

## 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.*



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### SIGNIFICANT IRON RESULTS FROM ASSAYS ON FIRST PASS EXPLORATION AT WESTERN SPUR PROJECT, SA

- Iron grades consistently greater than 52% Fe and ranging up to 55.81% returned from assays of all samples.
- Six large outcrops identified within a 12 km long zone with both iron and manganese potential to be tested.

#### Western Spur iron, uranium, base metals project - SA

(100% Marmota Energy ASX: MEU)

Marmota Energy Limited (ASX: "MEU") is pleased to announce excellent iron assay results from rock chip sampling completed at the first of six outcrops on the Company's 100% owned Western Spur (EL 4528) project.

Iron values of consistently greater than 52% Fe were returned from 25 samples obtained covering the first of six outcrops (Figure 2). Samples were obtained from outcropping units at location 1 (Figure 2) with a continuous strike length of up to a kilometre.

Western Spur is located approximately 60 km north west of Lake Frome in the north-east of South Australia (Figure 1) covering approximately 393 square kilometres. The project is adjacent to Marmota's significant tenement position in the uranium rich Frome Embayment. Western Spur is considered to be prospective for both uranium and base metals.

A number of outcrops have been visually identified with iron ore mineralisation at Western Spur (Figure 2), which are believed to be the surface expressions of a large zone extending for approximately 12 kilometres.

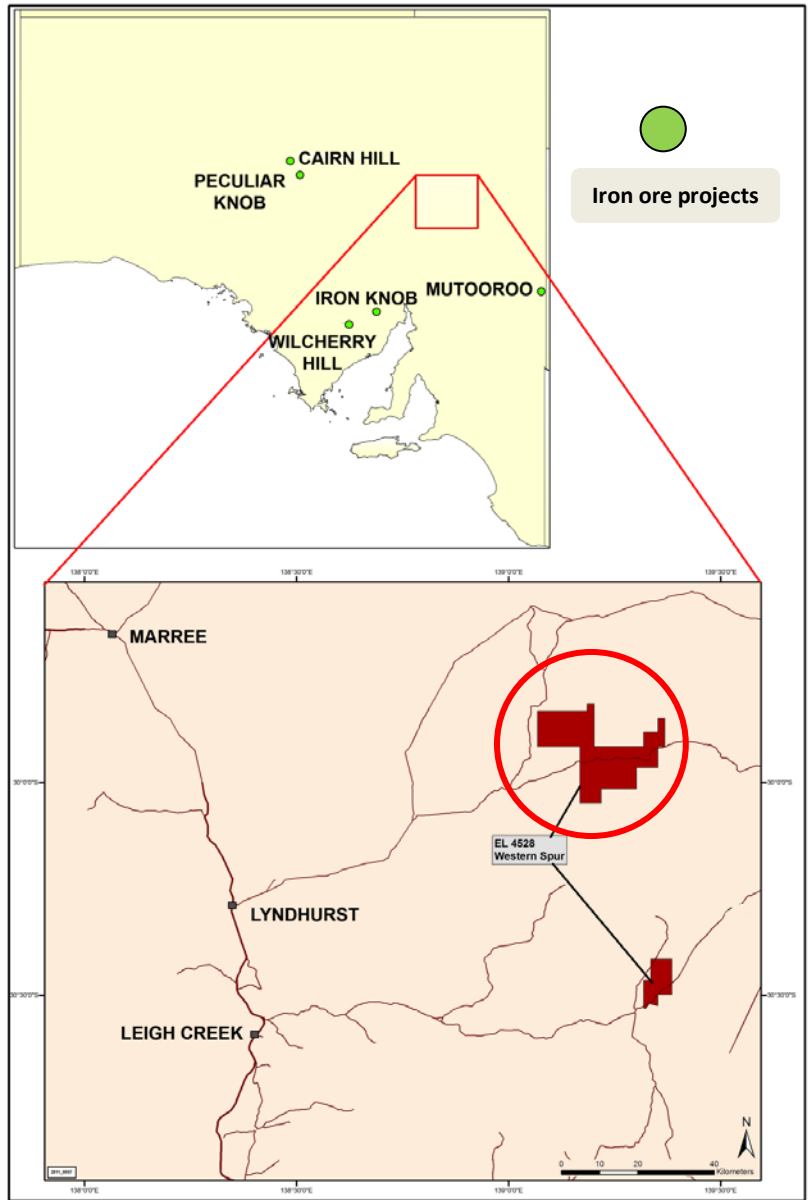
The iron mineralisation has been identified as hematite-goethite (Figure 3) with further low cost exploration planned on the project over coming months to determine the nature and extent of potential mineralisation.

The grades of iron along with concentrations of deleterious factors (aluminium, silica, phosphorus and loss of ignition) are comparable to other commercial iron ore operations.

Historic exploration for manganese completed by Western Mining Corporation (WMC) in the early 1980's at selected areas of the tenement identified zones of mineralisation achieving greater than 30% Fe. Further work is planned to follow up on that historic exploration which tested a very small percentage of the outcrops on the project.

The project has good access to road infrastructure with the potential mineralised outcrops lying in low gentle undulating terrain facilitating good access.

Figure 1: EL 4528 locations (red areas) with Western Spur iron discovery area circled in red.



A detailed ground traverse and rock chip sampling program is planned to test the remainder of the mineralised zone at outcrop number 1 which achieved the encouraging results shown in Table 1. This will form part of a detailed sampling program designed to test other visible outcrops to the south, particularly a large exposure at outcrop 4 which extends for more than two kilometres (Figure 4).

Geophysical surveys are also being planned to aid in defining the extent of potential mineralisation beneath the shallow sedimentary cover.

Figure 2: Google Earth image of EL4528 with outcrop locations circled in red.

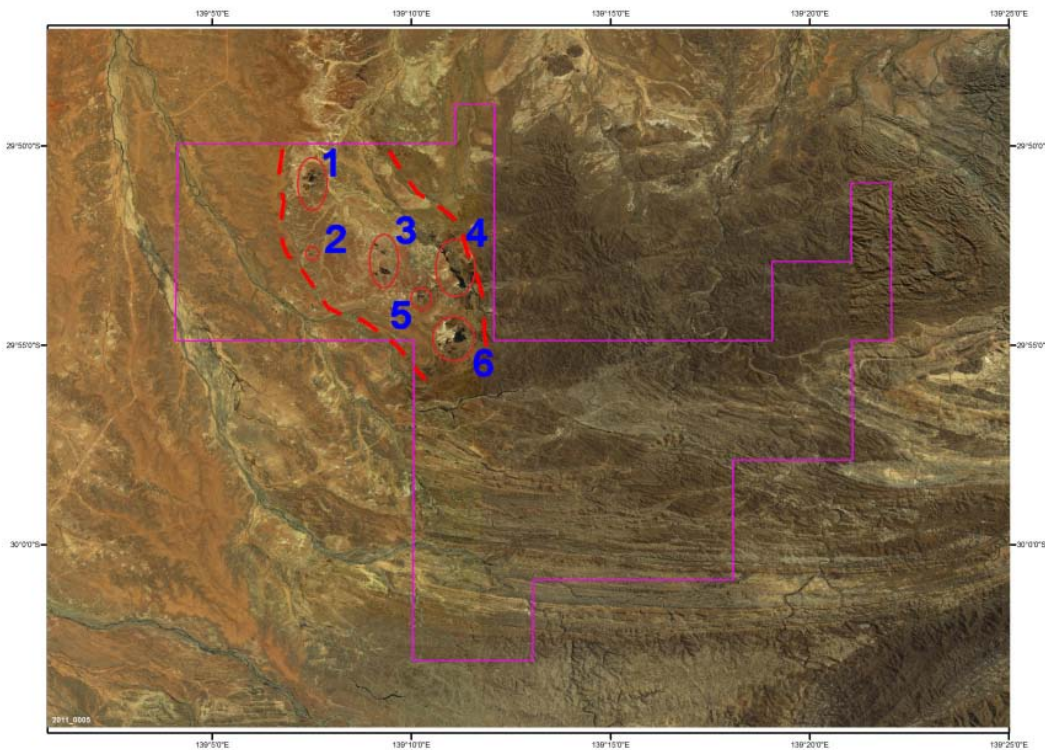


Figure 3: Photograph of mineralisation from outcrop 1.

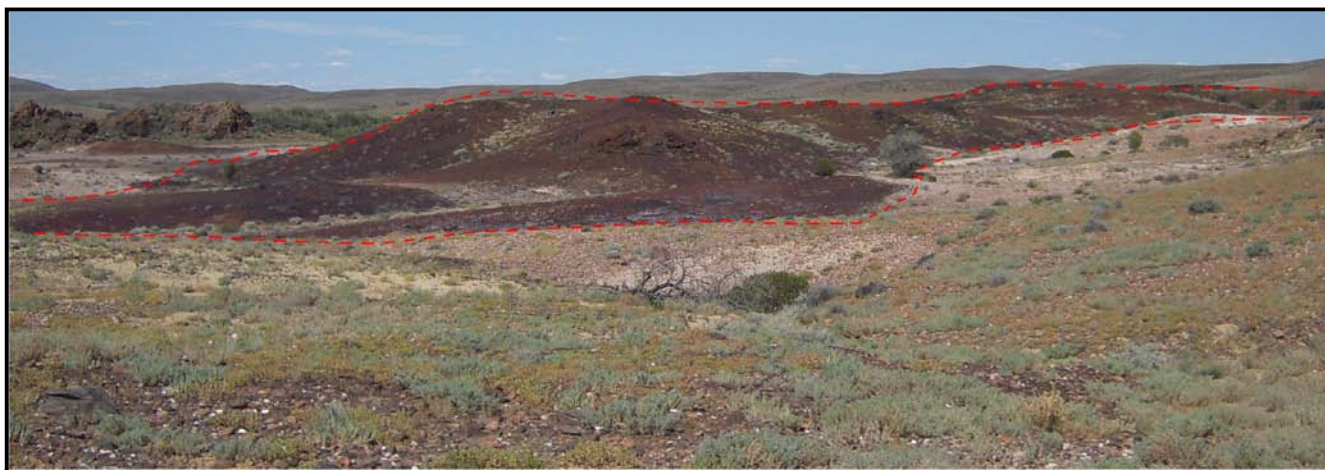


Figure 4: Photograph of outcrop 4 yet to be sampled extending for approximately 2 kilometres highlighted by red dash line.

EASTING	NORTHING	SAMPLE NUMBERS	Al <sub>2</sub> O <sub>3</sub> %	Fe %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O %	LOI %	P <sub>2</sub> O <sub>5</sub> %	SO <sub>3</sub> %	SiO <sub>2</sub> %
318803	6696723	72001	2.84	53.12	75.95	0.17	10.24	0.576	0.319	8.36
318781	6696720	72002	2.6	53.95	77.13	0.15	9.87	0.571	0.345	8.13
318779	6696735	72003	2.32	54.14	77.41	0.13	10.27	0.648	0.272	6.75
318789	6696739	72004	2.35	53.77	76.88	0.12	10.69	0.662	1.025	7.12
318799	6696755	72005	2.13	54.22	77.52	0.1	10.76	0.663	1.307	5.81
318781	6696766	72006	2.22	54.79	78.34	0.11	10.77	0.646	0.78	6.25
318762	6696755	72007	3.12	52.3	74.78	0.16	11.01	0.854	0.392	8.32
318743	6696747	72008	2.23	54.65	78.13	0.11	10.44	0.689	0.473	6.67
318736	6696746	72009	2.63	54.04	77.27	0.14	10.07	0.647	0.405	7.62
318734	6696779	72010	2.54	53.62	76.66	0.14	10.32	0.725	0.402	7.54
318761	6696791	72011	2.38	54.11	77.37	0.13	10.7	0.633	0.475	6.74
318776	6696786	72012	2.57	53.83	76.96	0.16	10.63	0.612	0.617	7.55
318788	6696788	72013	2.56	53.82	76.95	0.13	10.64	0.697	0.591	6.62
318823	6696783	72014	2.59	54.49	77.9	0.14	10.3	0.709	0.391	7.03
318839	6696772	72015	1.93	55.81	79.8	0.09	10.55	0.549	0.327	6.12
318848	6696806	72016	2.37	54.74	78.27	0.13	10.64	0.624	0.379	6.8
318829	6696839	72017	2.98	52.59	75.19	0.17	10.41	0.63	0.519	8.92
318809	6696841	72018	3.41	52.63	75.24	0.2	10.15	0.752	0.288	9.47
318804	6696844	72019	3.08	53.04	75.84	0.19	10.7	0.789	0.479	8.37
318783	6696840	72020	2.52	54.05	77.28	0.13	10.66	0.683	0.355	7.15
318799	6696874	72021	3.13	52.61	75.22	0.2	10.14	0.683	0.351	9.47
318815	6696874	72022	2.59	53.56	76.58	0.15	10.44	0.621	0.583	7.8
318790	6697063	72023	2.77	53.09	75.9	0.19	10.86	0.427	0.374	8.15
318652	6697070	72024	2.51	54.68	78.18	0.12	10.18	0.776	0.366	6.36
318666	6696974	72025	2.96	52.74	75.41	0.17	9.35	0.602	0.324	10.16

Table 1: Assay results from rock chip sampling completed at outcrop 1.

Mr Dom Calandro  
MANAGING DIRECTOR

27 January 2011