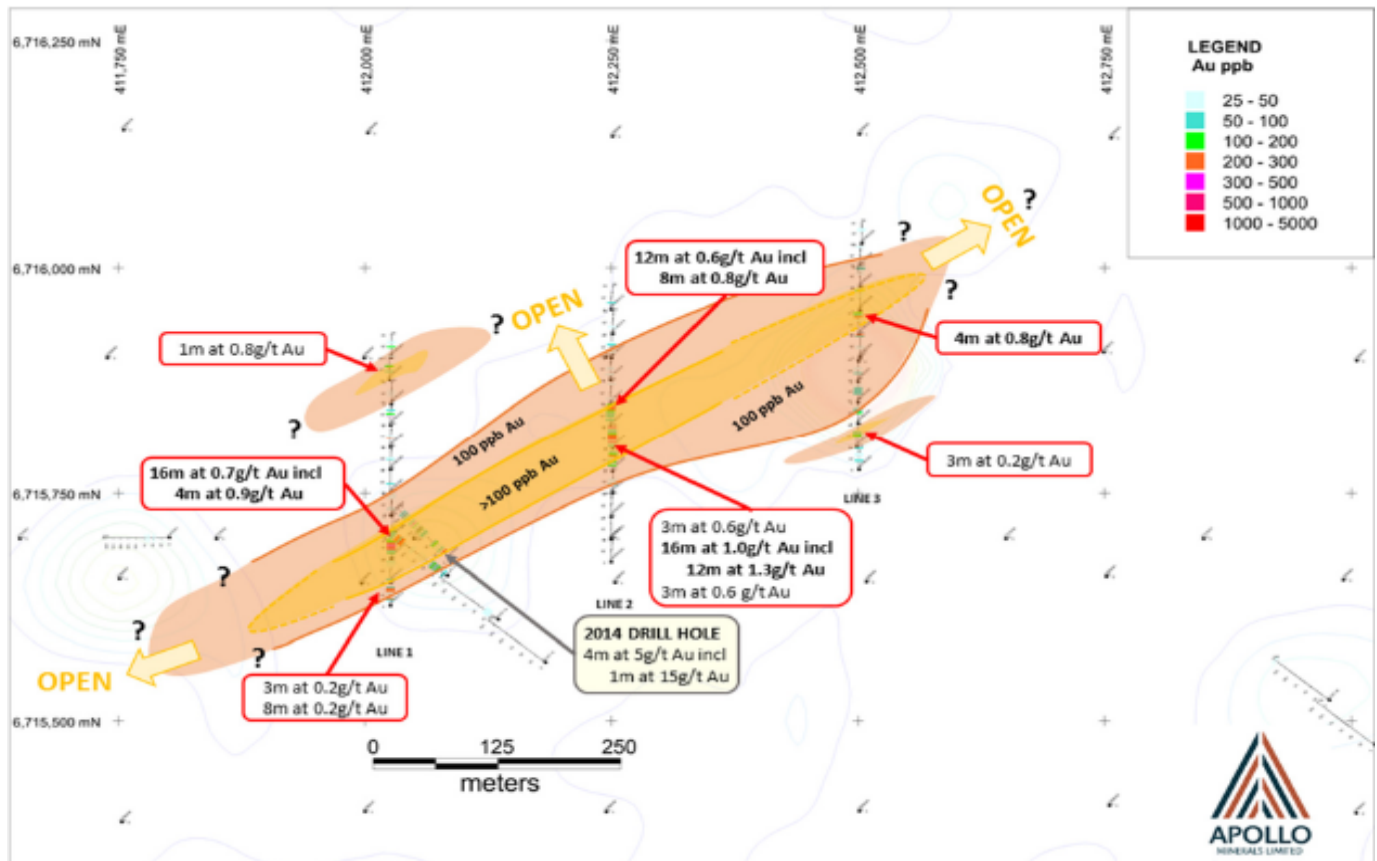


Figure 5: Mars Aurora Tank drill hole location plan and gold distribution [AON ASX release : 29 July 2015]

The next stage in exploration is expected to include deeper extensional drilling to test beneath the upper weathered profile, and step-out drilling to delineate mineralisation that is currently open on three sides. Using the Challenger analogy and a review of these assay results, there are good indications that deeper drilling may yield continuation of high grade mineralisation.

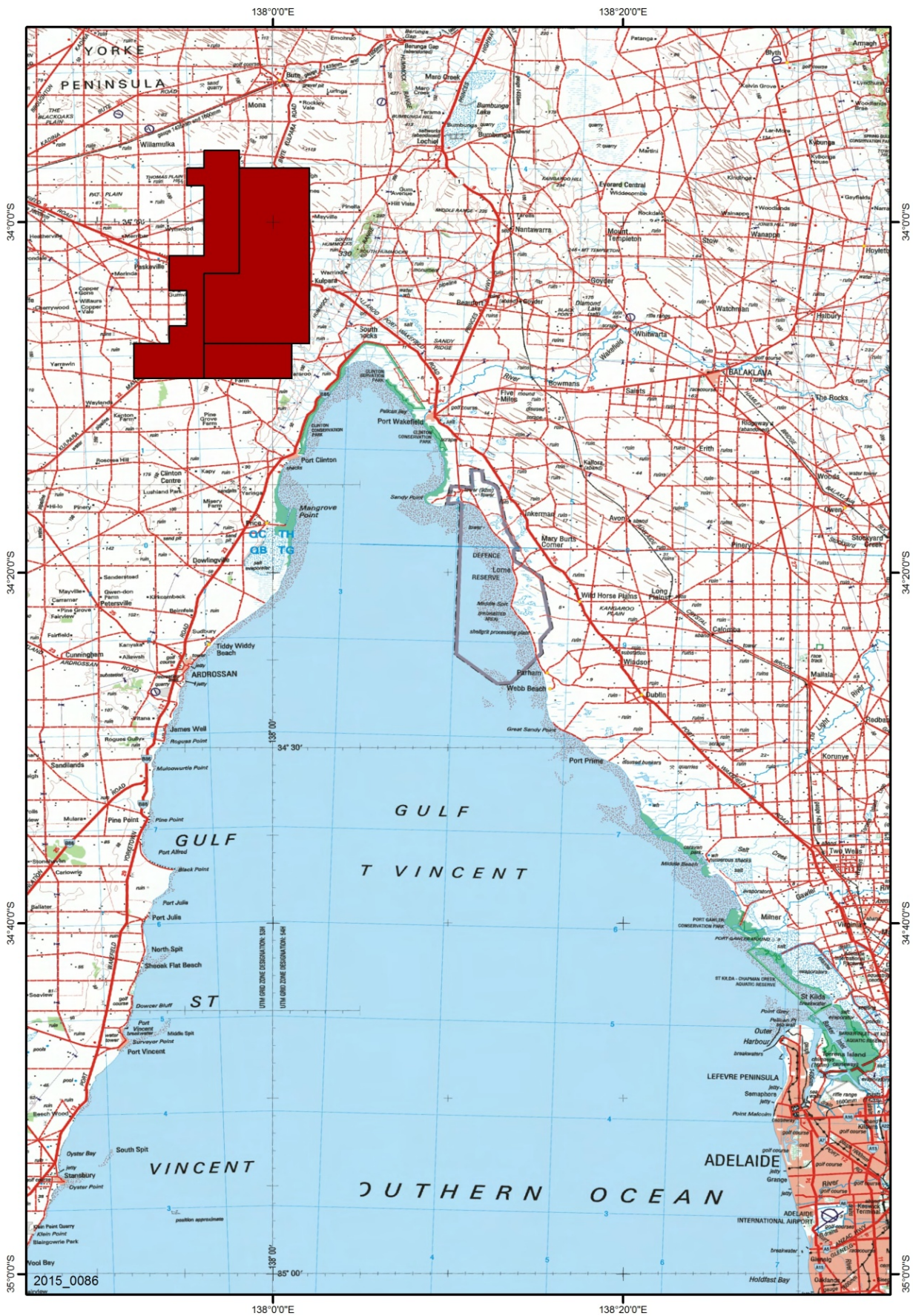


Figure 6: Location of Yorke Peninsula Tenements



## Melton Project: Highlights

- Champion prospect: **consistent copper mineralisation at shallow depths** from initial drilling programme [Figures 7, 8 and 9]
  - located on EL4648 West Melton; 100% owned
- Excellent assay results of **up to 2.92% Cu** encountered from surface
- Located less than 50 kilometres north of Rex Minerals' Hillside copper deposit, along the same eastern part of the mineral rich Olympic sub domain
- New independent geophysical review undertaken
- Follow up airborne electro-magnetic survey undertaken
- Additional new target area: Melton Central

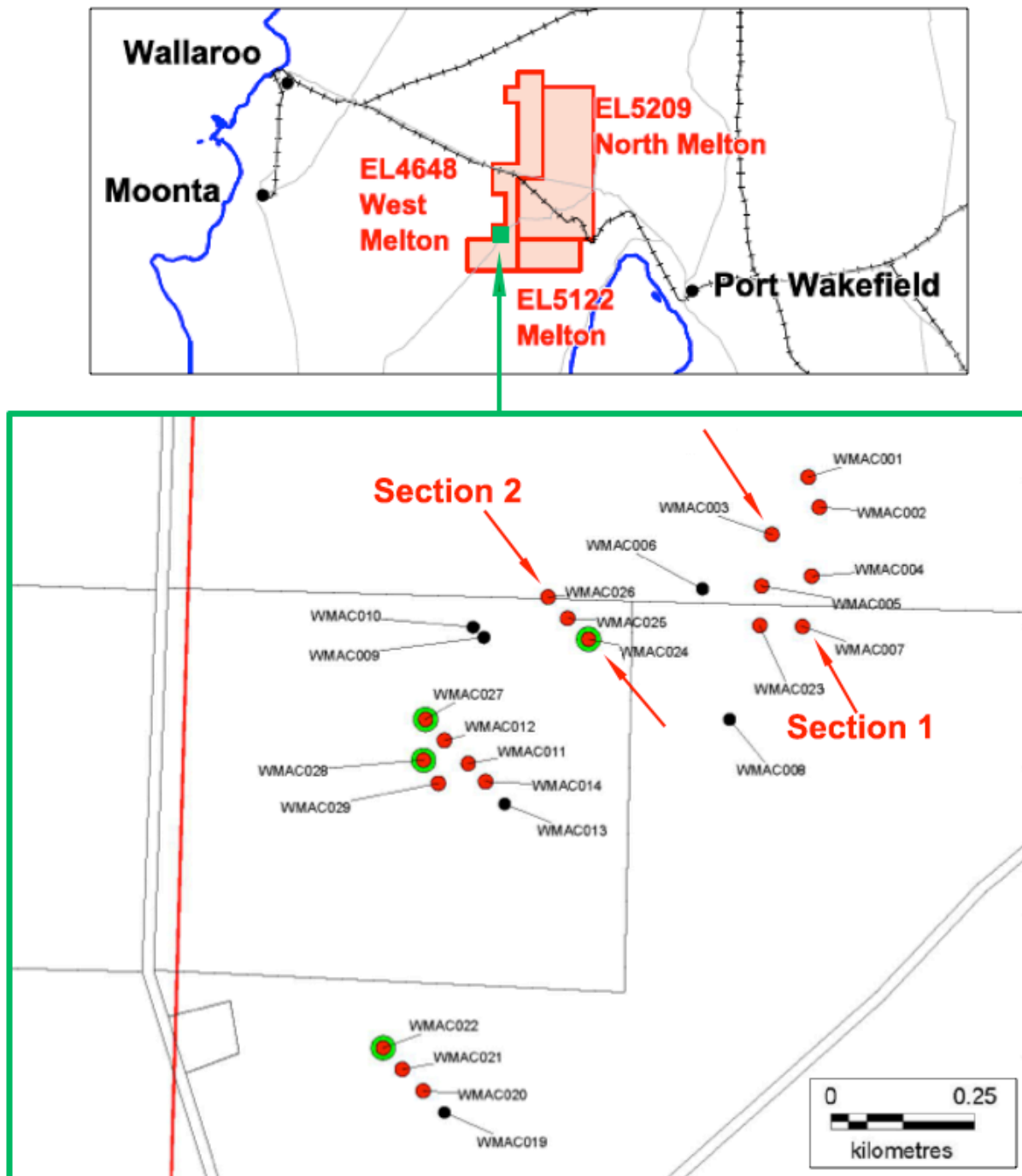


Figure 7: Location of the Champion prospect on the West Melton tenement with DETAIL of the 2014 drilling program. Section 1 is depicted in Figure 8 ; Section 2 is depicted in Figure 9

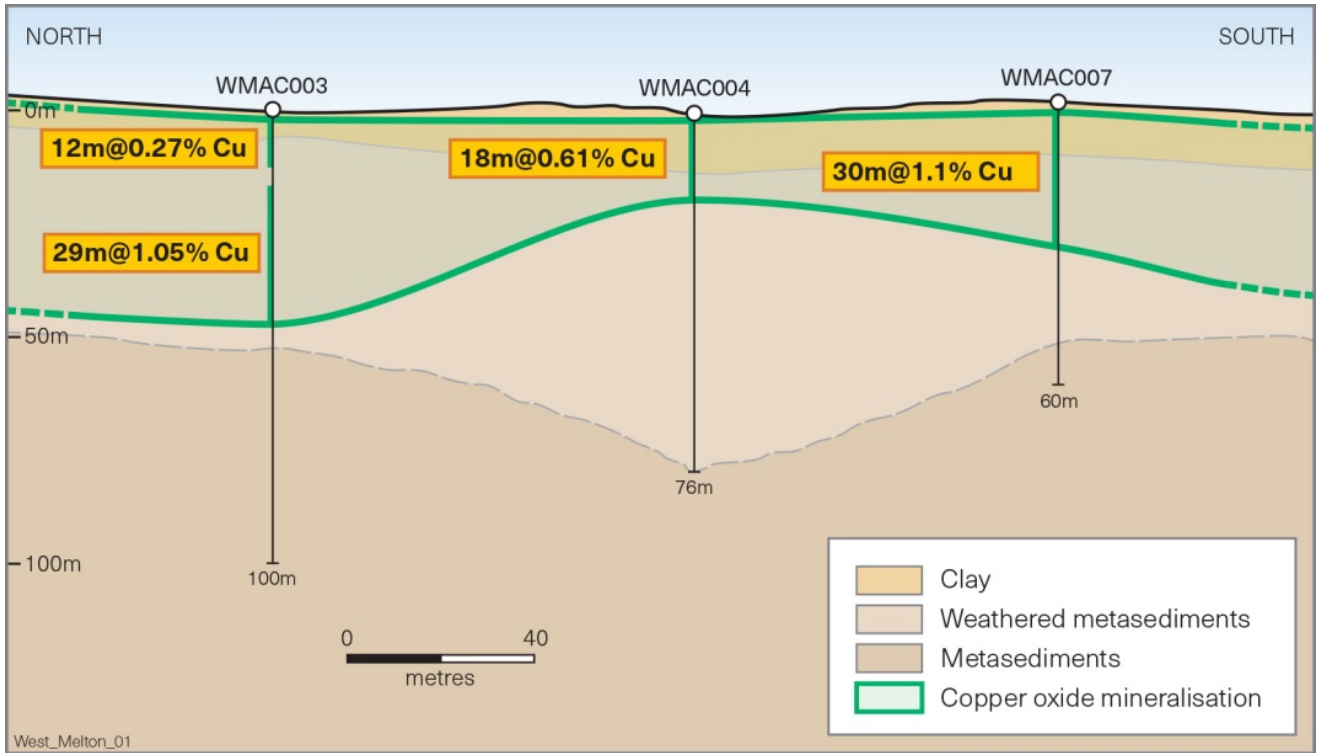


Figure 8: Section 1 cross-section from West Melton drilling

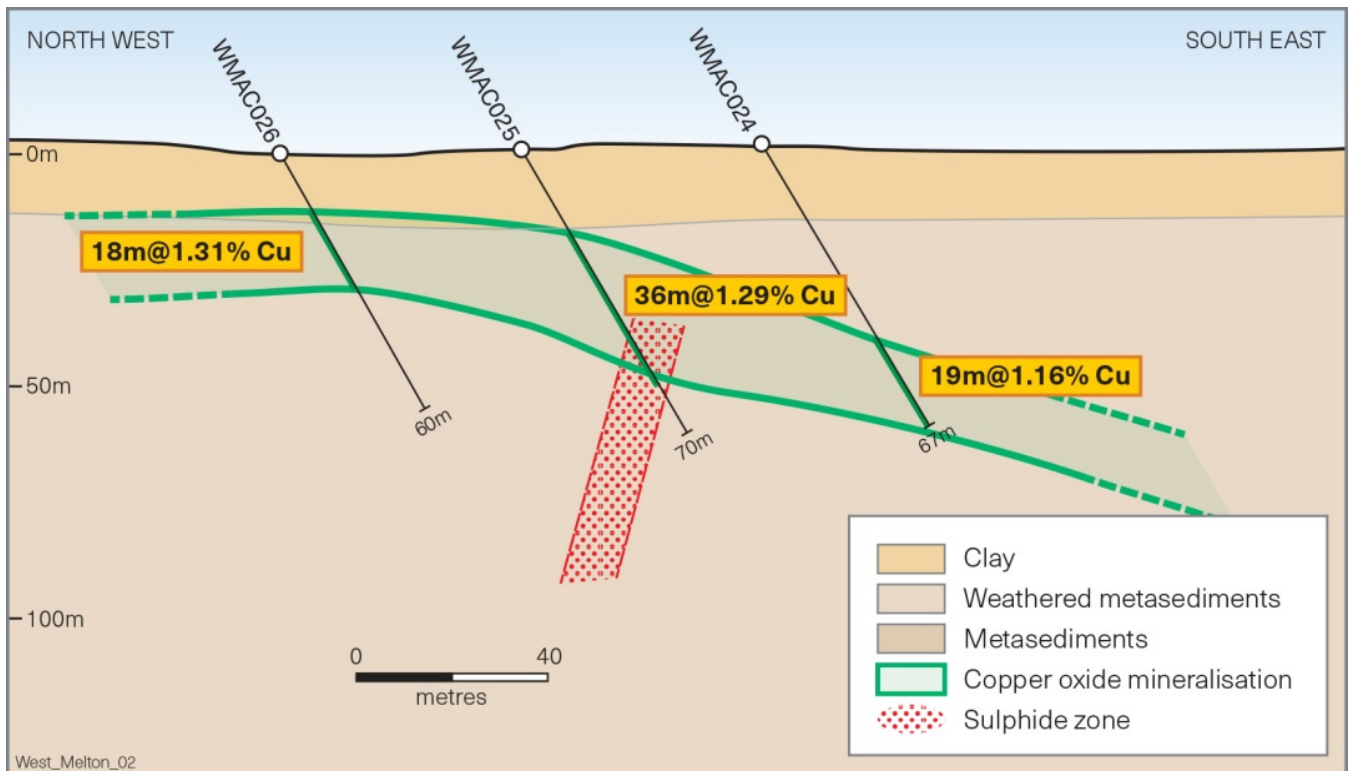
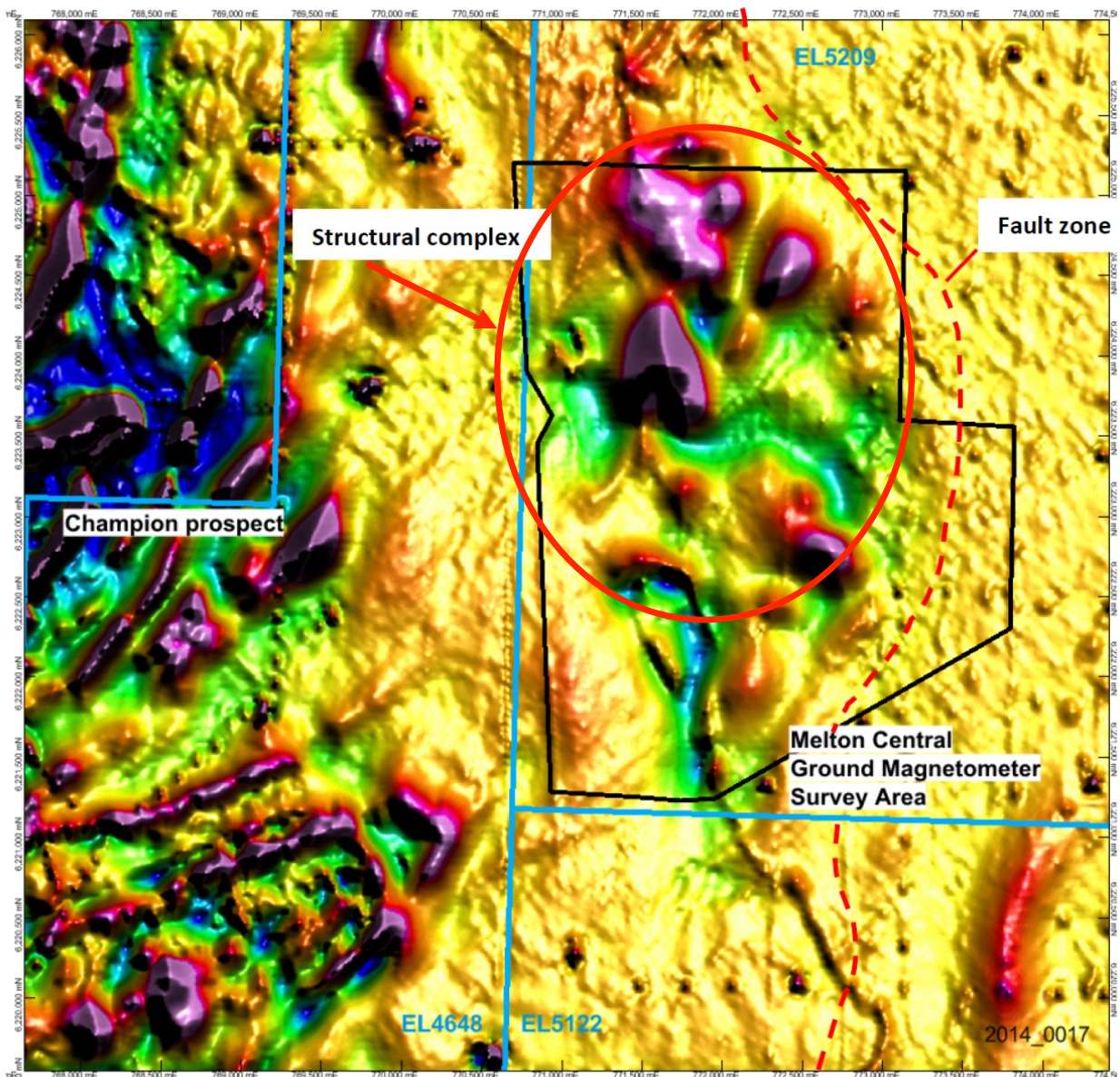


Figure 9: Section 2 cross-section from West Melton drilling



## INDEPENDENT GEOPHYSICAL REVIEW

An independent geophysical review was conducted on Marmota's entire Yorke Peninsula project. The review provided a clearer understanding of depth to basement, the structural and geological setting for the mineralisation and it also highlighted new targets for follow up exploration. Discrete coincident magnetic and gravity anomalies comparable to structurally controlled mineralisation at Rex Minerals' Hillside deposit south of the project area were identified. An exciting new target area, Melton Central, was identified from the review. Melton Central contains several clusters of gravity anomalies with coincident discrete magnetic features. Gravity and magnetic modelling indicate the likely presence of intrusive rocks within deformed and faulted Wallaroo Group metasediments, consistent with the geological setting of copper-gold mineralisation in the Moonta and Kadina areas.



**Figure 10:** Magnetic image highlighting the geophysical anomalies at Melton Central. Possible intrusive bodies can be interpreted from this image, highlighted by the magnetic highs (pink and red). Geophysical anomalies located within a structural complex on the western side of an interpreted fault zone shown by red dashed line.

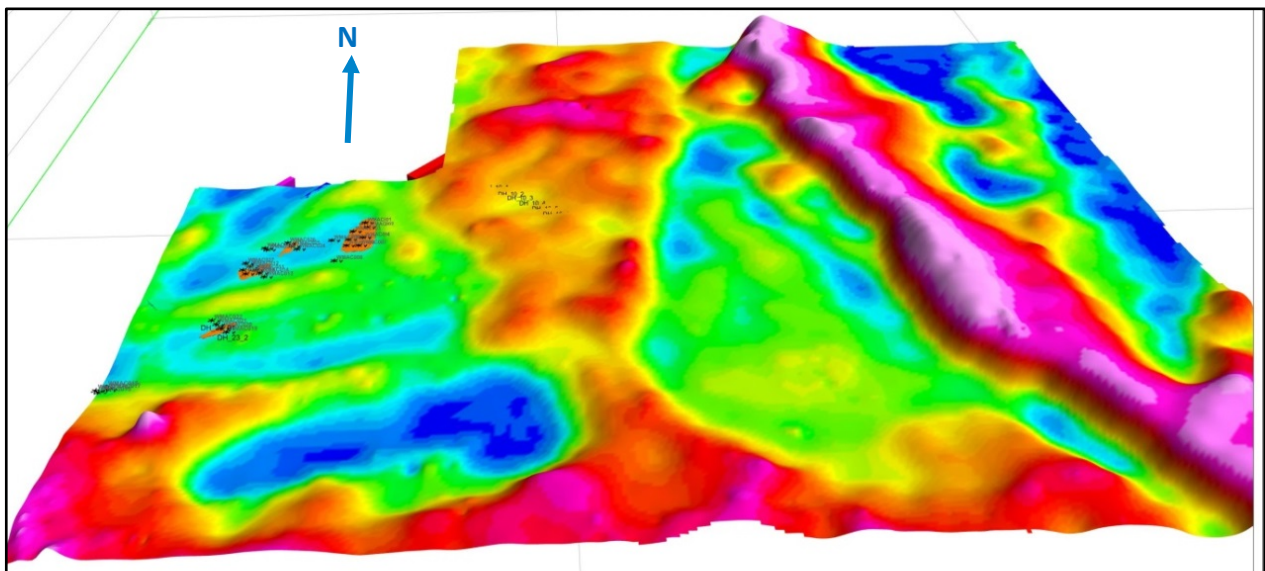
Melton Central geophysical data revealed strongly folded and faulted strata which are considered prospective for IOCG style mineralisation (see Figure 10 above). High grade copper oxide mineralisation discovered by Marmota at the nearby Champion prospect confirms that this area is highly prospective and therefore a high priority for Marmota.

At Melton Central, the geophysical anomalies coincide with a structurally complex zone on the western side of an interpreted regional fault. The magnetic anomalies have a gravity response of up to 1 mgal, indicative of the presence of an intrusive body, modelled at a depth of less than 200 metres. This newly defined structural location provides excellent potential for fault bounded mineralisation.

### **AIRBORNE ELECTROMAGNETIC (EM) SURVEY**

After the completion of the independent geophysical review, a follow up airborne EM survey was undertaken over the Champion prospect and the newly defined Melton Central Target. Approximately 300 line kilometres of airborne Time Domain Electromagnetic (TDEM)(RepTEM) data was acquired over the Champion prospect and the Melton Central target areas. Data was acquired on a 100m line spacing.

Results confirmed the high priority of the Champion prospect and Melton Central target areas (see Figure 11 below). The new data provided additional information that will assist with drill targeting. Modelling of the data highlighted areas that require further ground based geophysics prior to drilling, which will better define the geophysical anomalies.



**Figure 11:** 3D model of the EM survey over the Champion prospect and Melton Central target areas

The geophysical review concluded that the recently acquired TDEM along with existing magnetic and gravity data had successfully identified several structural positions and discrete anomalies that warrant further investigation. Some of the EM conductors have good correlation with discrete magnetic bodies and some with gravity trends. There are distinct correlations between EM conductors running N-S and the gravity and magnetic data. A large





# URANIUM Junction Dam

## Highlights

- Junction Dam is strategically located about 10 km east from the Honeymoon in-situ recovery (ISR) uranium mine (west of Broken Hill)
- 3 uranium prospects have been identified by Marmota on the project
- JORC inferred resource of 5.4 million pounds<sup>1</sup> at average grade of 557ppm U<sub>3</sub>O<sub>8</sub>
- Grades of up to 8143ppm at the Saffron deposit
- Significant potential to expand
- Bottle-roll leach testing and lithological studies of the host sandstone of Saffron deposit

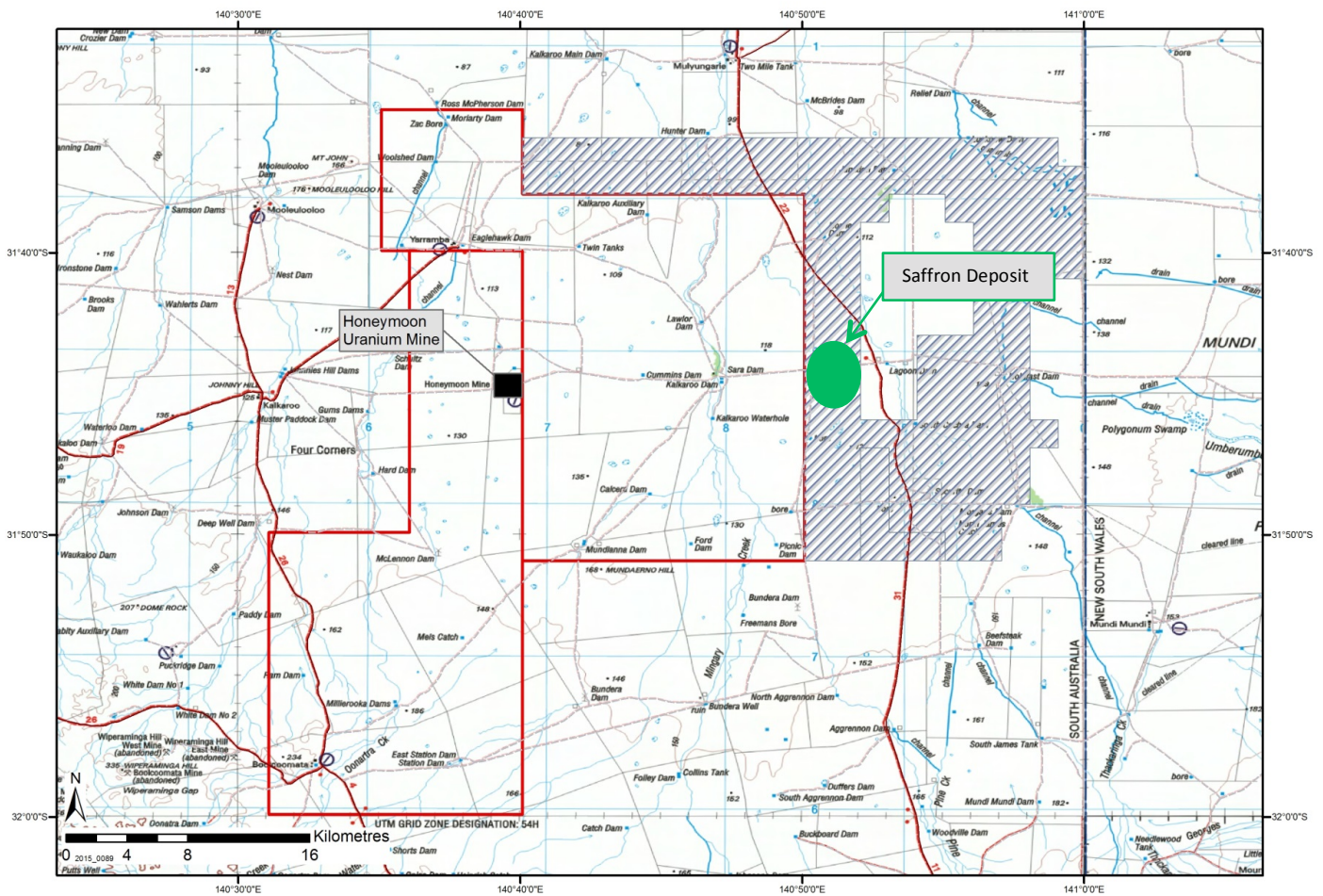


Figure 13: Location of Junction Dam Uranium Project Tenements (SHADED) and Uranium One Australia Honeymoon Mine and Tenements (red)

<sup>1</sup> Upward revision of the Saffron deposit inferred resource size as indicated above follows the application of an average positive disequilibrium factor of 1.63. This is an indicative result and further assessment is underway. (see ASX Releases: 18 July 2012 and 31 October 2012)

## BOTTLE-ROLL LEACH TEST RESULTS

Bottle-roll leach tests were undertaken on selected samples taken from the mineralised zone of three of the sonic drill holes previously carried out by Marmota (see Figure 14). ISR mining method provides a lower cost and less environmentally intrusive method of extracting the uranium in the Junction Dam project compared to traditional methods – no excavation is required. In addition, the Honeymoon Mine nearby, which was developed to use the ISR method, provides a potential route to market. As a result, it is important to know whether the Saffron uranium deposit is amenable to the ISR mining method. Bottle-roll leach tests provide important information in relation to this.



Figure 14: example of bottle-roll leach tests

The samples from each hole were blended, taking care to preserve the natural grain size, to provide three composite samples for leaching. Head samples were split from each composite sample. Three tests were then carried out at different pH levels (1.5, 2.0, 2.5) all at 40%w/w<sup>2</sup> solids in demineralised water and at 450-500mV. The pH and oxidation-reduction potential (mV) of the demineralised water were adjusted using sulphuric acid and sodium chlorate respectively.

Tests ran for 24 hours with intermediate solution samples collected at 2, 4, 8 and 12 hours. Final solution and residue samples were collected after 24 hours.

### *Results*

The results were generally higher than is typically achieved for an ISR mining operation and demonstrate that once oxidised, the uranium in the Saffron deposit dissolves very easily in mildly acidic leaching solution.

---

<sup>2</sup> ... means percentage weight of a substance of the total weight at a specified temperature



After 24 hours, the proportion of uranium leached (based on the residue assay and solution assays for each test) were as follows:

|               |                |                |     |               |
|---------------|----------------|----------------|-----|---------------|
| Hole SASO002: | 89% at pH 2.5; | 84% at pH 2.0; | and | 97% at pH 1.5 |
| Hole SASO005: | 81% at pH 2.5; | 91% at pH 2.0; | and | 94% at pH 1.5 |
| Hole SASO007: | 87% at pH 2.5; | 65% at pH 2.0; | and | 84% at pH 1.5 |



Figure 15: Sonic drilling at Saffron deposit

## LITHOLOGICAL ANALYSIS

An independent hydrogeological review was undertaken to assess the permeability of the unconsolidated sediments (Eyre Formation) that host the Saffron deposit. Good permeability is critical in mining by the ISR method to allow the leaching fluids to move through and make contact with the ore.

Geochemical and lithological data used for the analysis was from previous drilling conducted by Marmota. The independent review concluded that 61% of the intersected mineralisation was contained in clean, fine to coarse grained sands, which are ideally suited to ISR mining. A further 26% of the intersected mineralisation was moderately amenable to ISR mining because of a higher clay content.

These results are consistent with industry standard values for total uranium recovery by ISR methods of around 70%. The results are also consistent with a comparable study of the Beverley uranium deposit undertaken in 1996 prior to its progression to Field Leach Trials (FLT). The Beverley study found 60 to 75% of intersected mineralisation was hosted in sands considered amenable to ISR recovery mining.<sup>3</sup>

The latest test work from the bottle-roll leach tests, and the lithological analysis, gives Marmota greater confidence that the uranium resource in the Saffron deposit is similar to what has been seen at the Honeymoon mine and in early stages of the Beverley mine. It is exhibiting key properties required for efficient recovery by ISR methods – the ore is hosted in permeable rock and is readily leached when contacted by acidic leaching fluid.

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<sup>3</sup> GeoProjects, (1996) Beverley Uranium Project Distribution of Uranium Mineralisation. Consultant's Report to Heathgate Resources. Report G8/2.5a V1.0. Released as open file ENV09128)



# 2015 FINANCIAL REPORT

## **Marmota Energy Limited** Consolidated Entity

ABN 38 119 270 816

**Consolidated Financial Statements for the year ended 30 June 2015**



# Marmota Energy Limited and Controlled Entities

## Directors' Report

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The Directors present their report on Marmota Energy Limited – consolidated entity ('Group') for the year ended 30 June 2015 and the auditor's report thereon.

### Directors

The Directors of Marmota Energy 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** Non-Executive Chairman  
*PhD (Economics)*

#### Experience and expertise

Dr Rose has been non-executive Chairman of Marmota Energy since 1 May 2015. Dr Colin 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 included membership of the Audit, Governance and Remuneration Committee.

*Interests in Shares and Options* (as at 24 September 2015) – 43,638,232 ordinary shares and 1,050,000 listed options

**Mr Peter Thompson** Non-Executive Director  
*BSc Hons (Geology), MSc (Mineral Exploration and Mining Geology)*

#### Experience and expertise

Mr Thompson has been a Board member since 26 May 2015. He is a Geologist with significant industry experience in both Exploration and Mining roles. Educated at Trinity College Dublin (BSc Hons – Geology) and Leicester University (MSc – Mineral Exploration and Mining Geology), he has worked in exploration for gold, copper, nickel and platinoids, and in open pit and underground gold mines. Over a career of 27 years, Mr Thompson has worked for BCD Resources NL as CEO, at St Barbara Mines Limited as General Manager Exploration, as well as holding senior exploration and project development roles with Jubilee Mines NL, Anaconda Nickel Ltd and Western Mining Corporation. At St Barbara Mines, Mr Thompson's responsibility included managing a team of 22 geoscientists. In addition to being responsible for the discovery of several nickel and gold deposits, he has extensive mining and corporate development experience.

#### Responsibilities

Special responsibilities included membership of the Audit, Governance and Remuneration Committee.

#### Current and former directorships in the last 3 years

Mr Thompson is CEO and Managing Director of Central Asia Resources NL (ASX:CVR) since July 2014.

*Interests in Shares and Options* (as at 24 September 2015) – nil

# Marmota Energy Limited and Controlled Entities

## Directors' Report (continued)

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### *Directors (continued)*

**Mr Lindsay David Hale Williams** - Managing Director and Company Secretary  
*LLB, BComm, MAICD*

#### **Experience and expertise**

Mr Williams has been Managing Director since 9 September 2014 and Company Secretary since 1 July 2015. Mr Williams has held the position of Managing Director of a number of ASX listed and unlisted companies in various sectors and brings 20 years of experience in the energy and resource industry. This has included minerals companies in exploration, production, developing new mines and reviewing commerciality of existing operations. Energy sector experience has ranged from operation and expansion of gas transport infrastructure, buying and selling gas, exploration and production of oil and gas. He has demonstrated ability to develop and implement major strategic directional changes including capital raisings, acquisitions and mergers, cost and labour reductions. Mr Williams was previously Chairman of Lithex Resources Limited (ASX:LTX), a graphite and nickel explorer, and President of Heathgate Resources Pty Ltd, the owner and operator of the Beverley uranium mine in South Australia.

#### **Responsibilities**

Mr Williams is also the Company Secretary with effect from 1 July 2015.

#### **Current and former directorships in the last 3 years**

Mr Williams was Chairman of Lithex Resources Limited (during 2013) and of Plus Connect Limited (from 2013 to 2014) and is currently the Federal Secretary and a Director of the Petroleum Exploration Society of Australia Limited (director since 2014).

*Interests in Shares and Options* (as at 24 September 2015) – nil

**Mr Glenn Stuart Davis** Non-executive Director (to 23 June 2015)  
*LLB, BEc, FAICD*

#### **Experience and expertise**

Board member since 28 April 2006 and ceased on 23 June 2015. Mr Davis is a solicitor and partner in DMAW Lawyers. He has considerable expertise and experience in capital raisings, capital reductions, acquisitions and takeovers, managed investment schemes, Director's duties and the requirements of the Corporations Act and the ASX listing rules. He also has specialist skills and knowledge about the resources industry.

#### **Responsibilities**

Special responsibilities included membership of the Audit, Governance and Remuneration Committee.

#### **Current and former directorships in the last 3 years**

Beach Energy Limited (Chairman since November 2012 and a director since July 2007) and Monax Mining Limited (since 2004).

*Interests in Shares and Options* (as at 24 September 2015) – 3,777,731 ordinary shares and 250,000 listed options

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

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#### **Directors (continued)**

**Dr Neville Foster Alley** Executive Technical Director (to 1 March 2015)  
*PhD, PSM*

#### **Experience and expertise**

Board member since 28 April 2006 and ceased on 1 March 2015. Dr Alley is an internationally known earth science researcher and was awarded the Verco Medal for his contribution and leadership in the earth sciences and the Public Service Medal (PSM) in 2005 for outstanding contribution to geology and the minerals industry. He has extensive experience at senior levels in Government in Canada and as Director, Minerals, MESA and PIRSA and has a high level understanding of Government policy, regulation and legislation. He made a significant contribution in setting the SA Government's strategies for reinvigorating the minerals industry and led the development of Government initiatives such as TEISA and PACE. Dr Alley has worked closely with Aboriginal people and the community in developing a higher profile for the resources industry.

#### **Current and former directorships in the last 3 years**

Beach Energy Limited (since July 2007 until November 2012), Monax Mining Limited (since 2005 until November 2011) and ERO Mining Limited (from January 2011 until June 2011) and is a Visiting Research Fellow, School of Earth and Environmental Sciences, The University of Adelaide.

*Interests in Shares and Options* (as at 24 September 2015) – 3,184,823 ordinary shares and 103,483 listed options

**Mr Robert Michael Kennedy** Non-Executive Chairman (resigned 30 April 2015)  
*ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, AIM, FAICD*

As a result of receiving a Notice under s.249D of the Corporations Act 2001, the Company held an extraordinary General Meeting on 1 May 2015 seeking to remove Mr Robert Kennedy from the Board. Mr Kennedy resigned as a director on 30 April 2015.

#### **Experience and expertise**

Mr Kennedy is a Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy conducted the review of the Board including the Managing Director in his executive role. Apart from his attendance at Board and Committee meetings, Mr Kennedy led the Board's external engagement of the Company meeting with Government, investors and engaged with the media. He was a regular attendee of Audit Committee functions of the major accounting firms.

#### **Responsibilities**

Special responsibilities included membership of the Audit, Governance and Remuneration Committee.

#### **Current and former directorships in the last 3 years**

Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since 2001), Maximus Resources Limited (since 2004), Tychean Resources Limited (since 2006), Monax Mining Limited (since 2004), Tellus Resources Limited (since 2013 until 2015) and formerly Beach Energy Limited (since 1991 until November 2012), Somerton Energy Limited (from 2010 to 2012), Adelaide Energy Limited (from 2011 to 2012) and Impress Energy Limited (from 2011 to 2012).

*Interests in Shares and Options* (as at 24 September 2015) – nil.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

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#### **Directors' meetings**

The Company held 18 meetings of Directors (including committees of Directors) during the financial year. 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:

|                 | <b>Directors' Meetings</b>       |                        | <b>Audit, Governance and Remuneration Committee Meetings</b> |                        |
|-----------------|----------------------------------|------------------------|--|------------------------|
|                 | <i>Number Eligible to attend</i> | <i>Number attended</i> | <i>Number Eligible to attend</i>                             | <i>Number attended</i> |
| <b>Director</b> |                                  |                        |  |                        |
| Dr Colin Rose   | 3                                | 3                      | -  | -                      |
| Peter Thompson  | 1                                | 1                      | -  | -                      |
| David Williams  | 14                               | 14                     | -  | -                      |
| <br>            |                                  |                        |  |                        |
| Robert Kennedy  | 12                               | 12                     | 3  | 3                      |
| Glenn Davis     | 15                               | 14                     | 3  | 3                      |
| Neville Alley   | 9                                | 9                      | -  | -                      |

#### **Company Secretary**

The following person held the position of Company Secretary at the end of the financial year.

##### **Virginia Katherine Suttell – B.Comm., ACA., GAICD., GradDipACG**

Appointed Company Secretary and Chief Financial Officer on 21 November 2007 and ceased on 30 June 2015. A Chartered Accountant with over 20 years' experience working in public practice and in commerce with publicly listed entities.

From 1 July 2015, the Managing Director of the Company, Mr Williams, became the Company Secretary in addition to his role as Managing Director.

#### **Principal activities**

The Group's principal activity is minerals exploration.

#### **Review and results of operations**

During the year, Marmota focussed on exploration activities that were considered the most prospective, and with the greatest opportunity to build shareholder wealth. The Company's uranium interests in the Junction Dam uranium project are currently on the backburner, given the depressed commodity prices for uranium. The Company's focus has switched to gold and copper. The key focus has been on the West Gawler Craton gold project (around the company's dominant tenement holding around the Challenger mine) and the Melton copper project. Work has also being undertaken with our joint venture partner Apollo Minerals Limited as part of its earning an interest in the Aurora Tank gold project. Earlier in the year, the Company made the decision to pursue sale, farm-in arrangements or relinquishment for a number of projects (primarily uranium-related tenements) which were considered to be less prospective in the present market environment.

*West Gawler Craton Gold project:* high priority areas targeted for gold prospectivity akin to the Challenger gold mine. A new gold exploration program was initiated, initially through calcrete sampling commenced towards the end of the Financial Year and which will be expanded and developed through the next Financial Year.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

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*Melton copper project:* during the period detailed lithological logging of drill samples from the drilling undertaken on the Champion prospect was completed which confirmed the presence of copper mineralisation and the presence of sulphides. A ground based magnetometer survey was partially completed over the Melton Central target area. A previous historical regional airborne EM (GeoTEM) survey conducted by BHP in 1998 was reviewed by an independent geophysicist indicating evidence of conductive responses from basement lithologies leading to the potential for conductive sulphide bodies that may host copper mineralisation on the project. A 300 line km airborne Time Domain Electromagnetic (TDEM) survey was flown over the Champion prospect as well as the Melton Central target. The data from this survey has been used to further define the future drill locations on the Champion prospect and the Melton Central target.

Apollo Minerals Limited (Apollo) conducted its maiden drilling program on the Aurora Tank project as part of its earning an interest in the tenement. Initially, two RC holes were drilled totalling 386 metres and one of those holes (14AT003) intersected high grade gold near the surface including 5.6 g/t Au over 4 metres, as reported by Apollo. Geochemical assays, petrology and geochronology analysis of samples from this drilling were conducted. This information coupled with a further geophysical review led to a further drilling program of 35 RC drill holes totalling 1,750 metres. The results included 16m at 1.0g/T Gold from 20m. Apollo earned its first 25% interest in the Aurora Tank tenement and that interest was transferred to Apollo during the year.

#### **Competent person statement**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Daniel Gray as Senior Exploration Geologist of Marmota Energy Limited who is a member of the Australasian 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 Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **Results**

During the year, the Group continued exploration activities at its tenements. Total cash expenditure on exploration and evaluation activities totalled \$649,713.

The net loss of the group after income tax was \$1,081,872 (2014: loss \$18,623,655).

The net assets of the group have decreased by \$732,822 during the financial year from \$3,970,384 at 30 June 2014 to \$3,237,562 at 30 June 2015.

#### **Dividends**

No dividends have been paid or provided by the Group since the end of the previous financial year (2014: nil).

#### **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**

During the financial year the company commenced a share purchase plan for shareholders to participate in. That Plan concluded in July 2015 and as a result of which 47,473,750 ordinary shares in the company were issued and \$451,000 in subscription monies received. The Plan was more than doubly oversubscribed. Other than that, there has 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.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

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#### *Likely developments*

The Group's strategy is to explore for high grade base metals and uranium within the Company's highly prospective portfolio of projects.

The Board of Marmota Energy Limited is pursuing a balance of direct self-funded exploration and exploration via strategic partnerships and funding arrangements.

The primary focus of exploration will be directed at further progressing the West Gawler Craton gold project and the Melton copper project and, when the uranium commodity price moves to a more sustainable level, on the Junction Dam uranium projects..

#### *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 date of this report, unissued ordinary shares of Marmota Energy Limited under option are:

| Expiry date* | Exercise price | Number of Options | Vested     | Unvested | Amount paid/payable by recipient (\$) |
|--------------|----------------|-------------------|------------|----------|---------------------------------------|
| 09/12/2015   | \$0.02         | 10,510,630        | 10,510,630 | -        | -                                     |
| 29/07/2016   | \$0.073        | 225,000           | 225,000    | -        | -                                     |
| 24/07/2017   | \$0.036        | 100,000           | 100,000    | -        | -                                     |
| 16/12/2019   | \$0.018        | 1,270,000         | 1,270,000  | -        | -                                     |

\* 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 any share issue of the Company or any other body corporate.

During the financial year, 23,125 ordinary shares were issued by the Company as a result of the exercise of options. There were no amounts unpaid on shares issued.

## **Marmota Energy Limited and Controlled Entities**

### **Directors' Report (continued)**

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#### ***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 2015 may be accessed from the Company's website at [www.marmotaenergy.com.au/site/corporate/policies](http://www.marmotaenergy.com.au/site/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 2015.

#### ***Auditor of the Company***

The auditor of the Company for the financial year was Grant Thornton 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 2015 is set out immediately following the end of the Directors' report.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

#### Remuneration Report – Audited

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##### **Response to first strike against the 2014 Remuneration Report**

At its 2014 Annual General Meeting, the Company received votes against the Remuneration Report representing a total that was in excess of the prescribed 25% level thereby constituting a 'First Strike'. The Corporations Act requires companies receiving a First Strike, where comments were made at that AGM on the Remuneration Report considered at that AGM, to include in the following year's Remuneration Report an explanation of the Board's actions in response to the First Strike or, alternatively, if the Board does not propose any action, the Board's reason for taking no action. Whilst no comments were received on the 2014 Remuneration Report at the 2014 AGM, subsequent to the 2014 AGM, all of the non executive Directors of the Company at the time of the First Strike have resigned. The new current non executive directors were appointed in 2015. The new Board has significantly reduced non executive and executive directors' fees. By way of comparison, the fees are as follows:

| Role                   | Previous Structure |                  | Current Structure |                  |
|------------------------|--------------------|------------------|-------------------|------------------|
|                        | Person             | \$ pa            | Person            | \$pa             |
| Chairman               | Mr R Kennedy       | 84,000           | Dr C Rose         | 1                |
| Non executive Director | Mr G Davis         | 48,000           | Mr P Thompson     | 34,000           |
| Executive Director     | Dr N Alley         | 86,250           | -                 | 0                |
| Managing Director      | Mr D Callandro     | 281,000          | Mr D Williams     | 200,000          |
| <b>Total</b>           |                    | <b>\$499,250</b> |                   | <b>\$234,001</b> |

##### **Remuneration policy**

The remuneration policy of Marmota Energy 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 Energy Limited 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 Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or



## **Marmota Energy Limited and Controlled Entities**

### **Directors' Report (continued)**

#### **Remuneration Report – Audited**

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##### **Executive Remuneration Policies (continued)**

bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

##### **Executive Remuneration Policies**

The remuneration of the Managing Director is determined by the Non-executive Directors on the Audit, Governance and Remuneration Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director 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:

- Fixed remuneration
- 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 Energy 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.
- 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 an 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.

At this time, there is no relationship between remuneration of Key Management Personnel and the Company's 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.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

#### Remuneration Report – Audited (continued)

##### (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 – Non-executive (from 1 May 2015)                       |
| Mr PR Thompson           | Director – Non-executive (from 26 May 2015)                      |
| Mr LDH Williams          | Managing Director – Executive (from 9 September 2014)            |
|                          |  |
| Mr RM Kennedy            | Chairman – Non-executive (until 30 April 2015)                   |
| Mr GS Davis              | Director – Non-executive (until 23 June 2015)                    |
| Dr NF Alley              | Director – Executive (until 1 March 2015)                        |
|                          |  |
| Key management personnel |  |
| Ms VK Suttell            | Chief Financial Officer / Company Secretary (until 30 June 2015) |

##### (b) Directors' remuneration

|                              | Short term employee benefits |                    | Long term employee benefits | Termination Payments | Share-based payments |         |   |
|------------------------------|------------------------------|--------------------|-----------------------------|----------------------|----------------------|---------|---|
|                              | Directors' fees              | Fixed Remuneration | Super contributions         | Termination Payments | Options/ rights      | Total   | Proportion of remuneration related to performance |
| 2015 primary benefits        | \$                           | \$                 | \$                          | \$                   | \$                   | \$      |   |
| <b>Directors</b>             |                              |                    |                             |                      |                      |         |   |
| Dr C Rose                    | 1                            | -                  | -                           | -                    | -                    | 1       | -   |
| Mr PR Thompson*              | 2,383                        | -                  | -                           | -                    | -                    | 2,383   | -   |
| Mr LDH Williams              | -                            | 152,836            | 14,088                      | -                    | -                    | 166,924 | -   |
| Mr RM Kennedy                | 63,927                       | -                  | 6,073                       | -                    | -                    | 70,000  | -   |
| Mr GS Davis**                | **28,022                     | -                  | -                           | -                    | -                    | 28,022  | -   |
| Dr NF Alley                  | -                            | 50,748             | 22,030                      | -                    | -                    | 72,778  | -   |
|                              | 94,333                       | 203,584            | 42,191                      | -                    | -                    | 340,108 | -   |
| <b>2014 primary benefits</b> |                              |                    |                             |                      |                      |         |   |
|                              | Directors' fees              | Fixed remuneration | Super contributions         | Termination Payments | Options/ rights      | Total   | Proportion of remuneration related to performance |
| 2014 primary benefits        | \$                           | \$                 | \$                          | \$                   | \$                   | \$      |   |
| <b>Directors</b>             |                              |                    |                             |                      |                      |         |   |
| Mr RM Kennedy                | 76,888                       | -                  | 7,112                       | -                    | -                    | 84,000  | -   |
| Mr GS Davis**                | 48,038                       | -                  | -                           | -                    | -                    | 48,038  | -   |
| Dr NF Alley                  | -                            | 59,490             | 34,980                      | -                    | -                    | 94,470  | -   |
| Mr DJ Calandro               | -                            | 243,164            | 16,294                      | 164,028              | -                    | 423,486 | -   |
|                              | 124,926                      | 302,654            | 58,386                      | 164,028              | -                    | 649,994 | -   |

There were no cash bonuses paid in 2015 or 2014.

\* Director's fees for Mr Thompson are paid to a related entity of the Director.

\*\* Director's Fees for Mr Davis are paid to a related entity of the Director. The fees for the months of February to June 2015 that were suspended are currently in dispute and not recognised in this amount.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

#### Remuneration Report – Audited (continued)

##### (c) Key management personnel remuneration

|   | Short term employee<br>benefits | Long term<br>employee<br>benefits | Long term<br>employee<br>benefits | Termination<br>Payments |         | Proportion of<br>remuneration related<br>to performance |
|---|---------------------------------|-----------------------------------|-----------------------------------|-------------------------|---------|---|
|   | Fixed Remuneration              | Super<br>contributions            | Options/<br>rights                | \$                      | Total   |   |
| 2015 primary benefits                               | \$                              | \$                                | \$                                | \$                      | \$      |   |
| <b>Key management personnel excluding Directors</b> |                                 |                                   |                                   |                         |         |   |
| Ms VK Suttell*                                      | 110,744                         | 10,946                            | 2,400                             | 29,653                  | 153,743 | 1.5%  |
|   | 110,744                         | 10,946                            | 2,400                             | 29,653                  | 153,743 | 1.5%  |

|   | Fixed Remuneration | Super<br>contributions | Options/<br>rights | Termination<br>Payments | Total   | Proportion of<br>remuneration related<br>to performance |
|---|--------------------|------------------------|--------------------|-------------------------|---------|---|
| 2014 primary benefits                               | \$                 | \$                     | \$                 | \$                      | \$      |   |
| <b>Key management personnel excluding Directors</b> |                    |                        |                    |                         |         |   |
| Ms VK Suttell*                                      | 111,228            | 10,442                 | -                  | -                       | 121,670 | -   |
|   | 111,228            | 10,442                 | -                  | -                       | 121,670 | -   |

There were no cash bonuses paid in 2015 or 2014.

\* Ms Suttell was appointed as Company Secretary and Chief Financial Officer on 21 November 2007 and ceased those positions on 30 June 2015. Ms Suttell was employed by Groundhog Services Partnership to act as Company Secretary and Chief Financial Officer for Marmota Energy Limited and Monax Mining Limited. Marmota Energy Limited was charged a service fee by that entity which included a fee for the provision of her services covering remuneration, on-costs and associated expenses relating to the secretarial and financial services provided to Marmota Energy Limited.

##### (d) Service agreements

Mr Williams was appointed Managing Director on 9 September 2014 on an ongoing employment basis. The salary under the terms of his employment was set at \$250,000 per annum inclusive of superannuation guarantee contributions and includes a three month notice period. Effective 1 August 2015, Mr Williams agreed to change his terms of employment such that remuneration was reduced to \$200,000 per annum and the notice period reduced to one month.

Ms Suttell was employed by Groundhog Services Partnership to act as Chief Financial Officer and Company Secretary of Monax Mining Limited and Marmota Energy Limited. The employment conditions were set out in a contract of employment and included a three month notice period. The provision of Ms Suttell's services under that arrangement ceased on 30 June 2015

Dr Alley was appointed in 2007. Dr Alley's employment as an Executive Director was on an ongoing employment basis until the executive component ceased on 31 December 2014. Dr Alley's remuneration was reviewed effective 1 July 2012 and set at \$86,520 per annum plus superannuation guarantee contributions and included a four week 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.

##### (e) Director related entities

Information of amounts paid to director related entities is set out in Note 23 to the financial statements.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

#### Remuneration Report – Audited (continued)

##### (f) 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.

##### 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 Energy 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<br>1/07/14 | Received<br>as<br>remuneration | Options<br>exercised | Net change<br>other <sup>1</sup> | Balance<br>30/06/15 | Total held in<br>escrow<br>30/06/15 |
|---|--------------------|--------------------------------|----------------------|----------------------------------|---------------------|-------------------------------------|
| <b>Held by Directors in own name</b>                  |                    |                                |                      |                                  |                     |                                     |
| Dr C Rose   | 10,687,499         | -                              | -                    | 12,954,897                       | 23,642,396          | -                                   |
| Mr PS Thompson  | -                  | -                              | -                    | -                                | -                   | -                                   |
| Mr LDH Williams                                       | -                  | -                              | -                    | -                                | -                   | -                                   |
| Mr RM Kennedy   | 381,303            | -                              | -                    | (381,303)                        | -                   | -                                   |
| Mr GS Davis   | 1                  | -                              | -                    | -                                | 1                   | -                                   |
| Dr NF Alley   | 1                  | -                              | -                    | -                                | 1                   | -                                   |
| <b>Held by Directors' personally related entities</b> |                    |                                |                      |                                  |                     |                                     |
| Dr C Rose   | 175,000            | -                              | -                    | 100,000                          | 275,000             | -                                   |
| Mr P Thompson   | -                  | -                              | -                    | -                                | -                   | -                                   |
| Mr LDH Williams                                       | -                  | -                              | -                    | -                                | -                   | -                                   |
| Mr RM Kennedy   | 5,280,461          | -                              | -                    | (5,280,461)                      | -                   | -                                   |
| Mr GS Davis   | 3,277,730          | -                              | -                    | 500,000                          | 3,777,730           | -                                   |
| Dr NF Alley   | 2,977,857          | -                              | -                    | 206,965                          | 3,184,822           | -                                   |
| <b>Total held by Directors</b>                        | <b>22,779,852</b>  | <b>-</b>                       | <b>-</b>             | <b>8,100,098</b>                 | <b>30,879,950</b>   | <b>-</b>                            |
| <b>Key management personnel excluding Directors</b>   |                    |                                |                      |                                  |                     |                                     |
| Ms VK Suttell   | 755,000            | -                              | -                    | 100,000                          | 855,000             | -                                   |
| <b>Total</b>  | <b>23,534,852</b>  | <b>-</b>                       | <b>-</b>             | <b>8,200,098</b>                 | <b>31,734,950</b>   | <b>-</b>                            |

1. Net change other represents shares purchased and/or sold during the financial year.

## Marmota Energy Limited and Controlled Entities

### Directors' Report (continued)

#### Remuneration Report – Audited (continued)

##### (ii) Option holdings

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

| Options                                       | Option class | Balance 1/07/14 | Received as remuneration | Options expired | Net change other <sup>1</sup> | Balance 30/06/15 | Total vested 30/06/15 | Total exercisable 30/06/15 |
|---|--------------|-----------------|--------------------------|-----------------|-------------------------------|------------------|-----------------------|----------------------------|
| <b>Held by Directors in own name</b>          |              |                 |                          |                 |                               |                  |                       |                            |
| Dr C Rose                                     | (a)          | -               | -                        | -               | 1,000,000 <sup>2</sup>        | 1,000,000        | 1,000,000             | 1,000,000                  |
| Mr PS Thompson                                |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr LDH Williams                               |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr RM Kennedy                                 |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr GS Davis                                   |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Dr NF Alley                                   |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| <b>Directors' personally related entities</b> |              |                 |                          |                 |                               |                  |                       |                            |
| Dr C Rose                                     | (a)          | -               | -                        | -               | 50,000 <sup>2</sup>           | 50,000           | 50,000                | 50,000                     |
| Mr PS Thompson                                |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr LDH Williams                               |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr RM Kennedy                                 |              | -               | -                        | -               | -                             | -                | -                     | -                          |
| Mr GS Davis                                   | (a)          | -               | -                        | -               | 250,000 <sup>2</sup>          | 250,000          | 250,000               | 250,000                    |
| Dr NF Alley                                   | (a)          | -               | -                        | -               | 103,483 <sup>2</sup>          | 103,483          | 103,483               | 103,483                    |
| <b>Total held by Directors</b>                |              | -               | -                        | -               | 1,403,483                     | 1,403,483        | 1,403,483             | 1,403,483                  |

Options which were granted as part of remuneration to key management personnel, who were not directors, during the financial year are set out in the table below.

##### Key management personnel excluding Directors

|               |     |        |         |          |                     |           |           |           |
|---------------|-----|--------|---------|----------|---------------------|-----------|-----------|-----------|
| Ms VK Suttell | (b) | 75,000 | -       | (75,000) | -                   | -         | -         | -         |
| Ms VK Suttell | (a) | -      | -       | -        | 50,000 <sup>2</sup> | 50,000    | 50,000    | 50,000    |
| Ms VK Suttell | (c) | -      | 300,000 | -        | -                   | 300,000   | 300,000   | 300,000   |
| <b>Total</b>  |     | 75,000 | 300,000 | (75,000) | 1,453,483           | 1,753,483 | 1,753,483 | 1,753,483 |

1. Net change other represents options acquired and/or sold during the financial year
2. Acquired as part of the 2014 rights issue subscription
  - (a) Listed options exercisable at \$0.02 by 09/12/2015.
  - (b) Unlisted options exercisable at \$0.1016 by 05/03/2015.
  - (c) Unlisted options exercisable at \$0.018 by 16/12/2019.

##### (iii) Share rights holdings

No rights over ordinary shares in the company were held during the financial year by any director of Marmota Energy 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.

No options previously granted to Directors or Director related entities were exercised during the year.

During the financial year ended 30 June 2015, Marmota used the legal services of DMAW Lawyers, a legal firm of which Mr Davis is a partner. Marmota paid \$54,368 during the financial year (2014 \$19,540) to DMAW Lawyers for legal and advisory services. Approximately \$12,900 of that amount paid and \$20,907 in invoices received as at 30 June 2015 (not paid) are in dispute.



## **Marmota Energy Limited and Controlled Entities**

### **Directors' Report (continued)**

#### **Remuneration Report – Audited (continued)**

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During the financial year ended 30 June 2015, Marmota received from Monax Mining Limited, a company that Mr Kennedy and Mr Davis are directors of, an amount of \$15,941 (2014 \$4,190) for exploration and joint logistics.

During the financial year ended 30 June 2015, Marmota paid Groundhog Services Pty Ltd, a company that Mr Calandro was a director of, and to Groundhog Services Partnership (which is a partnership between the Company and Monax Mining Limited, who is the operator of the partnership and a company that Mr Kennedy and Mr Davis are directors of) an amount of \$185,176 (2014 \$207,177) for the provision of administration and logistical services.

During the financial year ended 30 June 2015, Marmota received from Ramelius Resources Limited, a Company that Mr Kennedy is a director of, an amount of \$3,752 (in 2014 Marmota paid Ramelius \$127,096) for exploration expenses on a joint project.

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



Dr Colin Rose  
*Director*

Dated at Adelaide this 25<sup>th</sup> day of September 2015.

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67 Greenhill Rd  
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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MARMOTA ENERGY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Marmota Energy Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S K Edwards  
Partner – Audit & Assurance

Adelaide, 25 September 2015

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## Marmota Energy Limited and Controlled Entities

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

|  | Note | Consolidated       |                     |
|--|------|--------------------|---------------------|
|  |      | 2015<br>\$         | 2014<br>\$          |
| Other revenues   | 2    | 27,859             | 88,751              |
| Total revenue  |      | 27,859             | 88,751              |
| Administration expenses                                      | 3    | 276,409            | 242,866             |
| Consulting expenses  | 3    | 86,329             | 67,768              |
| Depreciation expense   | 3    | 35,336             | 33,671              |
| Employment expenses  | 3    | 415,012            | 371,764             |
| Occupancy expenses   | 3    | 7,724              | 8,364               |
| Service fees   | 3    | 137,856            | 123,208             |
| Impairment of assets   | 3    | 112,842            | 17,864,765          |
| <b>(Loss)/profit before income tax expense</b>               |      | <b>(1,043,649)</b> | <b>(18,623,655)</b> |
| Income tax (expense)/benefit                                 | 4    | (38,223)           | -                   |
| <b>(Loss)/profit for the year</b>                            |      | <b>(1,081,872)</b> | <b>(18,623,655)</b> |
| <b>Loss attributable to members of the parent entity</b>     |      | <b>(1,081,872)</b> | <b>(18,623,655)</b> |
| <b>Other comprehensive income</b>                            |      |                    |                     |
| <b>Items that may be reclassified to profit or loss:</b>     |      |                    |                     |
| Changes in fair value of available for sale financial assets |      | -                  | (2,000)             |
|  |      | -                  | (2,000)             |
| <b>Total comprehensive income for the year</b>               |      | <b>(1,081,872)</b> | <b>(18,625,655)</b> |
| Basic earnings per share (cents)                             | 6    | (0.39)             | (7.06)              |
| Diluted earnings per share (cents)                           | 6    | (0.39)             | (7.06)              |

The accompanying notes form part of these financial statements.

**Marmota Energy Limited and Controlled Entities**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2015**

|                                      |      | Consolidated     |                  |
|--------------------------------------|------|------------------|------------------|
|                                      | Note | 2015             | 2014             |
|                                      |      | \$               | \$               |
| <b>Current assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 7    | 261,200          | 1,614,782        |
| Trade and other receivables          | 8    | 39,153           | 62,520           |
| Other assets                         | 9    | 20,661           | 27,651           |
| <b>Total current assets</b>          |      | <u>321,014</u>   | <u>1,704,953</u> |
| <b>Non-current assets</b>            |      |                  |                  |
| Plant and equipment                  | 10   | 156,778          | 233,794          |
| Investments in associates            | 11   | 1                | 1                |
| Available for sale financial assets  | 12   | 8,000            | 8,000            |
| Exploration and evaluation assets    | 15   | 2,948,901        | 2,369,086        |
| <b>Total non-current assets</b>      |      | <u>3,113,680</u> | <u>2,610,881</u> |
| <b>Total assets</b>                  |      | <u>3,434,694</u> | <u>4,315,834</u> |
| <b>Current liabilities</b>           |      |                  |                  |
| Trade and other payables             | 16   | 147,566          | 260,883          |
| Provisions                           | 17   | 24,661           | 27,746           |
| <b>Total current liabilities</b>     |      | <u>172,227</u>   | <u>288,629</u>   |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Provisions                           | 17   | 24,905           | 56,821           |
| <b>Total non-current liabilities</b> |      | <u>24,905</u>    | <u>56,821</u>    |
| <b>Total liabilities</b>             |      | <u>197,132</u>   | <u>345,450</u>   |
| <b>Net assets</b>                    |      | <u>3,237,562</u> | <u>3,970,384</u> |
| <b>Equity</b>                        |      |                  |                  |
| Issued capital                       | 18   | 31,577,896       | 31,239,006       |
| Reserves                             | 26   | 2,719,810        | 2,709,650        |
| Retained losses                      |      | (31,060,144)     | (29,978,272)     |
| <b>Total equity</b>                  |      | <u>3,237,562</u> | <u>3,970,384</u> |

The accompanying notes form part of these financial statements.

**Marmota Energy Limited and Controlled Entities**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2015**

|  | Issued capital<br>(Note 18)<br>\$ | Reserves<br>(Note 26)<br>\$ | Retained losses<br>\$ | Total<br>\$       |
|--|-----------------------------------|-----------------------------|-----------------------|-------------------|
| <b>Consolidated</b>  |                                   |                             |                       |                   |
| <b>Balance at 1 July 2013</b>                                    | <b>31,239,006</b>                 | <b>2,711,650</b>            | <b>(11,354,617)</b>   | <b>22,596,039</b> |
| Loss attributable to the members of the parent entity            | -                                 | -                           | (18,623,655)          | (18,623,655)      |
| Other comprehensive income                                       | -                                 | (2,000)                     | -                     | (2,000)           |
| Total comprehensive income                                       | -                                 | (2,000)                     | (18,623,655)          | (18,625,655)      |
| <b>Transactions with owners in their capacity as owners:</b>     |                                   |                             |                       |                   |
| Shares issued during the year                                    | -                                 | -                           | -                     | -                 |
| Options issued during the year                                   | -                                 | -                           | -                     | -                 |
| Transaction costs associated with the issue of shares net of tax | -                                 | -                           | -                     | -                 |
|  | -                                 | -                           | -                     | -                 |
| <b>Balance at 30 June 2014</b>                                   | <b>31,239,006</b>                 | <b>2,709,650</b>            | <b>(29,978,272)</b>   | <b>3,970,384</b>  |
| Loss attributable to the members of the parent entity            | -                                 | -                           | (1,081,872)           | (1,081,872)       |
| Other comprehensive income                                       | -                                 | -                           | -                     | -                 |
| Total comprehensive income                                       | -                                 | -                           | (1,081,872)           | (1,081,872)       |
| <b>Transactions with owners in their capacity as owners:</b>     |                                   |                             |                       |                   |
| Shares issued during the year                                    | 421,137                           | -                           | -                     | 421,137           |
| Options issued during the year                                   | -                                 | 10,160                      | -                     | 10,160            |
| Transaction costs associated with the issue of shares net of tax | (82,247)                          | -                           | -                     | (82,247)          |
|  | 338,890                           | 10,160                      | -                     | 349,050           |
| <b>Balance at 30 June 2015</b>                                   | <b>31,577,896</b>                 | <b>2,719,810</b>            | <b>(31,060,144)</b>   | <b>3,237,562</b>  |

The accompanying notes form part of these financial statements.



**Marmota Energy Limited and Controlled Entities**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2015**

|   |       | Consolidated       |                    |
|---|-------|--------------------|--------------------|
|   | Note  | 2015               | 2014               |
|   |       | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                   |       |                    |                    |
| Cash receipts in the course of operations                     |       | -                  | -                  |
| Cash payments in the course of operations                     |       | (1,081,027)        | (647,036)          |
| Interest received   |       | 24,885             | 107,872            |
| <b>Net cash (used in) operating activities</b>                | 22(b) | <u>(1,056,142)</u> | <u>(539,164)</u>   |
| <b>Cash flows from investing activities</b>                   |       |                    |                    |
| Payments for plant and equipment                              |       | (1,264)            | (93,155)           |
| Payments for exploration and evaluation assets                |       | (649,713)          | (1,410,434)        |
| Loans from related entities                                   |       | 25,520             | 180,778            |
| Loans repaid to related entities                              |       | -                  | -                  |
| <b>Net cash (used in) investing activities</b>                |       | <u>(625,457)</u>   | <u>(1,322,811)</u> |
| <b>Cash flows from financing activities</b>                   |       |                    |                    |
| Proceeds from issue of shares                                 |       | 421,137            | -                  |
| Payment of transaction costs associated with capital raisings |       | (93,120)           | -                  |
| <b>Net cash provided by financing activities</b>              |       | <u>328,017</u>     | <u>-</u>           |
| <b>Net (decrease)/increase in cash held</b>                   |       | (1,353,582)        | (1,861,975)        |
| <b>Cash at the beginning of the financial year</b>            |       | <u>1,614,782</u>   | <u>3,476,757</u>   |
| <b>Cash at the end of the financial year</b>                  | 22(a) | <u>261,200</u>     | <u>1,614,782</u>   |

The accompanying notes form part of these financial statements.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

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#### 1 *Statement of significant accounting policies*

The financial report includes the consolidated financial statements and notes of Marmota Energy 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 Energy 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) *Principles of consolidation*

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2015. 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.

##### (c) *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

**Notes to the financial statements**

**For the year ended 30 June 2015**

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**(c) Income tax (continued)**

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.

**(d) Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, 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 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.

**Notes to the financial statements**

**For the year ended 30 June 2015**

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**(e) 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.

**(f) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(g) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through the profit or loss', in which case the costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately.

*Classification and subsequent measurement*

Financial instruments are subsequently measured at either of fair value, amortised cost using the interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments:

- (i) Loans and receivables  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets except for those not expected to mature within 12 months after the end of the reporting period.
- (ii) Financial liabilities  
Non-derivative financial liabilities are subsequently measured at amortised cost.

**Notes to the financial statements**

**For the year ended 30 June 2015**

---

**(g) Financial instruments (continued)**

**(iii) Available for sale financial assets**

Available for sale financial assets are non derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise the investments in the equity of other entities where there is neither a fixed maturity nor determinable payments.

*Impairment*

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

**(h) 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.

**(i) 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 national government 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.

**(j) 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.

**(k) 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.

**(l) 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).

**(m) 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.



## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

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**(m) Goods and services tax (continued)**

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.

**(n) Interests in joint operations**

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. Details of the Group's interests are shown at Note 13.

**(o) 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. Details of the Group's interests in associates is shown at Note 11.

**(p) 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.

**(q) 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.

**(r) Comparative figures**

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

**(s) 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

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

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**(s) Critical accounting estimates and judgements (continued)**

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.

**(t) New and amended standards adopted by the Group**

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

**AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities**

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

**AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets**

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to

IAS 36 therefore clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

**AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities**

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 Financial Instruments (or AASB 139 Financial Instruments: Recognition and Measurement where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Examples of entities which might qualify as investment entities would include Australian superannuation entities, listed investment companies, pooled investment trusts and Federal, State and Territory fund management authorities.

AASB 2013-5 is applicable to annual reporting periods beginning on or after 1 January 2014.

This Standard has not had any impact on the Group as it does not meet the definition of an ‘investment entity’ in order to apply this consolidation exception.

**Notes to the financial statements**

**For the year ended 30 June 2015**

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**(t) New and amended standards adopted by the Group (continued)**

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements

2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

In addition to the above, the group has adopted the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are effective for the current annual reporting period as shown below.

*AASB 1031: Materiality*

*AASB 2013-4, Novation of Derivatives and Continuation of Hedge Accounting*

*AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments*

*AASB 2014-1, Amendments to Australian Accounting Standards, Rate regulated activities*

The adoption of these new and revised Australian Accounting Standards and Interpretations has had no significant impact on the group's accounting policies or the amounts reported during the financial year. Accounting policies have been consistently applied with those of the previous financial year, unless otherwise stated.

**(u) Recently issued accounting standards to be applied in future accounting periods**

*Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group:*

The accounting standards that have not been early adopted for the year ended 30 June 2015, but will be applicable to the group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the group.

**Year ended 30 June 2016:**

*AASB2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

*When this standards is adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.*

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

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**(u) Recently issued accounting standards to be applied in future accounting periods (continued)**

**Year ended 30 June 2017:**

*AASB 2014-4, Amendments to Australian Accounting Standards- Clarification of Acceptable Methods of Depreciation and Amortisation*

This standard will clarify that revenue based methods to calculate depreciation and amortisation are not considered appropriate. This will not result in a change to the manner in which the Group's financial result is determined as no such method is currently in use.

*AASB 2014-3 Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interests in Joint Operations*

*AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*

*AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

*AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 cycle*

*AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

*AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

**Year ended 30 June 2018:**

*AASB 15: Revenue from Contracts with Customers*

This standard will change the timing and in some cases the quantum of revenue received from customers. IFRS 15 requires an entity to recognise revenue by identifying for each customer contract, the performance obligations in the contract and the transaction price. The transaction price is then allocated against the performance obligations in the contract with revenue recognised when (or as) the entity satisfies each performance obligation. The entity does not expect this change in standard to have a material impact on the financial performance or financial position of the consolidated entity.

**Year ended 30 June 2019:**

*AASB 9: Financial Instruments*

This standard introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

### Notes to the financial statements

For the year ended 30 June 2015

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**(u) Recently issued accounting standards to be applied in future accounting periods (continued)**

- Where the fair value option is used for financial liabilities the change in fair value is to be accounted by presenting changes in credit risk in other comprehensive income (OCI) and the remaining change in the statement of profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.
- Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:
  - classification and measurement of financial liabilities; and
  - derecognition requirements for financial assets and liabilities.

This standard is not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports although the Group will quantify the effect of the application of AASB 9 when the final standard, including all phases, is issued.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**(v) Parent entity financial information**

The financial information for the parent entity, Marmota Energy Limited, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements.

**(w) Foreign currency translation**

- (i) 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 Energy Limited's functional and presentational currency.
- (ii) Transactions and balances  
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

**(x) Going Concern**

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Group indicate that it will require positive cash flows from additional capital for continued operations. The Group incurred a loss of \$1,081,872 (2014: loss \$18,623,655) and operations were funded by a net cash outlay of \$1,353,582 including capital raised during the financial year. The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, the going concern basis may not be appropriate, with the results that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

**(y) Authorisation for issue of financial statements**

The financial statements were authorised for issue by the Board of Directors on 25 September 2015.



## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

|  | Consolidated   |                   |
|--|----------------|-------------------|
|  | 2015           | 2014              |
|  | \$             | \$                |
| <b>2 Revenue</b>   |                |                   |
| <b>Other revenues:</b>   |                |                   |
| <b>From operating activities</b>   |                |                   |
| Interest received from other parties                                       | 27,859         | 88,751            |
| Administration fees – joint operations                                     | -              | -                 |
| <b>Total revenues</b>  | <b>27,859</b>  | <b>88,751</b>     |
| <b>3 (Loss)/profit before income tax expense has been determined after</b> |                |                   |
| <b>Expenses</b>  |                |                   |
| Administration expenses  |                |                   |
| ASX fees   | 14,890         | 30,096            |
| Share registry fees  | 64,859         | 32,971            |
| Insurance  | 31,294         | 45,230            |
| Audit and other services   | 23,590         | 28,570            |
| Travel   | 7,293          | 4,643             |
| Marketing  | 2,303          | 7,215             |
| Software licences and IT services  | 18,877         | 25,494            |
| Other  | 113,303        | 68,647            |
|  | <b>276,409</b> | <b>242,866</b>    |
| Consulting expenses  |                |                   |
| Legal fees   | 25,021         | 20,948            |
| Corporate consulting   | 55,568         | 40,548            |
| Accounting and secretarial services  | 5,650          | 6,272             |
|  | <b>86,329</b>  | <b>67,768</b>     |
| Depreciation expense   |                |                   |
| Plant and equipment  | 35,336         | 33,671            |
| Employment expenses  |                |                   |
| Salaries and wages   | 476,445        | 808,098           |
| Directors fees   | 94,331         | 132,038           |
| Superannuation   | 72,775         | 93,504            |
| Provisions   | 1,288          | (56,018)          |
| Share-based payments   | 10,160         | -                 |
| Other  | 77,111         | 41,512            |
| Reallocation to exploration costs  | (317,098)      | (647,370)         |
|  | <b>415,012</b> | <b>371,764</b>    |
| Occupancy expenses   | 7,724          | 8,364             |
| Service fees   | 137,856        | 123,208           |
| Impairment expenses  |                |                   |
| Impairment of exploration assets   | 112,842        | 17,852,765        |
| Impairment of available for sale assets                                    | -              | 12,000            |
|  | <b>112,842</b> | <b>17,864,765</b> |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

#### 4 Income tax (expense)

|   | Consolidated |             |
|---|--------------|-------------|
|   | 2015         | 2014        |
|   | \$           | \$          |
| The components of tax expense comprise:   |              |             |
| Current income tax  | (2,974)      | -           |
| Deferred tax  | -            | -           |
| Tax portion of capital raising costs  | (35,249)     | -           |
| Income tax (expense) reported in the Statement of Profit or Loss and Other Comprehensive Income   | (38,223)     | -           |
| The prima facie tax on profit before income tax is reconciled to the income tax as follows:   |              |             |
| Prima facie income tax (expense) calculated at 30% on loss (2014: 30%)  | (313,095)    | (5,587,096) |
| Tax effect of:  |              |             |
| Deferred tax asset in respect of tax losses not brought to account  | 276,268      | 227,667     |
| Impairment expense previously brought to account  | 33,853       | 5,359,429   |
| Tax portion of capital raising costs  | (35,249)     | -           |
| Income tax (expense) attributable to loss   | (38,223)     | -           |
| <b>Income tax losses</b>  |              |             |
| 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 30%   | 7,495,725    | 6,960,466   |
| Temporary differences   | (11,175)     | (7,044)     |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

|  | Consolidated |      |
|--|--------------|------|
|  | 2015         | 2014 |
|  | \$           | \$   |

#### 5 Auditors' remuneration

Audit services:

Auditors of the Group – Grant Thornton

Audit and review of the financial reports

|               |               |
|---------------|---------------|
| 26,500        | 28,500        |
| <u>26,500</u> | <u>28,500</u> |

#### 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

- nil unlisted options exercisable at \$0.1016 by 05/03/2015 (2014: 325,000)
- 10,510,630 listed options exercisable at \$0.02 by 9/12/2015 (2014: nil)
- nil unlisted options exercisable at \$0.083 by 21/12/2015 (2014: 125,000)
- 225,000 unlisted options exercisable at \$0.073 by 29/07/2016 (2014: 250,000)
- 100,000 unlisted options exercisable at \$0.036 by 24/07/2017 (2014: 125,000)
- 1,270,000 unlisted options exercisable at \$0.018 by 16/12/2019 (2014: nil)

Options granted to employees under the Marmota Energy Limited 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 |      |
|--|--------------|------|
|  | 2015         | 2014 |
|  | \$           | \$   |

##### (c) Earnings used in the calculation of earnings per share

(Loss) after income tax expense (1,081,872) (18,623,655)

##### Weighted average number of shares outstanding during the year in calculating earnings per share

##### Number for basic and diluted earnings per share

Ordinary shares 305,849,806 263,759,235

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

|           |   | Consolidated |           |
|-----------|---|--------------|-----------|
|           |   | 2015         | 2014      |
|           |   | \$           | \$        |
| <b>7</b>  | <b>Cash and cash equivalents</b>  |              |           |
|           | Cash at bank  | 222,700      | 131,423   |
|           | Deposits at call  | 38,500       | 1,483,359 |
|           |   | 261,200      | 1,614,782 |
| <b>8</b>  | <b>Trade and other receivables</b>  |              |           |
|           | <b>Current</b>  |              |           |
|           | Other receivables   | 39,153       | 51,899    |
|           | Loan to related parties   | -            | -         |
|           | Loan to associate   | -            | 10,621    |
|           |   | 39,153       | 62,520    |
|           | Other receivables represent accrued interest receivable and GST refunds. Receivables are not considered past due and/or impaired (2014: nil). |              |           |
| <b>9</b>  | <b>Other current assets</b>   |              |           |
|           | Prepayments   | 20,661       | 27,651    |
| <b>10</b> | <b>Plant and equipment</b>  |              |           |
|           | <b>Plant and equipment</b>  |              |           |
|           | At cost   | 802,429      | 801,165   |
|           | Accumulated depreciation  | (645,651)    | (567,371) |
|           | Net book value  | 156,778      | 233,794   |
|           | <b>Reconciliations</b>  |              |           |
|           | Reconciliations of the carrying amounts for each class of plant and equipment are set out below:  |              |           |
|           | <b>Plant and equipment</b>  |              |           |
|           | Carrying amount at beginning of year  | 233,794      | 224,538   |
|           | Additions   | 1,264        | 93,155    |
|           | Disposals   | -            | -         |
|           | Depreciation  | (78,280)     | (83,899)  |
|           | Carrying amount at end of year  | 156,778      | 233,794   |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

#### 11 Investments in associates

Interests are held in the following associated companies:

| Name                       | Principal activities    | Country of incorporation | Shares | Ownership interest |      | Carrying amount of investment |      |
|----------------------------|-------------------------|--------------------------|--------|--------------------|------|-------------------------------|------|
|                            |                         |                          |        | 2015               | 2014 | 2015                          | 2014 |
| Unlisted                   |                         |                          |        |                    |      | \$                            | \$   |
| Groundhog Services Pty Ltd | Administration services | Australia                | Ord    | 50%                | 50%  | 1                             | 1    |

#### (a) Movements during the year in equity accounted investments in associated entities

There have been no movements of equity accounted investments in associated entities during the year.

#### (b) Equity accounted profits of associates are broken down as follows:

|  | Consolidated |      |
|--|--------------|------|
|  | 2015         | 2014 |
|  | \$           | \$   |
| Share of associate's profit before income tax        | -            | -    |
| Share of associate's income tax expense              | -            | -    |
| Share of associate's profit after income tax expense | -            | -    |

#### (c) Summarised presentation of aggregate assets, liabilities and performance associates

The Group's share of the results of its principle associates and its aggregated assets and liabilities are as follows:

|                         |   |   |
|-------------------------|---|---|
| Current assets          | 2 | 2 |
| Non-current assets      | - | - |
| Total assets            | 2 | 2 |
| Current liabilities     | - | - |
| Non-current liabilities | - | - |
| Total liabilities       | - | - |
| Net assets              | 2 | 2 |

#### 12 Available for sale investments

|                                | Consolidated |       |
|--------------------------------|--------------|-------|
|                                | 2015         | 2014  |
|                                | \$           | \$    |
| Available for sale investments | 8,000        | 8,000 |



## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

#### 13 Interests in unincorporated joint operations

Marmota Energy Limited has a direct interest in a number of unincorporated joint operations as follows:

| No | State | Agreement name                           | Parties   | Summary  |
|----|-------|--|---|--|
| 1  | SA    | Junction Dam Uranium Agreement           | Teck Australia Pty Ltd, PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd (TPE) and Marmota Energy Limited (MEU). | MEU will have the right to explore for uranium in the area covered by Exploration Licence EL 4509 (formerly EL 3328). MEU achieved its 100% earn-in during the Financial Year and now holds 100% of the uranium rights under the terms of the Agreement. TPE retains a NSR of 5%.  |
| 2  | SA    | Melton Joint Venture                     | Monax Mining Limited (MOX) and Marmota Energy Limited (MEU)   | MEU will have the right to explore for all minerals in the area covered by Exploration Licences EL 5209 and EL 5122. MEU and MOX operate a 75:25 joint venture.  |
| 3  | WA    | Rudall East Project                      | Teck Australia Pty Ltd and Marmota Energy Limited (MEU)   | MEU would have the right to explore for uranium, spending \$1m over three years to earn a 51% interest in the uranium rights. The unincorporated joint operations were terminated during the Financial Year and at the end of the Financial Year MEU had no interest or rights in connection with it.  |
| 4  | SA    | Farm-in Agreement – Aurora Tank tenement | Southern Exploration Pty Ltd (Southern) and Marmota Energy Limited (MEU)  | Under the terms of the Agreement, Southern will have the right to explore for all minerals to earn up to 75% interest in the tenement by sole funding the greater of: <ol style="list-style-type: none"> <li>A minimum of \$900,000 of exploration and development activities over a period of up to three years; or</li> <li>All exploration and development costs to the Bankable Feasibility Study stage.</li> </ol> During the Financial Year, Southern earned its first 25% interest in the tenement and MEU reduced to a 75% interest. |

#### 14 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(b):

|  | Country of incorporation | Percentage owned (%) |      |
|--|--------------------------|----------------------|------|
|  |                          | 2015                 | 2014 |
| <b>Parent entity:</b>                          |                          |                      |      |
| Marmota Energy Limited                         | Australia                |                      |      |
| <b>Subsidiaries of Marmota Energy Limited:</b> |                          |                      |      |
| Marmosa Pty Ltd                                | Australia                | 100                  | 100  |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

#### 15 Exploration and evaluation assets

|  | Consolidated |              |
|--|--------------|--------------|
|  | 2015         | 2014         |
|  | \$           | \$           |
| <b>Movement:</b>                             |              |              |
| Carrying amount at beginning of year         | 2,369,086    | 18,782,963   |
| Additional costs capitalised during the year | 692,657      | 1,438,888    |
| Impairment <sup>1</sup>                      | (112,842)    | (17,852,765) |
| Carrying amount at end of year               | 2,948,901    | 2,369,086    |
| <b>Closing balance comprises:</b>            |              |              |
| Exploration and evaluation                   |              |              |
| - 100% owned                                 | 869,248      | 512,397      |
| Exploration and evaluation phase             |              |              |
| - Joint Venture                              | 2,079,653    | 1,856,689    |
|  | 2,948,901    | 2,369,086    |

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.

The impairment of the exploration asset in 2015 relates to the reversal of an impairment of the North American Area of Interest of \$3,752 and impairment of the West Australian Area of Interest of \$4,139 due to the dropping of the Rudall East applications, the Gawler Craton Area of Interest of \$6,815 as part of the Ambrosia tenement in that area was relinquished and \$105,640 in the Curnamona Area of Interest where the Lake Frome project tenements were surrendered as the company refined its exploration strategy within each Area of Interest and considered recoverability of expenditure to date.

#### 16 Trade and other payables

|   |         |         |
|---|---------|---------|
| Trade payables                                | 84,951  | 42,387  |
| Other payables and accruals                   | 42,662  | 213,443 |
| Amounts payable to Director related entities* | 19,953  | 5,053   |
|   | 147,566 | 260,883 |

\* Details of amounts payable to Director related entities are detailed in Note 23.

#### 17 Provisions

##### Current

|                   |        |        |
|-------------------|--------|--------|
| Employee benefits | 24,661 | 27,746 |
|-------------------|--------|--------|

##### Non-current

|                   |        |        |
|-------------------|--------|--------|
| Employee benefits | 24,905 | 56,821 |
|-------------------|--------|--------|

##### 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 to this report.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

#### 17 Provisions (continued)

|                                      | Consolidated |          |
|--------------------------------------|--------------|----------|
|                                      | 2015         | 2014     |
|                                      | \$           | \$       |
| <b>Provisions</b>                    |              |          |
| Opening balance at beginning of year | 84,567       | 141,163  |
| Additional provisions                | (35,001)     | (56,596) |
| Balance at end of year               | 49,566       | 84,567   |

#### 18 Issued capital

##### Issued and paid-up share capital

305,849,806 (2014: 263,759,235) ordinary shares, fully paid

31,577,895 31,239,006

##### (a) Ordinary shares

Balance at the beginning of year 31,239,006 31,239,006

Shares issued during the year:

Nil (2014: 700,000) shares issued to employees on vesting of share rights - -

21,067,446 (2014: nil) shares issued as part of a 1:4 rights issue 210,674 -

23,125 (2014: nil) shares issued on exercise of listed options 463 -

20,000,000 (2014: nil) shares issued as part of a placement at \$0.01 200,000 -

1,000,000 (2014: nil) shares issued pursuant to a capital raising mandate 10,000 -

Less transaction costs arising from issue of shares net of tax (82,248) -

Balance at end of year 31,577,895 31,239,006

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 no share options/retention rights issued to Executive Directors during the financial year.

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

**Notes to the financial statements**

**For the year ended 30 June 2015**

**18 Issued Capital (continued)**

**(b) Options/rights (continued)**

At 30 June 2015, there were 12,105,630 (2014: 825,000) unissued shares for which the following options/rights were outstanding.

- 10,510,630 listed options exercisable at \$0.02 by 9/12/2015
- 225,000 unlisted options exercisable at \$0.073 by 29/07/2016
- 100,000 unlisted options exercisable at \$0.036 by 24/07/2017
- 1,270,000 unlisted options exercisable at \$0.018 by 16/12/2019

**(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 Energy Limited Employee Share Option Plan, details of which are outlined in the Directors' Report. Listed below are summaries of options granted:

*(i) Options*

| Marmota Energy Limited                   | Number of options | 2015                               |   | 2014              |                                    |   |
|--|-------------------|------------------------------------|---|-------------------|------------------------------------|---|
|  |                   | Weighted average exercise price \$ | Weighted average remaining contractual life | Number of options | Weighted average exercise price \$ | Weighted average remaining contractual life |
| Outstanding at the beginning of the year | 825,000           | 0.08                               |   | 1,075,000         | 0.072                              |   |
| Granted – December 2014                  | 1,270,000         | 0.018                              |   |                   |                                    |   |
| Forfeited                                | -                 | -                                  |   | -                 |                                    |   |
| Exercised                                | -                 |                                    |   | -                 |                                    |   |
| Expired                                  | (500,000)         | 0.092                              |   | (250,000)         | 0.04                               |   |
| Outstanding at year-end                  | <u>1,595,000</u>  | 0.027                              | 1,400 days                                  | <u>825,000</u>    | 0.08                               | 579 days                                    |
| Exercisable at year-end                  | <u>1,595,000</u>  |                                    |   | <u>825,000</u>    |                                    |   |

On 29 July 2011, 250,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of \$0.073 each. These options are exercisable on or before 29 July 2016. 100,000 of these options have lapsed.

On 24 July 2012, 250,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of \$0.036 each. These options are exercisable on or before 24 July 2017. 125,000 of these options have been exercised and 25,000 have lapsed.

On 17 December 2014, 1,270,000 share options were granted to employees under the Marmota Energy Limited Employer Share Option Plan to take up ordinary shares at an exercise price of \$0.018 each. These options are exercisable on or before 16 December 2019.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

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#### 19 Share-based payments (continued)

##### (i) Options (continued)

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

The fair value of the options granted was calculated by using the Black-Scholes option pricing model applying the following inputs:

|                                     | Dec 2014<br>issue | July 2012<br>issue | July 2011<br>issue |
|-------------------------------------|-------------------|--------------------|--------------------|
| Weighted average fair value         | 0.008             | \$0.035            | \$0.045            |
| Weighted average exercise price     | \$0.018           | \$0.036            | \$0.073            |
| Weighted average life of the option | 1825 days         | 1,826 days         | 1,826 days         |
| Underlying share price              | \$0.01            | \$0.039            | \$0.06             |
| Expected share price volatility     | 131%              | 136%               | 102%               |
| Risk free interest rate             | 2.50%             | 2.31%              | 4.25%              |

The life of the options is based on the days remaining until expiry. Volatility is based on historical share prices.

There were no options granted to Executive Directors and key management personnel on share-based payments which are outstanding.

The options hold no voting or dividends rights and are unlisted. The options lapse 6 months subsequent to the cessation of employment with the Group. There are no vesting conditions attached to the options.

#### Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

|   | Consolidated |      |
|---|--------------|------|
|   | 2015         | 2014 |
|   | \$           | \$   |
| Options issued under employee option plan | 10,160       | -    |
|   | 10,160       | -    |



## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

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#### 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 139 as detailed in the accounting policies to these financial statements, are as follows:

|                                | Consolidated   |                  |
|--------------------------------|----------------|------------------|
|                                | 2015           | 2014             |
|                                | \$             | \$               |
| Financial assets               |                |                  |
| Cash and cash equivalents      | 261,200        | 1,614,782        |
| Loans and receivables          | 39,153         | 62,520           |
| Available for sale investments | 8,000          | 8,000            |
|                                | <u>308,353</u> | <u>1,685,302</u> |
| Financial liabilities          |                |                  |
| Trade and other payables       | 147,566        | 260,883          |
|                                | <u>147,566</u> | <u>260,883</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 risks the group is exposed to includes 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.

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.

##### **(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.

**Notes to the financial statements**

**For the year ended 30 June 2015**

**20 Financial risk management (continued)**

**(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. At 30 June 2014 approximately 91.9% of group deposits are fixed.

**(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 |          |
|----------------------------------|--------------|----------|
|                                  | 2015         | 2014     |
|                                  | \$           | \$       |
| Change in loss                   |              |          |
| Increase in interest rates by 2% | 4,818        | 32,296   |
| Decrease in interest rates by 2% | (4,818)      | (32,296) |
| Change in equity                 |              |          |
| Increase in interest rates by 2% | 4,818        | 32,296   |
| Decrease in interest rates by 2% | (4,818)      | (32,296) |

**21 Commitments & contingent liabilities**

**(a) Exploration expenditure commitments**

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay in the year ending 30 June 2016 amounts of approximately \$1,360,000 (2014: \$1,955,000) to meet minimum expenditure requirements pursuant to various joint venture requirements and those specified by the State Government of South Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

#### 21 Commitments & contingent liabilities (continued)

##### (b) Operating leases as lessee

The Group leases as lessee an office and warehouse facility under an operating lease. The future minimum lease payments are as follows:

|           | Minimum lease payments due |              |               | Total  |
|-----------|----------------------------|--------------|---------------|--------|
|           | Within 1 year              | 1 to 5 years | After 5 years |        |
|           | \$                         | \$           | \$            | \$     |
| June 2015 | 30,983                     | -            | -             | 30,983 |
| June 2014 | 59,719                     | -            | -             | 59,719 |

##### (c) 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 \$33,000 (2014: \$33,000). These bank guarantees are fully secured by cash on term deposit.

##### (d) Contingent liabilities

As at 30 June 2015, there were no contingent liabilities (2014: nil).

|  |      | Consolidated |      |
|--|------|--------------|------|
|  | Note | 2015         | 2014 |
|  |      | \$           | \$   |

#### 22 Notes to the statements of cash flows

##### (a) Cash at the end of the financial year consists of the following:

|                          |   |                |                  |
|--------------------------|---|----------------|------------------|
| Cash at bank and at call | 7 | 261,200        | 1,614,782        |
|                          |   | <u>261,200</u> | <u>1,614,782</u> |

##### (b) Reconciliation of (loss) after income tax to net cash outflow from operating activities

|  |                    |                  |
|--|--------------------|------------------|
| (Loss) after income tax                            | (1,081,872)        | (18,623,655)     |
| Add/(less) non cash items                          |                    |                  |
| Depreciation                                       | 35,336             | 33,671           |
| Share-based payments                               | 10,160             | -                |
| Exploration administration fee income              | -                  | -                |
| Impairment of assets                               | 112,842            | 17,864,765       |
| Income tax expense                                 | 38,223             | -                |
| Changes in operating assets and liabilities        |                    |                  |
| (Increase)/decrease in other assets                | 6,990              | 2,308            |
| (Increase)/decrease in trade and other receivables | 23,368             | 89,826           |
| (Decrease)/increase in trade and other payables    | (166,188)          | 150,517          |
| (Decrease)/increase in provisions                  | (35,001)           | (56,596)         |
| Net cash (used in) operating activities            | <u>(1,056,142)</u> | <u>(539,164)</u> |

**Notes to the financial statements**

**For the year ended 30 June 2015**

**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.

The aggregate amounts recognised during the year (excluding re-imburement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

| Director          | Transaction   | Note  | Consolidated |            |
|-------------------|---|-------|--------------|------------|
|                   |   |       | 2015<br>\$   | 2014<br>\$ |
| GS Davis          | Payments to an entity of which the Director is a partner in respect of legal fees   | (i)   | 54,369       | 19,540     |
| Related entity    | Payments from a Director related entity for logistical support and exploration expenditure under joint venture agreements.                    | (ii)  | 15,941       | 4,190      |
| Associated entity | Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support. | (iii) | 185,176      | 207,177    |
| RM Kennedy        | Payments to a Director related entity for exploration on the Nevada tenements.  | (iv)  | (3,752)      | 127,096    |

(i) The amount paid in 2015 includes some amounts which are in dispute.

(ii) This amount relates to the exploration undertaken by Marmota Energy Limited on behalf of Monax Mining for projects in South Australia and joint logistics.

(iii) This amount relates to the provision of administration and logistical services by Groundhog Services Pty Ltd and Groundhog Services Partnership.

(iv) This amount relates to the exploration undertaken on behalf of Marmota Energy by Ramelius Resources Limited for access and participation in projects in Nevada.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

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#### 23 Related parties (continued)

##### Directors' transactions with the Company (continued)

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

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 2015          | 2014          |
|  | \$            | \$            |
| Current receivables                            |               |               |
| Loan to director related entity*               | -             | -             |
| Loan to associate*                             | -             | 10,621        |
|  | <u>-</u>      | <u>10,621</u> |
| Current payables                               |               |               |
| Amounts payable to director related entities** | 19,953        | 5,053         |
|  | <u>19,953</u> | <u>5,053</u>  |

\* Loans to director related entities and associates represent amounts receivable from Groundhog Services Pty Ltd and Monax Mining Limited (Nil FY15)

\*\*Amounts invoiced by director related entities represent amounts invoiced by DMAW Lawyers for which Mr Davis is a partner and amounts invoiced for Director's fees by a related entity of Mr Thompson..

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 2015.

The totals of remuneration paid to key management personnel during the year are as follows:

|                              | Consolidated   |                |
|------------------------------|----------------|----------------|
|                              | 2015           | 2014           |
|                              | \$             | \$             |
| Short term employee benefits | 408,661        | 538,808        |
| Post employment benefits     | 53,137         | 68,828         |
| Other long term benefits     | -              | -              |
| Termination benefits         | 29,653         | 164,028        |
| Share-based payments         | 2,400          | -              |
|                              | <u>493,851</u> | <u>771,664</u> |

### Notes to the financial statements

For the year ended 30 June 2015

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#### 24 *Operating segments*

##### **Segment information**

###### *Description of segments*

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The consolidated entity has identified its operating segments to be Gawler Craton, Curnamona, Western Australia and North America based on the different geological regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the consolidated entity.

The consolidated entity operates primarily in one business, namely the exploration of minerals.

##### **Basis of accounting for purposes of reporting by operating segment**

###### *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

Details of the performance of each of these operating segments for the financial years ended 30 June 2015 and 30 June 2014 are set out below:



## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

#### 24 Operating segments (continued)

|   | North<br>America | Gawler<br>Craton | Curnamona   | Western<br>Australia | Total        |
|---|------------------|------------------|-------------|----------------------|--------------|
| <b>June 2015</b>  | \$               | \$               | \$          | \$                   | \$           |
| <b>Segment revenue</b>  | -                | -                | -           | -                    | -            |
| <b>Segment results</b>  |                  |                  |             |                      |              |
| Gross segment result before<br>depreciation, amortisation and<br>impairment | -                | -                | -           | -                    | -            |
| Depreciation and amortisation   | -                | -                | -           | -                    | -            |
| Impairment expense  | 3,752            | (6,815)          | (105,640)   | (4,139)              | (112,842)    |
| Interest income   | -                | -                | -           | -                    | 24,885       |
| Other Income  | -                | -                | -           | -                    | 2,974        |
| Other expenses  | -                | -                | -           | -                    | (958,666)    |
| <b>(Loss) before tax</b>  | 3,752            | (6,815)          | (105,640)   | (4,139)              | (1,043,649)  |
| Income tax benefit/(expense)  | -                | -                | -           | -                    | (38,223)     |
| <b>(Loss) after tax</b>   | 3,752            | (6,815)          | (105,640)   | (4,139)              | (1,081,872)  |
|   |                  |                  |             |                      |              |
|   | North<br>America | Gawler<br>Craton | Curnamona   | Western<br>Australia | Total        |
| <b>June 2014</b>  | \$               | \$               | \$          | \$                   | \$           |
| <b>Segment revenue</b>  | -                | -                | -           | -                    | -            |
| <b>Segment results</b>  |                  |                  |             |                      |              |
| Gross segment result before<br>depreciation, amortisation and<br>impairment | -                | -                | -           | -                    | -            |
| Depreciation and amortisation   | -                | -                | -           | -                    | -            |
| Impairment expense  | (1,475,301)      | (8,442,053)      | (7,883,971) | (51,440)             | (17,852,765) |
|   | (1,475,301)      | (8,442,053)      | (7,883,971) | (51,440)             | (17,852,765) |
| Interest income   | -                | -                | -           | -                    | 88,751       |
| Other expenses  | -                | -                | -           | -                    | (859,641)    |
| <b>(Loss) before tax</b>  | (1,475,301)      | (8,442,053)      | (7,883,971) | (51,440)             | (18,623,655) |
| Income tax benefit/(expense)  | -                | -                | -           | -                    | -            |
| <b>(Loss) after tax</b>   | (1,475,301)      | (8,442,053)      | (7,883,971) | (51,440)             | (18,623,655) |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

#### 24 Operating segments (continued)

|   | North<br>America | Gawler<br>Cration | Curnamona   | Western<br>Australia | Total        |
|---|------------------|-------------------|-------------|----------------------|--------------|
| <b>June 2015</b>  | \$               | \$                | \$          | \$                   | \$           |
| <b>Segment assets</b>                                   | -                | 2,812,950         | 135,951     | -                    | 2,948,901    |
| <i>Segment asset increases for the year:</i>            |                  |                   |             |                      |              |
| Capital expenditure                                     | (3,752)          | 450,679           | 241,591     | 4,139                | 692,657      |
| Impairment  | 3,752            | (6,815)           | (105,640)   | (4,139)              | (112,842)    |
|   | -                | 443,864           | 135,951     | -                    | 579,815      |
| <i>Reconciliation of segment assets to group assets</i> |                  |                   |             |                      |              |
| Cash and cash equivalents                               | -                | -                 | -           | -                    | 261,200      |
| Trade and other receivables                             | -                | -                 | -           | -                    | 39,153       |
| Other current assets                                    | -                | -                 | -           | -                    | 20,661       |
| Plant and equipment                                     | -                | -                 | -           | -                    | 156,778      |
| Investment in associate                                 | -                | -                 | -           | -                    | 1            |
| Available for sale financial asset                      | -                | -                 | -           | -                    | 8,000        |
| <b>Total assets</b>                                     | -                | 2,812,950         | 241,591     | -                    | 3,434,694    |
| <b>June 2014</b>  | \$               | \$                | \$          | \$                   | \$           |
| <b>Segment assets</b>                                   | -                | 2,369,086         | -           | -                    | 2,369,086    |
| <i>Segment asset increases for the year:</i>            |                  |                   |             |                      |              |
| Capital expenditure                                     | 127,096          | 595,431           | 709,385     | 6,976                | 1,438,888    |
| Impairment  | (1,475,301)      | (8,442,053)       | (7,883,971) | (51,440)             | (17,852,765) |
|   | (1,348,205)      | (7,846,622)       | (7,174,586) | (44,464)             | (16,413,877) |
| <i>Reconciliation of segment assets to group assets</i> |                  |                   |             |                      |              |
| Cash and cash equivalents                               | -                | -                 | -           | -                    | 1,614,782    |
| Trade and other receivables                             | -                | -                 | -           | -                    | 62,520       |
| Other current assets                                    | -                | -                 | -           | -                    | 27,651       |
| Plant and equipment                                     | -                | -                 | -           | -                    | 233,794      |
| Investment in associate                                 | -                | -                 | -           | -                    | 1            |
| Available for sale financial asset                      | -                | -                 | -           | -                    | 8,000        |
| <b>Total assets</b>                                     | -                | 2,369,086         | -           | -                    | 4,315,834    |

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

For the year ended 30 June 2015

#### 24 Operating segments (continued)

|   | North<br>America | Gawler<br>Craton | Curnamona | Western<br>Australia | Total   |
|---|------------------|------------------|-----------|----------------------|---------|
| June 2015   | \$               | \$               | \$        | \$                   | \$      |
| <b>Segment liabilities</b>  | -                | 12,807           | 12,825    | -                    | 25,632  |
| <i>Reconciliation of segment liabilities to group liabilities</i> |                  |                  |           |                      |         |
| Trade and other payables  | -                | -                | -         | -                    | 121,934 |
| Short term provisions   | -                | -                | -         | -                    | 24,661  |
| Long term provisions  | -                | -                | -         | -                    | 24,905  |
| <b>Total consolidated liabilities</b>                             | -                | 12,807           | 12,825    | -                    | 197,132 |
| June 2014   | \$               | \$               | \$        | \$                   | \$      |
| <b>Segment liabilities</b>  | -                | 15,062           | 1,423     | 1,262                | 17,747  |
| <i>Reconciliation of segment liabilities to group liabilities</i> |                  |                  |           |                      |         |
| Trade and other payables  | -                | -                | -         | -                    | 243,136 |
| Short term provisions   | -                | -                | -         | -                    | 27,746  |
| Long term provisions  | -                | -                | -         | -                    | 56,821  |
| <b>Total consolidated liabilities</b>                             | -                | 15,062           | 1,423     | 1,262                | 345,450 |

#### 25 Events subsequent to reporting date

During the financial year the company commenced a share purchase plan for shareholders to participate in. That Plan concluded in July 2015 and as a result of which 47,473,750 ordinary shares in the company were issued and \$451,000 in subscription monies received. The Plan was more than doubly oversubscribed. Other than that, and the events noted above, there have not arisen any matters or circumstances, since the end of the financial year which significantly affected or could 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.

## Marmota Energy Limited and Controlled Entities

### Notes to the financial statements

#### For the year ended 30 June 2015

#### 26 Reserves (continued)

##### Available for sale reserve

The available for sale reserve comprises gains and losses relating to these types of financial instruments.

|   | Consolidated |           |
|---|--------------|-----------|
|   | 2015         | 2014      |
|   | \$           | \$        |
| <b>Reserves</b>                           |              |           |
| <i>Share option reserve</i>               |              |           |
| Opening balance at beginning of year      | 2,717,150    | 2,717,150 |
| Fair value of options issued to employees | 10,160       | -         |
| Balance at end of year                    | 2,727,310    | 2,717,150 |
| <i>Available for sale reserve</i>         |              |           |
| Opening balance at beginning of year      | (7,500)      | (5,500)   |
| Revaluation of available for sale asset   | -            | (2,000)   |
| Balance at end of year                    | (7,500)      | (7,500)   |
| Total Reserves                            | 2,719,810    | 2,709,650 |

#### 27 Marmota Energy Limited company information

|   | 2015         | 2014         |
|---|--------------|--------------|
|   | \$           | \$           |
| <b>Parent entity</b>                                |              |              |
| Assets  |              |              |
| Current assets                                      | 397,545      | 1,762,208    |
| Non-current assets                                  | 3,016,876    | 2,514,077    |
| Total assets  | 3,414,421    | 4,276,285    |
| Liabilities   |              |              |
| Current liabilities                                 | 151,954      | 267,088      |
| Non-current liabilities                             | 24,905       | 38,813       |
| Total liabilities                                   | 179,859      | 305,901      |
| Equity  |              |              |
| Issued capital                                      | 31,577,896   | 31,239,006   |
| Retained losses                                     | (31,060,144) | (29,978,272) |
| Share option reserve                                | 2,727,310    | 2,717,150    |
| Available for sale reserve                          | (7,500)      | (7,500)      |
| Total equity  | 3,237,562    | 3,970,384    |
| Financial performance                               |              |              |
| (Loss) for the year                                 | (1,081,872)  | (18,623,655) |
| Other comprehensive income                          | -            | (2,000)      |
| Total comprehensive income                          | (1,081,872)  | (18,625,655) |
| Guarantees in relation to the debts of subsidiaries | -            | -            |
| Contingent liabilities                              | -            | -            |
| Contractual commitments                             | 30,983       | 59,719       |

**28 Fair value measurement of assets and liabilities**

**Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

All financial instruments were valued using level 1 valuation techniques. There were no changes in valuation techniques for financial instruments in the period.

Available for sale financial assets are measured at fair value using the closing price on the reporting dates as listed on the Australian Securities Exchange limited (ASX). The carrying value of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

**29 Company details**

The registered office of the Company is:

Unit 6  
79-81 Brighton Road  
GLENELG SA 5045

The principal place of business is

Level 30,  
Westpac House,  
91 King William Street  
ADELAIDE SA 5000

## Marmota Energy Limited

### Directors' declaration

For the year ended 30 June 2015

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### Directors' declaration

The Directors of Marmota Energy Limited declare that

- (a) the financial statements and notes, as set out on pages 38 to 71, are in accordance with the Corporations Act 2001, and:
  - (i) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standards; and
  - (iii) Marmota Energy 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 Adelaide this 25<sup>th</sup> day of September 2015.



Dr Colin Rose  
*Director*



Level 1,  
67 Greenhill Rd  
Wayville SA 5034

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED**

### **Report on the financial report**

We have audited the accompanying financial report of Marmota Energy Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### **Auditor's opinion**

In our opinion:

- a the financial report of Marmota Energy Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

### **Material uncertainty regarding going concern**

The consolidated entity incurred a net loss after tax of \$1,081,872 during the year ended 30 June 2015, and had a net cash outflow of \$1,353,582 from operating and investing activities. The consolidated entity continues to be reliant upon completion of capital raising for continued operations and the provision of working capital.

Without qualifying our audit opinion attention is drawn to Note 1 (x) Going Concern in the financial report. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts stated in the financial report.

### **Report on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Marmota Energy Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S K Edwards  
Partner – Audit & Assurance

Adelaide, 25 September 2015



# SHAREHOLDER INFORMATION

(AS AT 30 SEPTEMBER 2015)

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 30 September 2015.

## **Distribution of Equity Securities**

### *Ordinary Share Capital*

Fully paid ordinary shares are held by 2,330 individual shareholders.

### *Options*

Listed options are held by 299 individual option holders.

Unlisted options are held by 6 individual option holders.

## **Substantial shareholders**

The number of shares held by substantial shareholders and their associates as disclosed in substantial shareholding notices given to the Company are set out below:

| <b>Substantial shareholder</b> | <b>Number of fully paid ordinary shares held</b> |
|--------------------------------|--|
| Dr Colin Rose                  | 43,638,232                                       |

## **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**

| <b>Category</b>                         | <b>Holders of Ordinary shares</b> | <b>Holders of 09/12/2015 \$0.02 Listed Options</b> | <b>Holders of 29/07/2016 \$0.073 Options</b> | <b>Holders of 24/07/2017 \$0.036 Options</b> | <b>Holders of 16/12/2019 \$0.018 Options</b> |
|---|-----------------------------------|--|--|--|--|
| 1 – 1,000                               | 194                               | 19   | -  | -  | -  |
| 1,001 – 5,000                           | 160                               | 117  | -  | -  | -  |
| 5,001 – 10,000                          | 369                               | 47   | -  | -  | -  |
| 10,001 – 100,000                        | 1,093                             | 95   | 2  | 2  | 1  |
| 100,001 and over                        | 514                               | 21   | 1  | -  | 4  |
| <b>Total Number of security holders</b> | <b>2,330</b>                      | <b>299</b>   | <b>3</b>                                     | <b>2</b>                                     | <b>5</b>                                     |

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,569.

### 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 30 September 2015 are as follows:

| <b>Name</b>   | <b>Number of fully paid ordinary shares held</b> | <b>Percentage held</b> |
|---|--|------------------------|
| Dr Colin Rose   | 42,836,916                                       | 12.13                  |
| Mr Joseph Richard Mistarz                               | 7,755,264  | 2.19                   |
| Ms Jacqueline Rose                                      | 6,569,491  | 1.86                   |
| Mrs Bete Rose   | 6,466,000  | 1.83                   |
| Mr Kiril Dennis Boitcheff + Mrs Suzanne Janet Boitcheff | 5,000,000  | 1.42                   |
| Mr Graham Robert Taylor                                 | 5,000,000  | 1.42                   |
| Mr Angelo Peter Preketes                                | 4,756,077  | 1.35                   |
| Mr Matthew Jon Liddy                                    | 4,375,000  | 1.24                   |
| Mr William Edward Holmes                                | 4,013,158  | 1.14                   |
| Aloren (No 148) Pty Ltd                                 | 3,777,730  | 1.07                   |
| Buratu Pty Ltd  | 3,678,948  | 1.04                   |
| N & B New Horizons Pty Ltd                              | 3,150,000  | 0.89                   |
| Mrs Karyn Calandro + Mr Domenic Calandro                | 3,080,000  | 0.87                   |
| Tawitawi Pty Ltd  | 2,850,000  | 0.81                   |
| Emerald Plumbing Services Investments Pty Ltd           | 2,818,466  | 0.80                   |
| Mr Mark James Morgan + Mrs Renatta Morgan               | 2,794,042  | 0.79                   |
| Hawgood Pty Ltd   | 2,604,248  | 0.74                   |
| Mrs Judith Leslie Frost                                 | 2,600,000  | 0.74                   |
| Mr Robert Adrian Pitt + Mr Tobias Henry Pitt            | 2,578,948  | 0.73                   |
| Mr Dean Adam Fitz-Gerald                                | 2,500,000  | 0.71                   |
|   | <b>113,436,574</b>                               | <b>32.11</b>           |

### Twenty largest listed optionholders

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 30 September 2015 are as follows:

| <b>Name</b>                                   | <b>Number of fully paid ordinary shares held</b> | <b>Percentage held</b> |
|---|--|------------------------|
| First Investment Partners Pty Ltd             | 1,242,826  | 11.82                  |
| Dr Colin Rose                                 | 1,000,000  | 9.51                   |
| Mr Shaun Redmond                              | 607,500  | 5.78                   |
| Mr Matthew Jon Liddy                          | 437,500  | 4.16                   |
| Ms Jacqueline Rose                            | 378,125  | 3.60                   |
| Mr William Edward Holmes                      | 375,000  | 3.57                   |
| Aloren (No 148) Pty Ltd                       | 250,000  | 2.38                   |
| Mr Dean Adam Fitz-Gerald                      | 250,000  | 2.38                   |
| Emerald Plumbing Services Investments Pty Ltd | 203,952  | 1.94                   |
| Cadex Petroleum Pty Limited                   | 200,000  | 1.90                   |
| Mrs Maria Rontziokos + Mr Fotios Rontziokos   | 200,000  | 1.90                   |
| Mrs Judith Leslie Frost                       | 187,500  | 1.78                   |
| Ms Yvonne Mandelc                             | 178,584  | 1.70                   |
| Mr Leslie Raymond Withers                     | 171,250  | 1.63                   |
| Ms Polly Kuan                                 | 169,099  | 1.61                   |
| Tawitawi Pty Ltd                              | 150,000  | 1.43                   |
| Mr Stuart Keith Whipp                         | 137,500  | 1.31                   |
| MJ & PA Young Pty Ltd                         | 132,500  | 1.26                   |
| Mr Graham Robert Taylor                       | 122,500  | 1.17                   |
| Mr Mark James Morgan + Mrs Renatta Morgan     | 113,505  | 1.08                   |
|   | <b>6,507,341</b>                                 | <b>61.91</b>           |

### Unquoted equity securities

#### Options

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

| <b>Expiry date</b> | <b>Exercise price</b> | <b>Number of Options</b> | <b>Number Unquoted</b> | <b>Number of holders</b> |
|--------------------|-----------------------|--------------------------|------------------------|--------------------------|
| 29/07/2016         | \$0.073               | 225,000                  | 225,000                | 3                        |
| 24/07/2017         | \$0.036               | 100,000                  | 100,000                | 2                        |
| 16/12/2019         | \$0.018               | 1,270,000                | 1,270,000              | 5                        |





# CORPORATE DIRECTORY

## PRINCIPAL REGISTERED OFFICE

Marmota Energy Limited  
Unit 6  
79-81 Brighton Road  
GLENELG SA 5045

Telephone: (08) 7088 4883  
Facsimile: (08) 7088 4884  
Email: [info@marmotaenergy.com.au](mailto:info@marmotaenergy.com.au)  
Website: [www.marmotaenergy.com.au](http://www.marmotaenergy.com.au)

## EXPLORATION OFFICE

Unit 6  
79-81 Brighton Road  
GLENELG SA 5045

Telephone: (08) 8294 0899  
Facsimile: (08) 8376 8633

## CORPORATE OFFICE

Level 30  
Westpac House  
91 King William Street  
ADELAIDE SA 5000

Telephone: (08) 7088 4883  
Facsimile: (08) 7088 4884

## POSTAL ADDRESS

PO Box 117  
GLENELG SA 5045

## DIRECTORS & SENIOR MANAGEMENT

**DR COLIN ROSE**  
PhD (Economics)  
*Non-executive Chairman*

**DAVID WILLIAMS**  
LLB BComm MAICD  
*Managing Director and Company  
Secretary*

**PETER THOMPSON**  
BSc Hons MSc  
*Non-executive Director*

## STOCK EXCHANGE CODE

ASX: MEU  
Home Exchange: Adelaide

## SHARE REGISTER

Location of Share Register

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: +61 1300 554 474  
Facsimile: +61 2 9287 0303  
Email:  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website:  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## AUDITORS

Grant Thornton  
Chartered Accountants  
67 Greenhill Road  
WAYVILLE SA 5034