

ASX ANNOUNCEMENT

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.



MARMOTA
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Uranium Mineralogy – Saffron Prospect, Junction Dam, South Australia

- Uranium mineralisation predominantly contained in uraninite, coffinite, and uranium phosphate minerals suggesting amenability to in-situ leach extraction.
- High grades confirmed in assay with associated mineralogical samples.

Junction Dam uranium project

(On Junction Dam, Marmota 51% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

Marmota Energy Limited (ASX: MEU) is pleased to announce that uranium mineralisation within the Saffron Prospect at Junction Dam is predominantly contained in coffinite, with uraninite and uranium phosphates (autunite).

These results are considered to be very encouraging for the project as this is interpreted to be analogous with the mineral assemblages at the nearby Honeymoon in-situ leach uranium mine.

Two samples from cored drill holes from Phase 2 drilling were analysed using quantitative evaluation of minerals by scanning electron microscopy (QEMSCAN) undertaken at Bureau Veritas Australia Pty Ltd (Amdel Mineral Laboratories). In the scan image (Figure 1), there are fine grained intergrowths of sulphides (pyrite and sphalerite) with the uranium minerals. There are also some fine grained intergrowths of uranium minerals with Ti oxide minerals, classified as Uranium - Ti oxide intergrowths. The spectral analysis indicates that the main uranium bearing mineral in this particle is coffinite (dark blue).

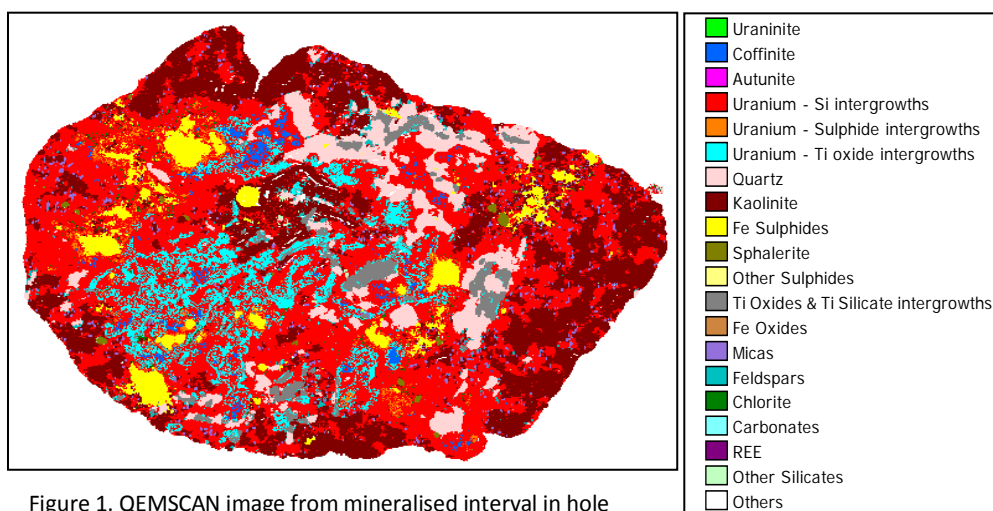


Figure 1. QEMSCAN image from mineralised interval in hole SARM066, particle width approx 0.5mm

This mineralogical assemblage is indicative of the potential for the mineralisation to be leachable at the Saffron Prospect. Metallurgical testing is planned to be carried out as part of future phases of exploration planned at Junction Dam.

Assay results returned from hole SARM066 further support the high grades reported previously from gamma logging at Saffron. Grades from assays included a result of 2948 ppm U_3O_8 over the QEMSCAN sample interval. This coincided with an average downhole gamma reading of 698 ppm eU_3O_8 which included a peak gamma reading of 2132 ppm eU_3O_8 .

This is considered very encouraging as the corresponding downhole gamma result appears to underestimate the uranium content over that interval. This implies that a positive disequilibrium factor could be applied to the downhole gamma data.

More core drilling is planned in the Phase 3 drilling proposed to commence in early 2011.

About the Junction Dam uranium project

The Saffron Prospect on Junction Dam was discovered by Marmota Energy in late 2009.

The project is strategically located less than an hour drive from the major regional centre of Broken Hill, and is approximately ten kilometres from the Honeymoon uranium mine. Marmota has earned a 51% interest in the uranium rights on this highly prospective project and is set to earn an additional 24.5% interest for the uranium rights on Junction Dam.

Drilling completed in the recent Phase 2 program confirmed an extension to the strike length of the Saffron prospect to approximately **two kilometres**, open to the north and south. Further geophysical exploration is being completed across the nearby Bridget prospect over coming weeks. The results will be utilised in planning for a Phase 3 drilling program which will also test the 5 kilometre long Bridget prospect immediately adjacent to the Saffron prospect (Figure 3).

Marmota will assess all results achieved from Phase 1 and 2 drilling programs for its suitability to outline a potential maiden inferred resource at Junction Dam. From the results achieved to date Marmota believes that there is significant potential for further extension to the Saffron Prospect and the discovery of additional zones of uranium on Junction Dam.

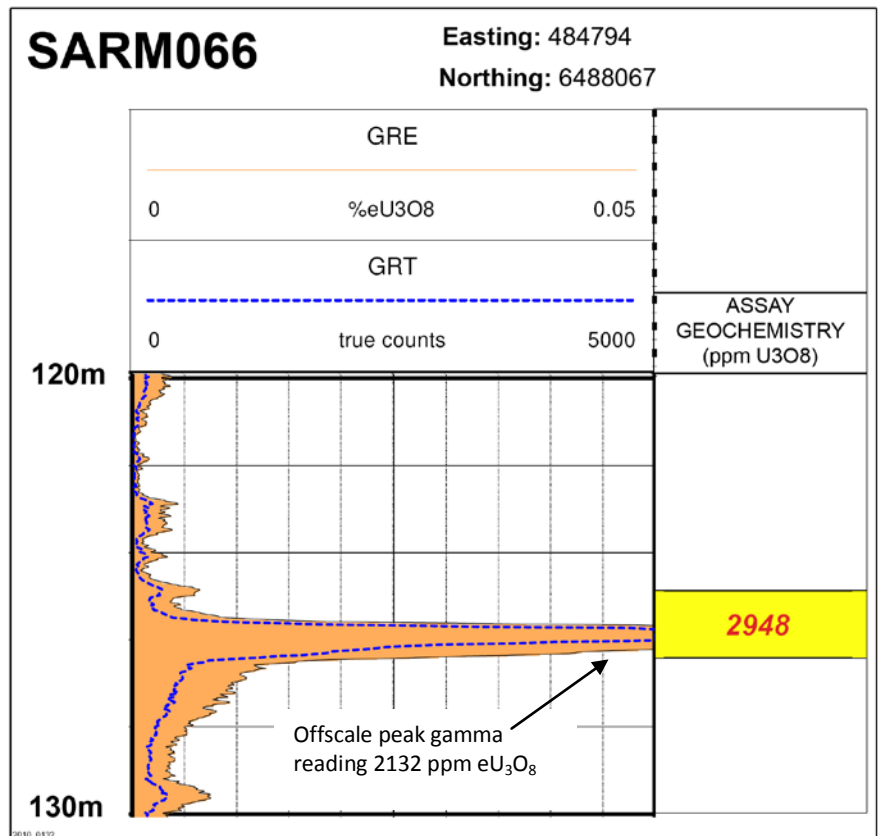


Figure 2: Gamma log from drillhole SARM066 intersecting interval of mineralisation with assay result shown for interval (125.2 – 126.2m).

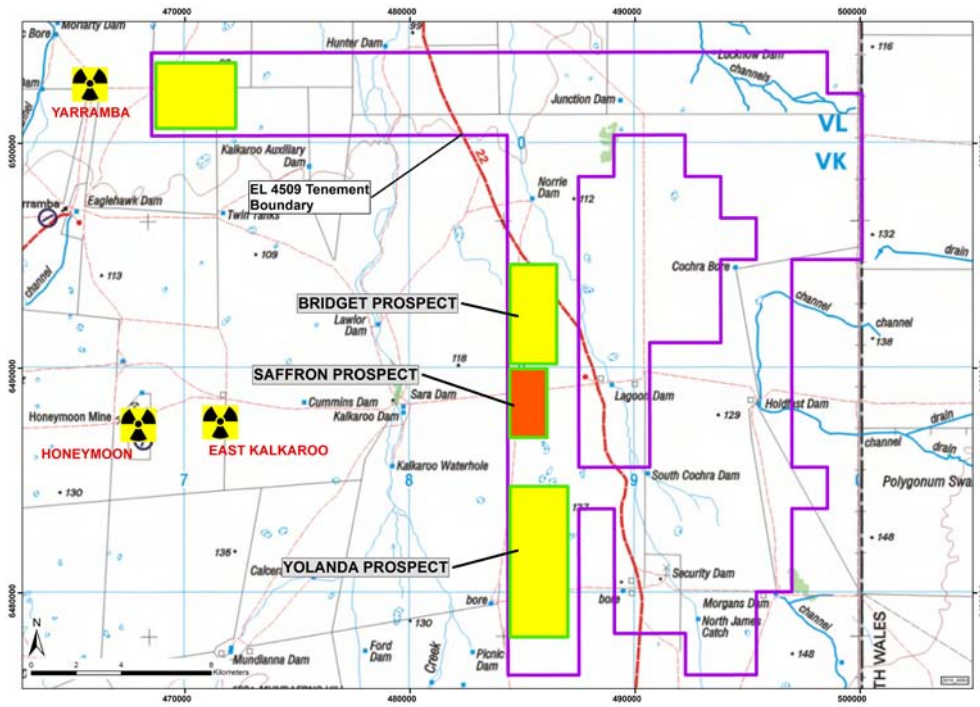



Figure 3. Junction Dam location map

 Other target areas of high potential planned to be tested in phase 3



**Mr Dom Calandro
MANAGING DIRECTOR**

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