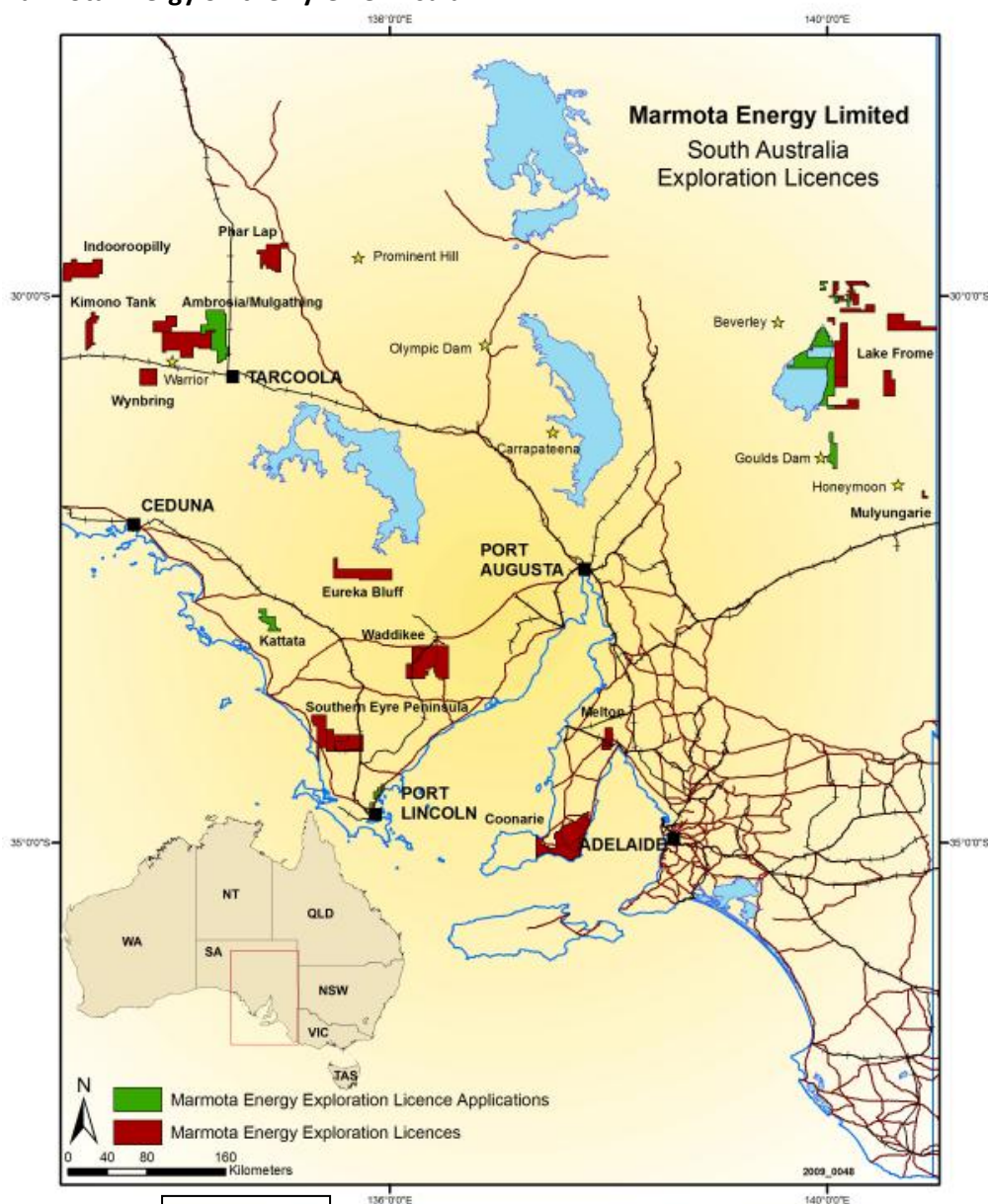


ASX RELEASE

## Highlights

- Marmota Energy is maintaining its strong cash position, enabling it to weather the current market environment, while intensifying focused exploration across a growing portfolio of projects in South Australia.
- Drilling completed on the Company's Mulyungarie project, 18 kilometres southeast of the Honeymoon uranium mine, early in the Quarter.
- Mineralisation confirmed from reconnaissance drilling completed over the first basement target with copper gold potential on Ambrosia.
- New exploration licences 100% owned by Marmota granted in the highly prospective Lake Frome region near the Beverley Uranium mine.
- Three new exploration licences with listed uranium occurrences 100% owned by Marmota Energy on the Eyre Peninsula.

Marmota Energy  
Limited (ASX: MEU)



## Review of Operations

### Corporate Activities

In the June Quarter of 2009, the Company completed the first phase of drilling on its Mulyungarie uranium project. First pass reconnaissance drilling was also completed over the first of Marmota's copper-gold targets on Ambrosia, returning evidence of mineralisation. In line with the Company's diversified commodity strategy, a number of advanced gold opportunities are being assessed. Marmota is

continuing to focus its resources on a twofold strategy to develop a pipeline of projects that will offer a combination of short-term and sustainable longer term revenue potential. This strategy will assist in maintaining Marmota's strong cash position while promoting an expanded program of focused exploration. Marmota has strong technical capabilities and state-of-the-art techniques that will enable it to undertake low-cost exploration without significant

dependence on external providers. Large scale phase 1 exploration has been completed across most of Marmota's key projects in its first year of operation, lifting the prospectivity of its projects.

### Finance

As at 30 June 2009, Marmota Energy had available funds of \$8.45 million, of which the majority is held in term deposits with Australian Banks. During the June Quarter, total net operating expenditure by the company was \$827 thousand.

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*"Maintaining Marmota's strong cash position while, undertaking focused exploration."*

## Exploration Activities

### Ambrosia Mulgathing

*(Marmota earning 50% under Ambrosia JV Agreement with Monax Mining Limited)*

*(Marmota earning 70% under Farm in and JV Agreement with Monax Mining Limited)*

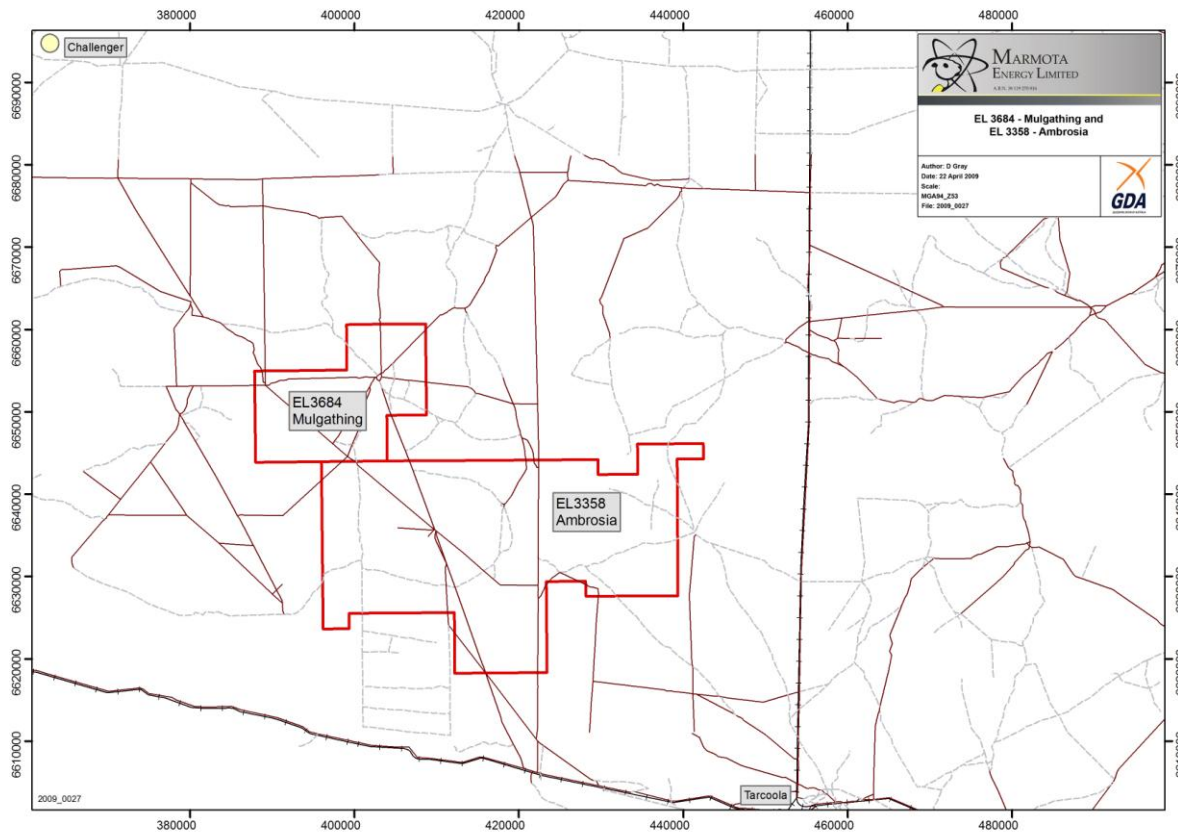
The Ambrosia-Mulgathing Project tenement totals 1,112 km<sup>2</sup> of pastoral lease land and is located approximately 100 kilometres north west of Tarcoola in the north of South Australia. The area is highly prospective for sedimentary uranium and IOCGU style of mineralisation.

On the Ambrosia project (EL 3358) Marmota is earning 50% equity across all commodities from Monax Mining Limited, and 70% equity for uranium only on Mulgathing (EL 3684) from Monax Mining Limited.

High resolution magnetic, radiometric, airborne EM and gravity geophysical surveys were completed over the project area in previous quarters. Using these data the Company has accurately mapped palaeodrainage and sedimentary drainage systems and a number of discrete conductive basement targets.

Geophysical data has identified a number of basement targets which the company believes may have copper and gold potential. A reconnaissance drilling program was completed in May 2009 testing the first of a number of potential mineralisation targets in the eastern side of the project. Eight RC drill holes were completed at the Gibraltar anomaly revealing a minor to pervasive veining alteration system with minor mineralisation within a mafic host rock. Alteration comprised weak chlorite -magnetite cross cut by an epidote - quartz and haematite – quartz system with visible pyrite. Geochemical results from the 8 holes revealed low levels of gold (up to 30 ppb). A number of samples also returned coincident elevated lead, zinc and silver, with the highest values being (300ppm: 588ppm: 0.22ppm) respectively over a 4 m composite sample at 242m in hole GRC03.





**Ambrosia Mulgathing project areas**

A one metre interval in hole GRC04 had visible chalcopyrite in 3-4mm veinlets returning 171ppm Copper, with trace gold (Au). The presence of coincident Ni, Cr and platinoids was also detected with sub – economic grades returned from the analysis.

The results returned from this program confirm the potential for both precious and base metal mineralisation on the Ambrosia project. The results of this program will assist Marmota greatly, particularly when assessing the potential for alteration systems at magnetic margins of intrusive rocks to target other Au prospects in the region.

A number of possible targets have been identified on the project, and low cost surface sampling over those with

potential will be the focus of future exploration to determine which targets will be drilled first. This assessment will be aided by high resolution ground magnetic surveys.



Ambrosia project geologist, Neil Chalmers, conducting ground magnetic survey over a copper – gold drill target on Ambrosia.

**Mulyungarie Project**

*(Marmota earning 70% Uranium under JV agreement with Monax Mining Limited)*

A first phase 24 hole drilling program to test shallow sedimentary uranium targets was completed in the June quarter on EL 3910 – Mulyungarie. The project is located 18 km south east of the Honeymoon uranium mine (a 6.5 million pound Inferred Resource owned by Uranium One and Mitsui) and 50 km west of Broken Hill.

Mulyungarie is ideally located close to mine and civil infrastructure. The project’s proximity to a major centre (Broken Hill) and convenient access to road and rail infrastructure makes this a very strategic project for Marmota Energy.

This first phase of drilling focused on the northern part of the project area and has confirmed the presence of the uranium prospective Eyre and Namba Formations within the project. Marmota believes that the Eyre Formation in the project area is prospective for large tonnage low operating cost sandstone-hosted, rollfront style uranium.

In view of the carbonaceous nature of the Namba Formation on Mulyungarie, Marmota believes that this formation is also prospective for uranium.

The Eyre Formation is the host for the nearby Honeymoon uranium deposit and the Namba Formation hosts the uranium mined by in situ leach at Beverley. A number of other uranium prospects, namely the Brooks Dam, Yarramba and East Kalkaroo prospects have been discovered within the Yarramba Palaeochannel system.

High resolution geophysical data acquired in 2008, defined what has been interpreted as part of the Yarramba Palaeochannel flowing onto the project. Results from the down hole geophysical logs are currently being analysed along with results from drillhole samples. Further announcements relating to this program are planned to be made over the coming quarter.

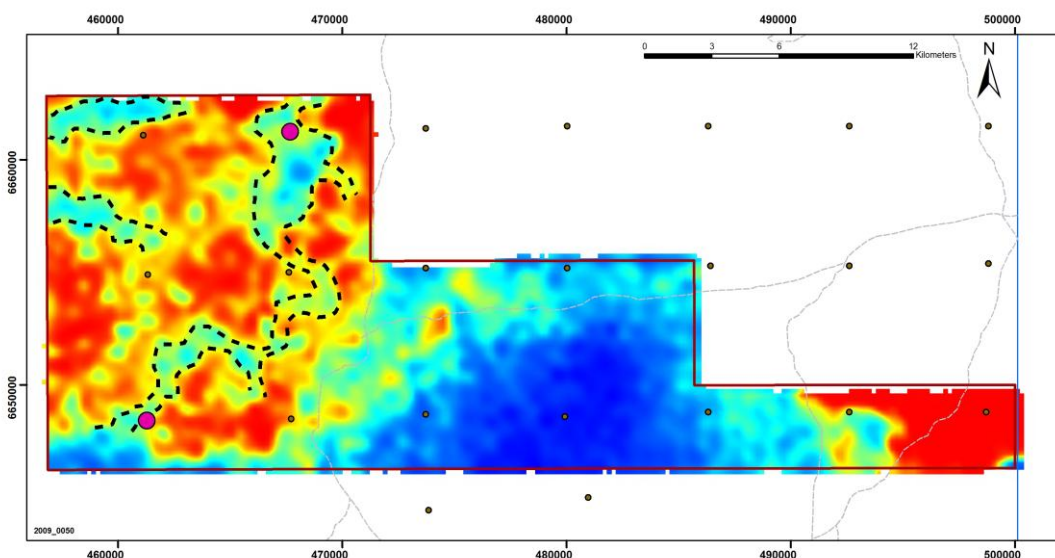
**Lake Coonee Project**

*(Marmota owning rights to 100% of all commodities)*

Lake Coonee (EL 4252) has been granted to Marmota Energy, and is part of a new package of tenements 100% owned by Marmota Energy.

The project is part of the Lake Frome suite of tenements and is located nearby to the Beverley uranium mine and Beverley Four Mile deposit. The project contains the same sediments which host the nearby Beverley uranium mine. Previous exploration on the project, conducted at 4 mile spacing, intersected uranium mineralisation in two holes on the project.

Marmota completed a high resolution ground gravity survey over the project during the last quarter. The gravity data has defined a trough and palaeochannel system prospective for uranium on the project along with basement structures that may have base metal potential.



Left: Lake Coonee project with high resolution gravity coverage, and interpreted palaeochannel shown in black dashed line.

Pink highlighted drillholes with uranium mineralisation.

## General

Marmota Energy Limited has moved to increase its exploration licence footprint in the highly prospective Lake Frome region in South Australia. Marmota's new licences are in close proximity to the Beverley uranium mine. The tenements are believed to contain the same package of sediments that hosts the nearby Beverley uranium mine and Four Mile deposit. Lake Coonee (EL 4252) has confirmed uranium mineralisation from regional spaced drilling that was completed in the 1970's by Union Corporation Pty Ltd.

Marmota has increased its exploration tenement portfolio on the Eyre Peninsula in South Australia. Three new licences with listed uranium occurrences have been successfully applied for by Marmota Energy. The Kattata project east of Streaky Bay in South Australia has a historic gold mine in the north of the project and a listed uranium occurrence defined by roadside drilling in the south of the project area. The projects are 100% owned by Marmota Energy and their proximities to good infrastructure make these new projects strategically important.

Marmota Energy is continuing to assess opportunities for focused gold and uranium exploration across Australia and overseas, in line with its twofold corporate strategy. Gold is seen as offering strong short-term revenue potential, with uranium providing a sustainable longer term investment within the context of growing worldwide demand for nuclear energy.

### Marmota Energy Limited

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We're on the Web!

See us at:

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

## Future Exploration

Discrete focused geochemical sampling, radon surveys and drilling programs are planned to test higher potential ranked targets across Marmota's projects. Over the coming Quarter Marmota will focus its resources on its key strategic projects Mulyungarie, Waddikee and Ambrosia.

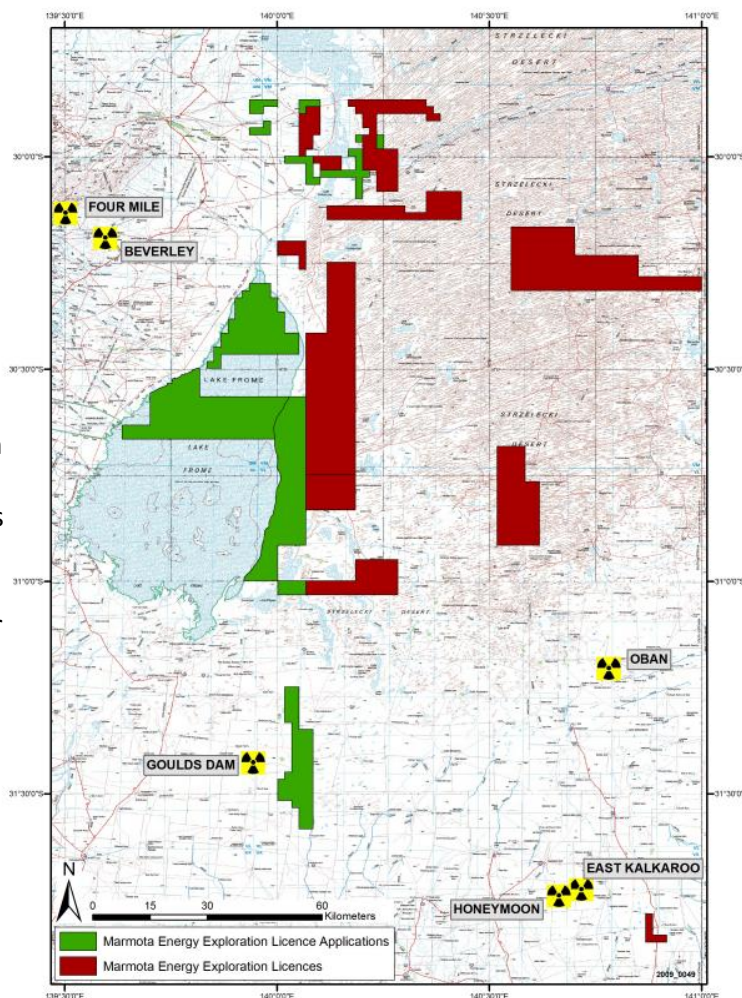
Undertaking low cost exploration utilising Marmota's own equipment and resources such as ground radon surveys, ground magnetic surveys and sampling programs will be carried out over the next Quarter in preparation for drill testing of targets.

Further drill testing of uranium targets on Mulyungarie is also likely in the fourth Quarter of 2009.



Dom Calandro  
Managing Director

31<sup>st</sup> July 2009



Above: New Marmota tenements in the highly prospective Lake Frome region

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Marmota Energy Limited**

ABN

**38 119 270 816**

Quarter ended ("current quarter")

**30 June 2009**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(668)	(3,255)
(b) development	-	-
(c) production	-	-
(d) administration	(154)	(733)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	36	773
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	(2)
1.7 Other (provide details if material) )		
GST	(41)	42
Other	-	-
<b>Net Operating Cash Flows</b>	<b>(827)</b>	<b>(3,176)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	(30)	(30)
(b) equity investments	-	-
(c) other fixed assets	(1)	(135)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(68)
1.11 Loans repaid by other entities	-	3
1.12 Other (provide details if material)		
Loans repaid to other entities	-	(64)
<b>Net investing cash flows</b>	<b>(31)</b>	<b>(294)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(858)</b>	<b>(3,470)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(858)	(3,470)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Payments relating to issue of shares / options	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(858)	(3,470)
1.20	Cash at beginning of quarter/year to date	9,305	11,917
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	8,447	8,447

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	159
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation) and legal fees paid to a legal firm in which a director is a partner. The amount at 1.24 represents contributions to the establishment of a 50% owned associate company which provides management and logistics services to the entity from 1 July 2008.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

**Financing facilities available**

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

**Note:**

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	750
4.2	Development	-
<b>Total</b>		<b>750</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	66	287
5.2 Deposits at call	8,381	9,018
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>8,447</b>	<b>9,305</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	100% all mineral rights	0%	100%
	EL 4252		0%	100%
	EL 4253		0%	100%
	EL 4254		0%	100%
	EL 4255		0%	100%
	EL 4256		0%	100%
	EL 4276		0%	100%

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	120,721,009	66,309,009		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	28,000,000 3,625,000	- -	<i>Exercise Price</i> \$0.40 \$0.04	<i>Expiry Date</i> 11/07/12 23/12/13
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Print name: Virginia Suttell..... Date: ....31/07/2009.....  
(~~Director~~/Company Secretary)

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.