ASX RELEASE

QUARTERLY REPORT – Period ending June 2012

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Highlights

Junction Dam uranium project (SA)

- **Marmota has increased the footprint of its Saffron uranium deposit to approximately eight times the area of the nearby Honeymoon uranium deposit.**
- **Campaign results confirm contiguous grade continuity between Saffron and Bridget deposits, for a total significant combined strike length of 6.5km.**
- **Key areas of mineralisation identified at the large scale Yolanda prospect on Saffron's southern boundary, including drill hole YORM028 achieving a significant 5.5 metre intercept of mineralisation with peak grade of 772 ppm eU_3O_8 .**
- **Junction Dam has developed into a large ISL (in-situ leach) uranium project with its, exploration target increased to 33Mlb U_3O_8~.**

Western Spur iron project (SA)

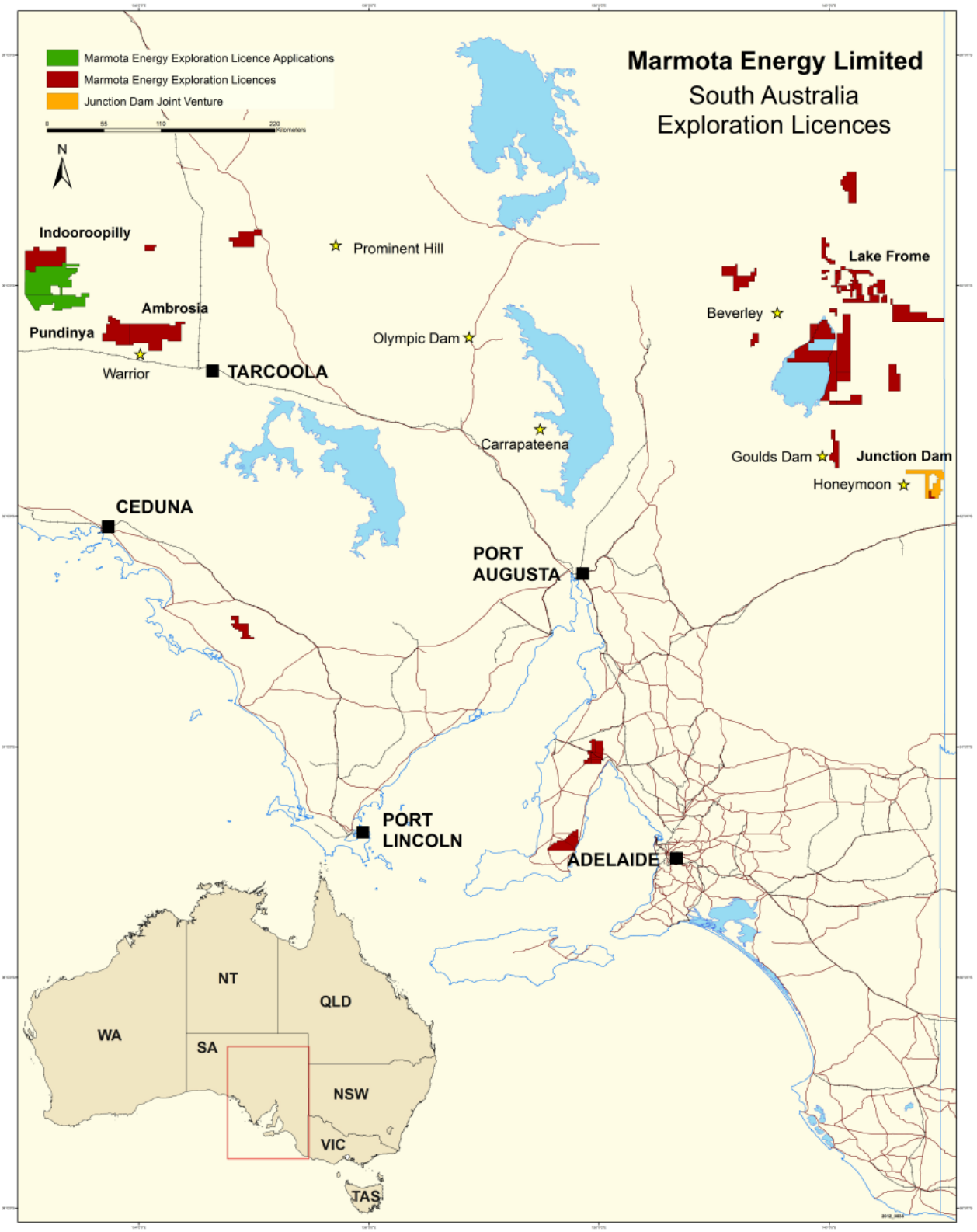
- **New sites with significant iron grades ranging up to 38.2% Fe occur in the southern and eastern region of the Western Spur hematite iron project northeast of Leigh Creek coalfields in SA.**
- **Results lie outside previously defined areas of mineralisation - offering further scope for further target growth.**
- **Gravity survey design finalised over high priority iron outcrop zone.**
- **Drilling scheduled to commence September quarter.**

Indooroopilly and Aurora Tank gold projects (SA)

- **Significant geochemical results identify high priority gold targets at the Indooroopilly and Aurora Tank copper -gold projects located west and east of Challenger gold mine in the Gawler Craton.**
- **As a strong endorsement of technical merit and potential for success of Marmota's exploration program in the highly prospective Gawler Craton area of South Australia, the company has been awarded $65,000 in collaborative funding to support drilling on the Indooroopilly copper-gold project.**
- **Drilling scheduled to commence next quarter.**

Nevada gold project (USA)

- **2012 drilling at Angel Wing gold project in Nevada (USA) intercept significant intervals of gold mineralisation, including drill hole AW12-05 containing several intervals, the largest 19m @ 1.01g/t Au including 9.14m @ 1.87g/t Au.**
- **Trace element and silver assays to come with follow-up drilling planned by Ramelius for next quarter.**



Marmota Energy project location map

Review of Operations

Junction Dam uranium project (SA)

(Marmota 87.3% of uranium under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd)

Drilling completed during the quarter resulted in further significant intercepts of uranium in holes completed at the Junction Dam project, located west of Broken Hill in South Australia.

Most notably, geotechnical drilling designed to map palaeochannel architecture in preparation for field leach trials at the Saffron deposit intercepted uranium mineralisation to the east and south beyond the current deposit boundary. This offers significant expansion potential to the Saffron deposit, increasing the size of the Saffron zone of mineralisation to 2.4km long x 1.5km wide (Figure 1), eight times the size of the nearby Honeymoon uranium deposit area. This new zone of mineralisation at the Saffron deposit, along with the consistent positive disequilibrium** results ranging up to 2.25 (announced in February), has the potential to significantly increase the magnitude of the current known resource at Saffron.

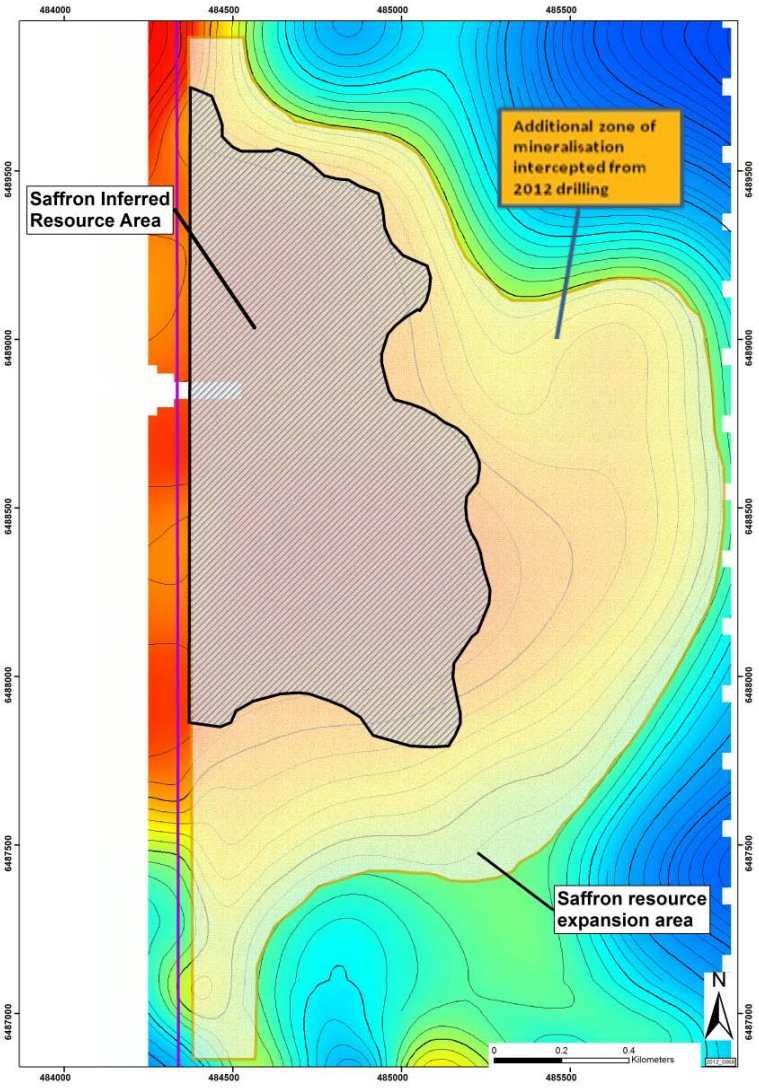


Figure 1: Saffron deposit area, with new halo of mineralisation intercepted from 2012 channel definition drilling highlighted in yellow. Drill holes logged with significant grade intersections outside the current resource as shown on the accompanying map.

New zone of mineralisation inventory together with positive disequilibrium results has the potential to significantly increase the size of the currently defined Inferred resource.

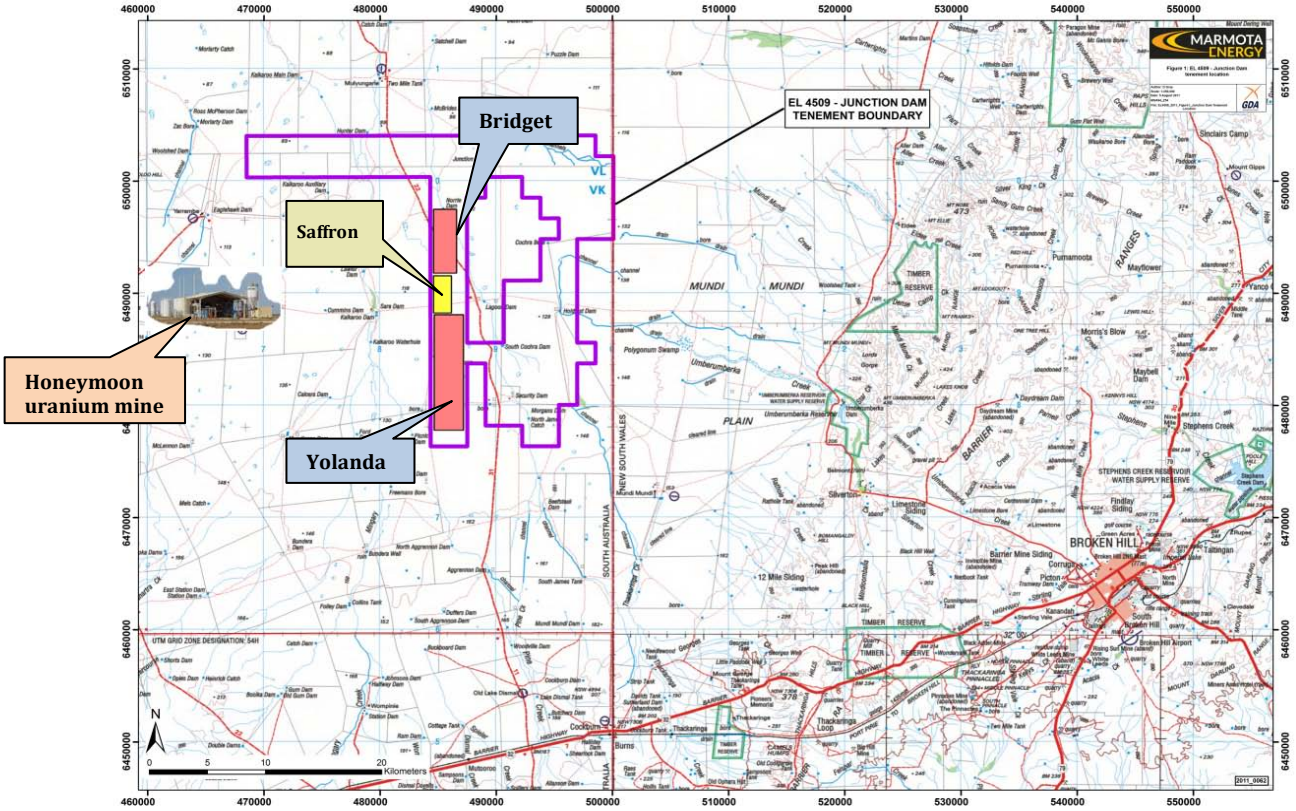


Figure 2. Junction Dam location map

The new Saffron intercepts were made in conjunction with continued exploration drilling across both the Bridget and Yolanda prospects. Drilling intercepts in the Bridget prospect confirm continuity of mineralisation from across the Saffron deposit into the Bridget prospect adjoining to the north. This defines an interpreted continuous zone of uranium mineralisation that extends for approximately 6.5km remaining open to the north (Figure 2). This interpreted zone also contains cored drill holes (reported previously) confirming from geochemical assay consistent positive disequilibrium with grades from downhole gamma readings understating the true grades of uranium.

Key areas of the Yolanda prospect were also drill tested, intercepting uranium mineralisation from broad spaced drilling. The Yolanda prospect is as large as Bridget and Saffron combined, with further follow-up work being planned. Drillhole YORM028 intersected mineralisation over a significant 5.5 metre interval with a grade thickness (GT) of 0.154 m% eU_3O_8 . Yolanda is expected to offer further significant additional mineralisation inventory to the Junction Dam project.

The grades and depth of mineralisation at Junction Dam are comparable to those driving production at world class in-situ leach (ISL) projects such as those located in Australia and Kazakhstan.

Saffron is one of four prospects identified to date by Marmota at Junction Dam. The recent results are very encouraging and the Company has expanded its exploration target for the Junction Dam project to **15Mt to 25Mt @ approx 400 to 700 parts per million (ppm) U_3O_8, for 10,000t to 15,000t U_3O_8 or 22Mlb to 33Mlb U_3O_8** ~

The Company believes that Junction Dam has developed into a large ISL uranium deposit, with potential to become one of the next uranium developments located within a 'world class' ISL province.

CAUTIONARY STATEMENT: ~ *The estimates of exploration target sizes mentioned above should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

**The Disequilibrium Factor (DEF), which measures the ratio between the grades of U_3O_8 recorded using the assay (ppm U_3O_8), as compared to measurements recorded using a standard gamma-ray probe (ppm eU_3O_8). The laboratory assay measures the actual uranium content, as compared to the gamma-ray probe, which measures an equivalent grade based on calibration. A DEF of >1.0 indicates there is more uranium contained in the mineralised zone than recorded by the gamma-ray probe.

*Disequilibrium is an imbalance between the actual uranium content and the radioactivity emitted by a given volume of rock. It is caused by differential mobilisation (or precipitation) of uranium or its daughter isotopes from the deposition site or by a lack of time for the accumulation of the daughter isotopes to reach a state of equilibrium after the uranium has been deposited. Disequilibrium is considered positive when there is a higher proportion of uranium present compared to its daughters. Positive disequilibrium has a disequilibrium factor which is greater than 1.

About the Junction Dam uranium project

The Saffron Prospect on Junction Dam was discovered by Marmota Energy Limited late in 2009. Marmota is set to earn an 87.3% interest in the uranium rights on this highly prospective project.

The project is strategically located less than an hour's drive west from the major regional centre of Broken Hill, and is approximately 10 kilometres from the producing Honeymoon ISL uranium mine. The Honeymoon in-situ leach (ISL) uranium mine commenced full scale production in November 2011 with an expected annual production of 880,000 pounds U_3O_8 per year.

Drilling completed at Junction Dam in the 2011 Phase 3 program confirmed additional zones of uranium mineralisation to the north and south of the Saffron prospect. A zone of uranium mineralisation extending for approximately 15km has been defined on the project from the 2011 Phase 3 program.

Western Spur Iron Ore Project (SA)

Additional iron mineralised sample sites produced significant iron results from laboratory assay at Western Spur.

The new surface sample sites lie within two distinct areas located to the south of Western Spur's high priority and defined outcrop zone (Figure 3). The new areas have been identified as having significant grades of iron warranting follow-up exploration. The sites are interpreted to be associated with a zone of anomalism visible in broad resolution remote sensing coverages.

The zones identified will be further investigated for their potential to offer additional iron mineralisation and growth to the currently defined first stage exploration target~ (announced previously) for iron at Western Spur.

Site Number	MGA E	MGA N	Zone	Fe %
482687	325422.5	6686578	54	28.6
482688	323422.5	6685978	54	32.1
482559	327572.5	6677578	54	37.0
482689	323822.5	6682578	54	29.6

Table 1: Sample results from new sites.

482657	323922.5	6683378	54	34.3
482685	338322.4	6685328	54	31.6
482684	338922.4	6685578	54	38.2
482683	338822.4	6686578	54	33.4
204873	331922.4	6688578	54	33.3
204871	318822.4	6689678	54	29.1
204872	318922.4	6690078	54	33.8
204845	313822.5	6696378	54	29.4
204839	319522.5	6696728	54	30.8
482674	323822.5	6695778	54	31.2
482686	328222.5	6683678	54	29.4

An extension of planned geophysical surveys at Western Spur to include these new areas is being considered, along with comprehensive sampling. The results will be used to determine prioritisation of targets in preparation for drilling.

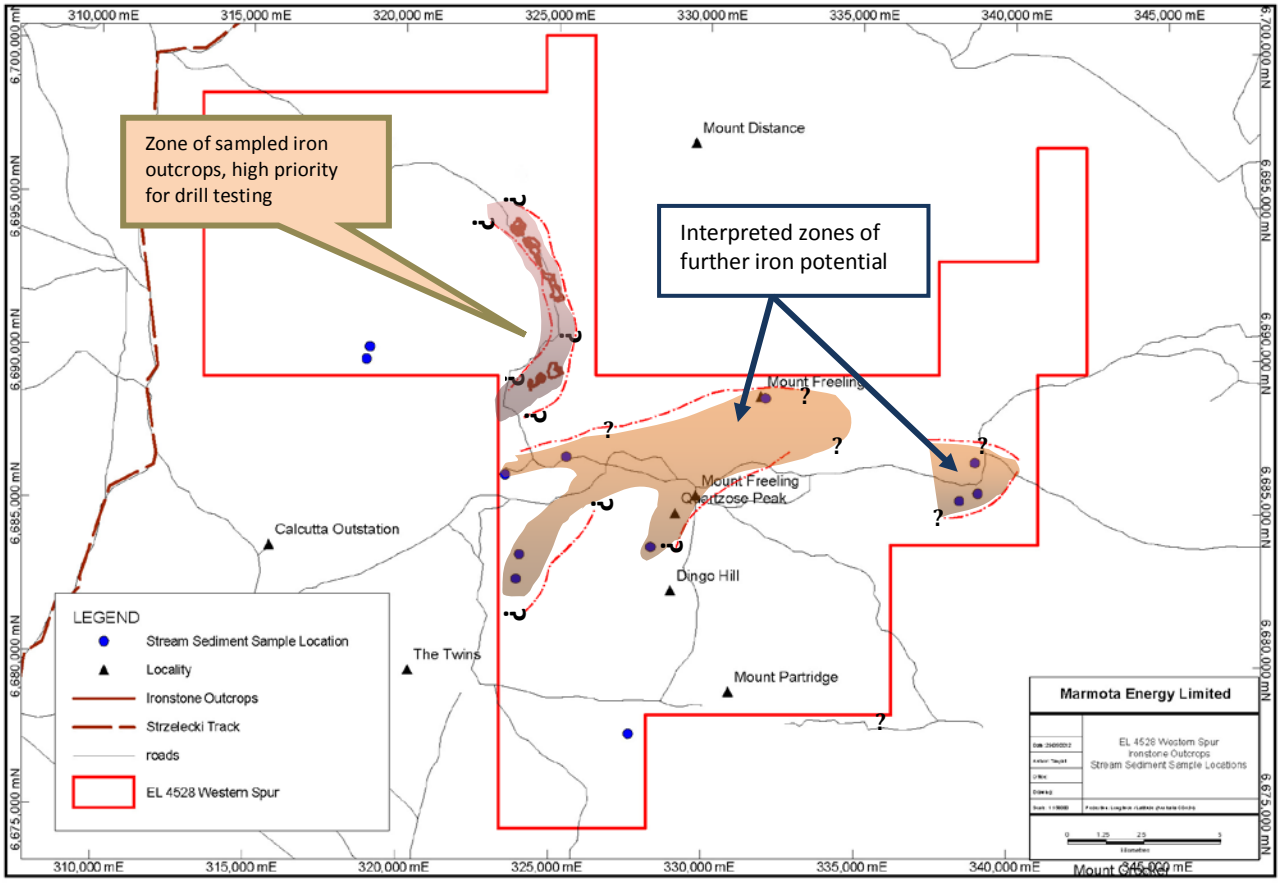


Figure 3: Sample sites with interpreted zones of potential highlighted.

High resolution ground gravity surveys have been designed to cover iron outcrops defined at the Western Spur iron project.

The survey has been designed to cover the iron outcrop zone containing two large scale outcrops which extend for 3km and 1.5km respectively. Previously announced assays of samples from these outcrops have produced grades ranging up to **58.9% Fe**, and **28.07% Mn.** Surface sampling was conducted by Marmota over outcrops and one mine shaft.

The Company believes portions of Western Spur's zone of mineralisation remain unexposed, potentially complementing the large scale iron exposures. The survey is designed to also cover these zones between the large scale outcrops along with a 1500 metre buffer zone surrounding the outcrops (Figure 4). It is anticipated that the low cost survey can be completed quickly due to ease of access to the survey area.

A staged 30 hole drilling program is proposed across these locations and is planned to include several fully cored holes to enable good comparison with the WMC drill logs. An Exploration Work Application (EWA) has been submitted to the SA Government regulator for assessment. Marmota is currently in discussion with the Traditional Owner group to progress land access processes and obtain the necessary approvals for drilling of the iron targets.

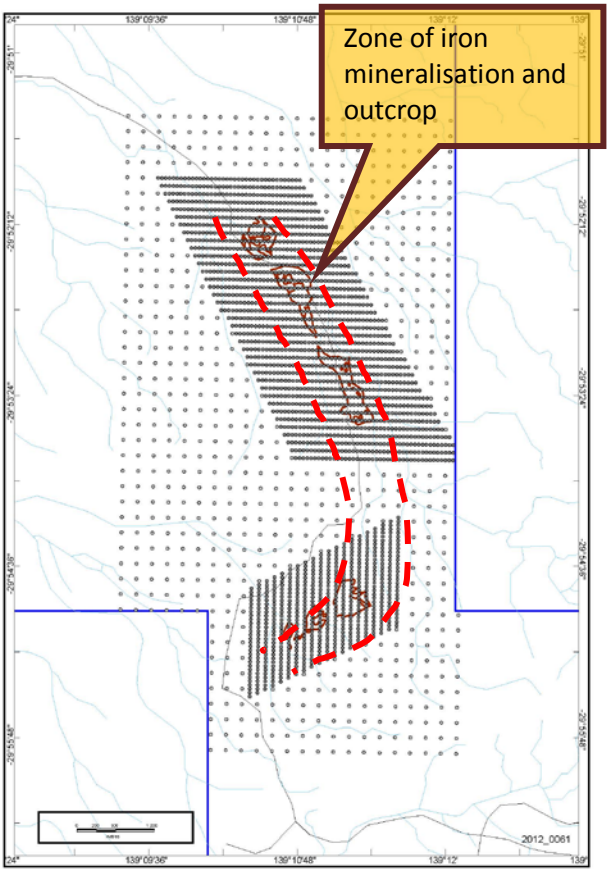


Figure 4: Design of gravity survey planned to be completed over iron outcrop zone.

Indooroopilly and Aurora Tank projects

Soil sampling results at Marmota's 100% owned Indooroopilly and Aurora Tank projects located west and east respectively of Kingsgate's Challenger Gold Mine (Figure 5), which produces 100,000oz gold annually. The results have defined large scale gold targets which the company considers to be a high priority for drilling.

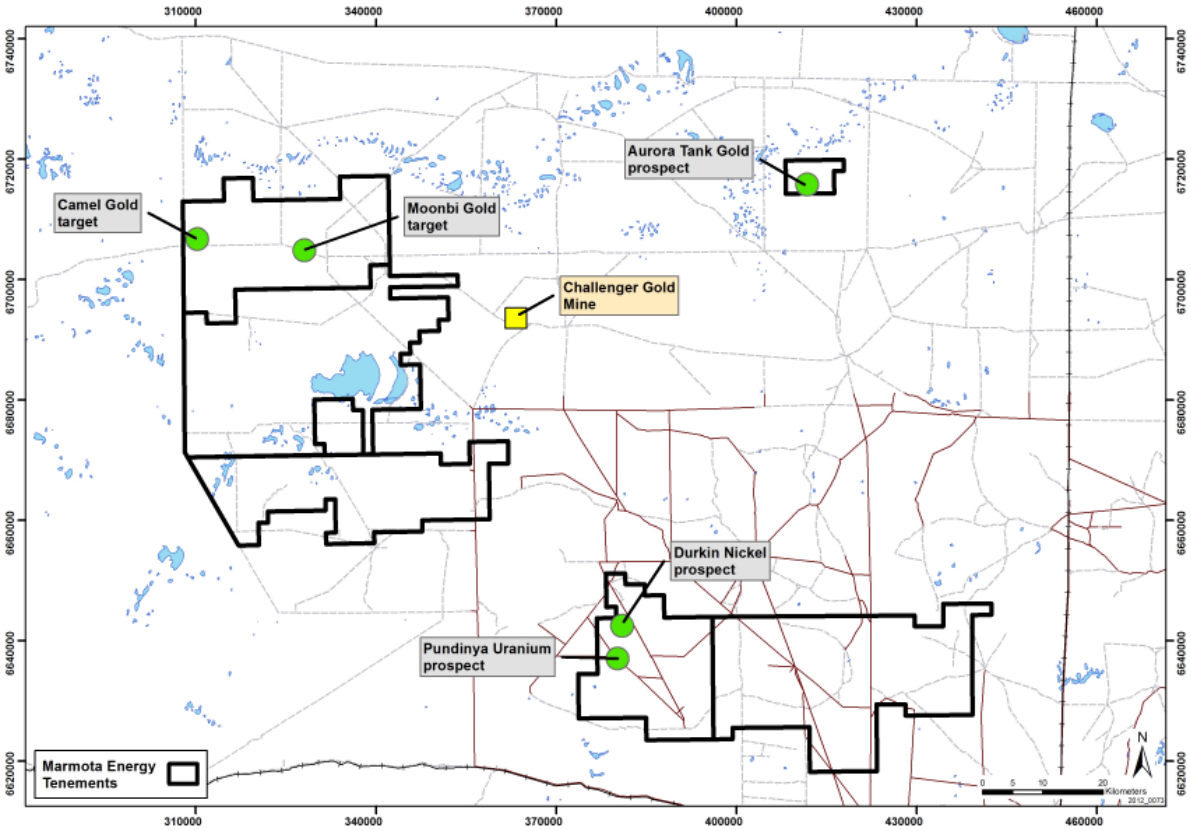


Figure 5: Indooroopilly and Aurora Tank location map

Indooroopilly copper-gold project

(Indooroopilly 100% Marmota Energy Limited)

Gravity data, along with magnetic data has been used to define four areas of mineral potential with the two highest ranked targets considered by the Company ready to drill. The Moonbi gold target is a magnetic high with coincident gold and copper in calcrete anomalies over a large area covering 5.5km x 4.5km. This target is open to the south and east, and Marmota was awarded collaborative South Australian government funding for drilling. As with the Challenger gold resource the Moonbi target lies on the edge of a regional-scale gravity high, as do the majority of significant Archaean age lode gold sites in the region.

The second ranked target, 'Camel', is a gold in calcrete and magnetic anomaly, located on the western side of the tenement. This target is a 800m x 650m gold in calcrete anomaly with 30 samples returning significant results in excess of 10 ppb Au, with the highest sample recording a 47 ppb Au. To the southwest of the calcrete anomaly is a discrete magnetic anomaly. This anomaly is open to the north and south, with calcrete sampling planned to extend the anomaly, followed by Reverse Circulation drill testing.

The underlying geology of this project is the Archaean, Mulgathing Complex which also hosts the nearby Challenger Gold Mine. The basement geology in this area is considered to be prospective for a range of commodities including Archaean gold deposits, similar to Challenger, possible IOCGs, iron deposits and sandstone hosted uranium in the younger Mesozoic and Cainozoic sediments.

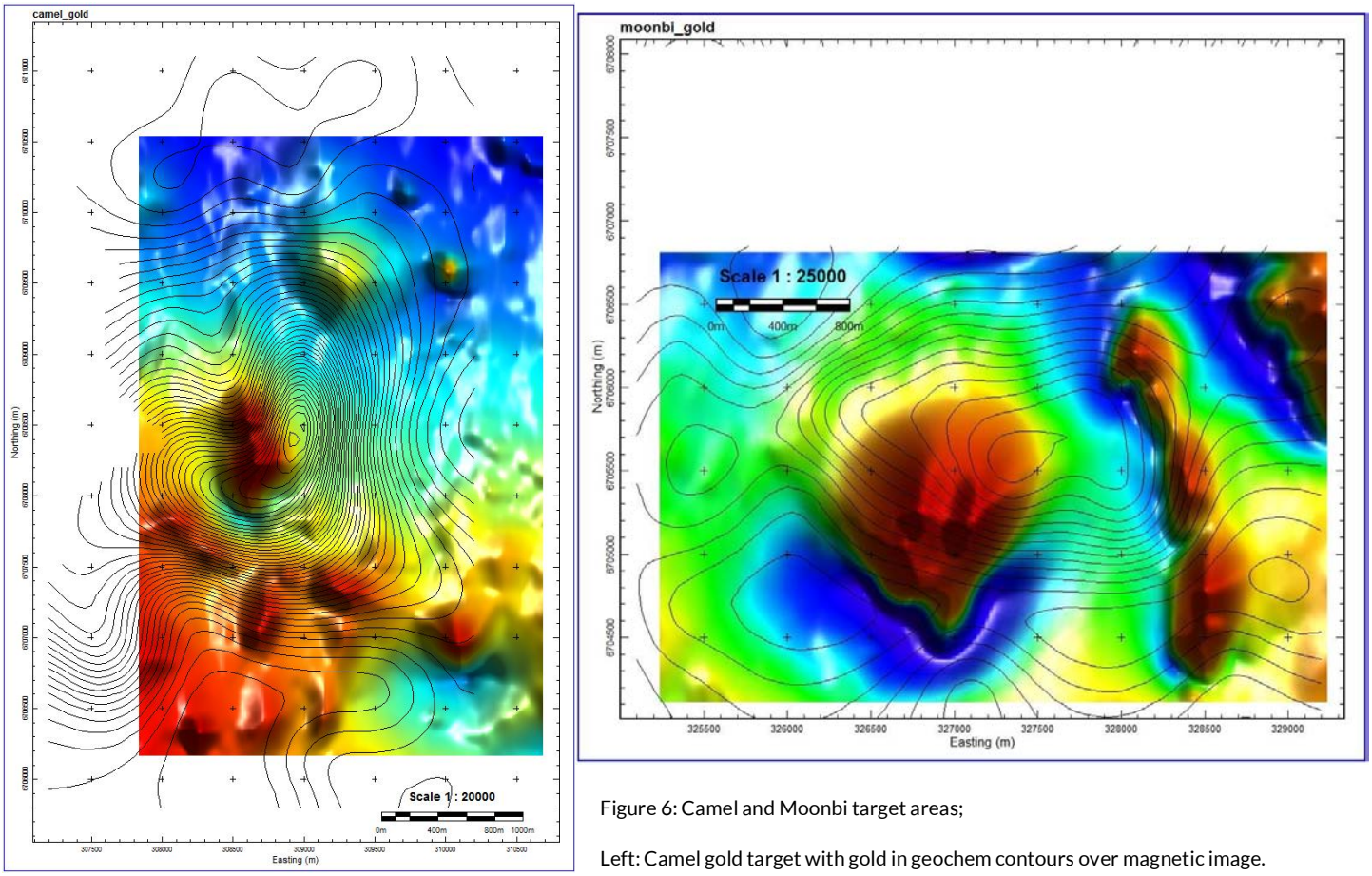


Figure 6: Camel and Moonbi target areas;

Left: Camel gold target with gold in geochem contours over magnetic image.

Right: Moonbi target, gold in geochem contours over magnetic image.

SA Government collaborative funding awarded to support drilling on the Indooroopilly

The project is recognised by both Marmota and SA's Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) as having high potential and an allocation of $65,000 in funding has been provided. The PACE programme is an initiative of the South Australian Government through DMITRE.

The PACE programme preferentially funds high quality, technically and economically sound projects that promote greenfield type exploration targets and new exploration technology. Successful proposals are viewed as the highest quality exploration targets based on sound technical, scientific and commercial criteria. PACE provides grant monies for up to 50% of direct drilling costs. Companies have approximately one year to complete their programs and submit reports and drilling samples.

Aurora Tank gold project

(Indooroopilly 100% Marmota Energy Limited)

The Aurora Tank prospect is located 50km northeast of Kingsgate's Challenger Gold Mine within the northern Gawler Craton (Figure 5). Exploration completed on the tenement has identified targets with potential for Challenger style gold mineralisation.

A total of 1473 calcrete samples over the project have been used to identify key zones of anomalous gold. Key target zones with anomalous gold in excess of 10ppb, have been identified. Samples were obtained on a 1.6km reconnaissance grid with infill grids of 50m to delineate drill targets. A detailed aeromagnetic survey was also completed over the project with results assisting in target definition. A 1700m long zone of anomalous gold in calcrete has been defined along the eastern margin of a magnetic body, that trends NE, with discrete peaks of anomalous gold ranging up to 59ppb Au.

A second zone, 800m on the north western side of the magnetic body was also defined with anomalous gold ranging up to 38 ppb Au. The magnetic body is interpreted to be a shear zone within the basement Christie Gneiss. Previous drilling in the project area intersected primary Archaean gold mineralisation in both calcrete anomaly zones. Drill holes returned 4m @ 0.6g/t Au (RCAT-8) and 4m @ 1.6 g/t Au (RCAT-13). Both of these intersections were encountered on the end of drill traverses and are open for further drill testing. RC drilling is planned to continue to test the existing gold mineralisation.

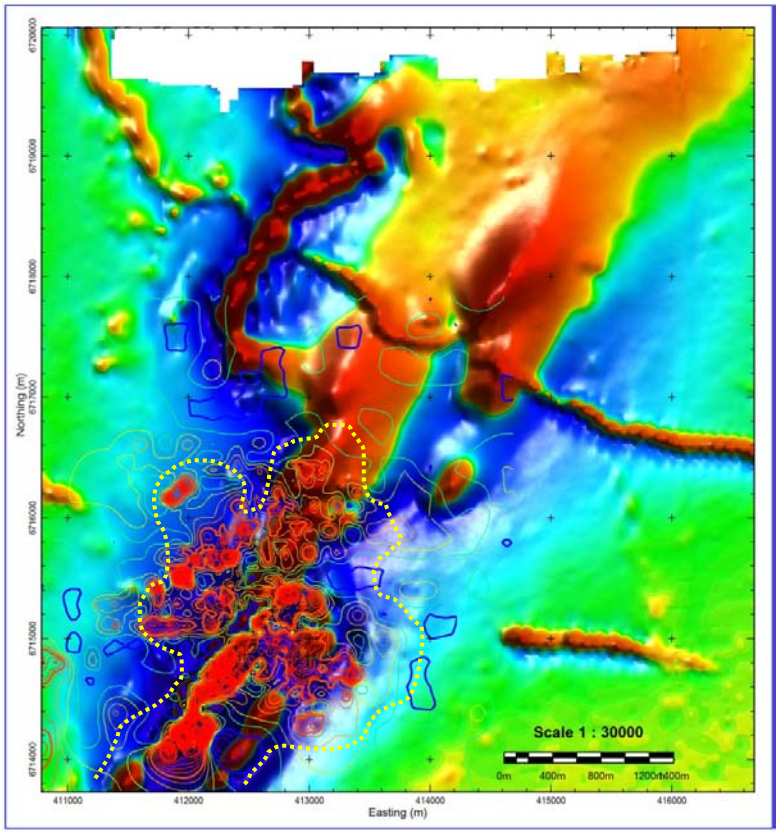


Figure 7: Aurora Tank gold target, gold in calcrete contours over magnetic image. Target area highlighted in yellow dashed line.

Drillhole	East	North	Zone	Depth	Angle	Az(mag)	from (m)	to (m)	Au g/t
RCAT-8	412200	6714200	53	150	-60	310	104	108	0.68
RCAT-13	411950	6715500	53	150	-60	310	120	124	1.6

Table 2: Aurora Tank previous drilling with gold intercepts

Angel Wing gold project

(Ramelius Resources (ASX: RMS) + Marmota Energy Limited (ASX: MEU) earning 70%)

During the Quarter, Ramelius Resources Ltd ("Ramelius") (ASX:RMS) had commenced a four-hole drill program at the Angel Wing gold project in Nevada, USA. A total of about 800 metres of reverse circulation (RC) drilling was planned. Angel Wing is an epithermal vein and sediment-hosted gold project in northeast Elko County, Nevada.

The program consisted of five drill holes, with four holes (AW12-01 – 04) drilled during the quarter for an aggregate of 885.4m. A fifth hole AW12-05 was drilled early in July following up on encouraging results from AW12-01 – 04. This brought the program aggregate to 1,217.4m. A summary of the completed drilling is tabled below.

Hole Id	*GDA E*	*GDA N*	*Depth (m)*	*Az/Dip*
AW12-01	742587	4619103	251.5	040/-55
AW12-02	742800	4618205	248.4	070/-55
AW12-03	742700	4618351	233.2	093/-62
AW12-04	742717	4618340	152.4	270/-50
AW12-05	742587	4619103	332.2	095/-50

Drill hole AW12-01 intersected 14m at 0.32g/t Au from 235m within a broader anomalous silver halo (6m composite samples) of **49m at 2.88g/t Ag** from 201m to end of hole (using 0.10g/t Au and 1.0g/t Ag lower cut-offs). These results were considered sufficiently encouraging to drill an additional hole.

AW12-05 was drilled to 332m in early July to scope for laterally dispersed disseminated gold mineralisation associated with the weakly mineralised and decalcified limestone/conglomerate contact intersected in AW12-01. Assay results returned **three mineralised intervals** (using a 0.10g/t Au lower cut) reporting as 12.2m @ 0.14g/t Au from 172.2m, 13.7m at 0.35g/t Au from 195.0m and 19.8m at 1.01g/t Au from 222.5m, including 9.14m at 1.87g/t Au from 225.5m (Table 3).

Mineralisation can be mapped over 100m and appears to be related to remnant buried sinter horizons underlying steam heated and brecciated Tertiary rhyolites. Interpreting this as the top of a preserved low sulphidation epithermal vein system, the estimated true widths are 90% of the down hole intersections. Follow-up drilling, down dip and along strike is scheduled to commence next quarter.

A summary of the anomalous drill hole intersections is presented in Table 3. Silver and trace element assay results are awaited for AW12-05. These results complement previously announced gold and significant silver intercepts (ranging up to **147 g/t Ag**) from the 2011 drilling program.

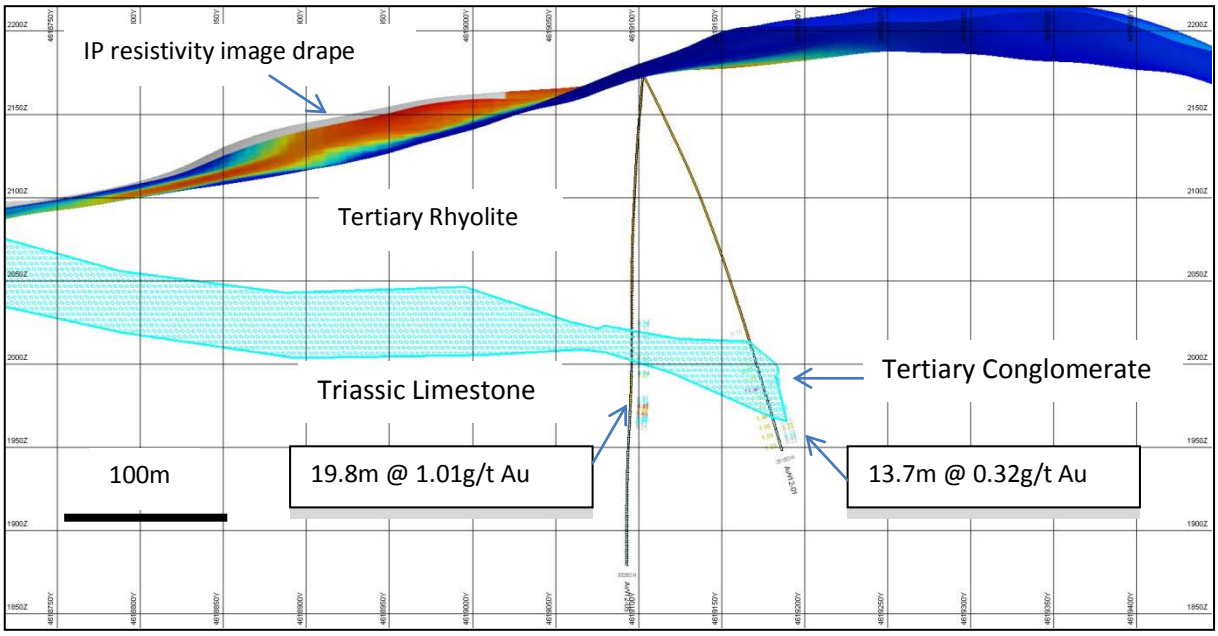


Figure 1: North-south section showing the distribution of anomalous gold within the drill traces AW12-05 (19.8m @ 1.01g/t Au) and AW12-04 (13.7m @ 0.32g/t Au) below the Tertiary conglomerate (blue stipple). Mineralisation remains open in all directions and can be correlated with a historical (circa 1991) Teck Exploration drill hole returning 36.5m @ 0.74g/t Au from 59m and 39.6m @ 7.24g/t Ag from 52m (using 0.10g/t Au and 1.0g/t Ag cut-offs), located 420m to the southeast of Ramelius' drill collars.

Table 3: Anomalous (>0.10g/t Au) 1m RC drilling results for the Angel Wing JV Project Nevada – USA.

Hole Id	Easting	Northing	Az/Dip	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
AW12-01	742587	4619103	040/-55	251.5	207.26	211.83	4.57	0.23
					234.69	248.41	13.72	0.32
				Incl	237.74	239.26	1.52	1.71
AW12-02	742800	4618205	070/-55	248.4	1.52	3.04	1.52	0.15
					24.38	28.95	4.57	0.55
					86.86	89.90	3.04	0.12
AW12-03	742700	4618351	093/-62	233.2	0	3.04	3.04	0.10
					19.81	22.85	3.04	0.63
					100.58	102.10	1.52	0.11
					121.92	131.06	9.14	0.11
AW12-04	742717	4618340	270/-50	152.4	28.95	39.62	10.67	0.64
				Incl.	30.48	35.05	4.57	0.81
				+	38.10	39.62	1.52	1.50
AW12-05	742587	4619103	095/-50	332.2	172.21	184.40	12.19	0.14
					195.07	208.78	13.71	0.35
				Incl.	205.74	208.78	3.04	0.91
					222.50	242.31	19.81	1.01
				Incl.	225.55	234.69	9.14	1.87

Reported significant gold assay intersections (using a 0.10g/t Au lower cut) are calculated over a minimum down hole interval of 1m at plus 0.10g/t gold and may contain up to 2m of internal dilution. Gold determination was by Fire Assay using a 30 gram charge and AAS finish, with a lower limit of detection of 0.005g/t Au. Trace element determination was by ICP-MS.

Big Blue gold project

Two deep exploratory RC drill holes (BBR12-01 and 02) were drilled at West Cottonwood for an aggregate of 871.7m during the quarter. The drilling targeted high grade Carlin Style vertical feeder structures below surface rock chip assays up to 56g/t Au, where encouraging anomalous arsenic, mercury and antimony (As-Hg-Sb) trace element responses displayed peak responses along the Roberts Mountain Thrust (>1% As; 45.2ppm Hg and 212ppm Sb).

Hole Id	*GDA E*	*GDA N*	*Depth (m)*	*Az/Dip*
BBR12-01	506162	4387188	451	070/-85
BBR12-02	506162	4387071	420	090/-75

Best results were 13.7m at 0.15g/t Au from 350m in BBR12-01 and 44.2m at 0.12g/t Au from 306m in BBR12-02, including 1.52m at 1.62g/t Au from 316.9m. Despite intersecting favourable Carlin-style decalcified host stratigraphy the depths of the intersections and the absence of any meaningful pathfinder trace element geochemistry means the intersections are not considered sufficiently encouraging to warrant any follow-up. Anomalous drill results are attached in Table 4.

Table 4: Anomalous (>0.10g/t Au) 1m RC drilling results for the West Cottonwood Prospect – Big Blue JV Project Nevada – USA.

Hole Id	Easting	Northing	Az/Dip	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
BBR12-01	506162	4387188	070/-85	451	7.62	12.19	4.57	0.26
					350.52	355.09	4.57	0.38
				Incl.	352.05	353.57	1.52	0.55
					362.72	364.24	1.52	0.12
					379.48	381.00	1.52	0.20
BBR12-02	506162	4387071	090/-75	420	65.53	70.10	4.57	0.76
				Incl.	67.06	68.58	1.52	1.19
					306.32	307.84	1.52	0.37
					310.90	312.42	1.52	0.15
					316.99	318.51	1.52	1.66
					329.18	330.70	1.52	0.38
					341.38	342.90	1.52	0.22
					349.00	350.52	1.52	0.15
					376.42	377.94	1.52	0.15

Reported significant gold assay intersections (using a 0.10g/t Au lower cut) are calculated over a minimum down hole interval of 1m at plus 0.10g/t gold and may contain up to 2m of internal dilution. Gold determination was by Fire Assay using a 30 gram charge and AAS finish, with a lower limit of detection of 0.005g/t Au. Trace element determination was by ICP-MS.

Forward Program

Further exploration is planned into the next quarter at Junction Dam along with uranium extractability testing.

Calcrete sampling programs over the West Melton project on the Yorke Peninsula were completed over key target areas. The data will be modelled for target assessment and drill testing. Further testing of the high grade copper intercept zones from drilling completed at the Miranda target at Melton is currently being planned with Marmota's joint venture partner.

At Western Spur discussions are underway with the traditional owner group to finalise a timeline for heritage clearances to be completed over key target areas. It is anticipated this will be completed in the next quarter, to be followed by drilling. Discussions also continue with a number of parties relating to partnering opportunities for its key projects across the copper, iron ore and uranium spaces.

Timing	Project	Project
June – August 2012	West Melton UNDERWAY	• Ground sampling surveys over West Melton copper target areas.
July- October 2012	Western spur iron UNDERWAY	• EWA submitted • Heritage clearance process • Gravity surveys • Drilling
July– August 2012	Junction Dam UNDERWAY	• Assesmsent of drilling results • Bulk sample recovery trials
July- August 2012	Melton / West Melton	• Sampling programs over key target areas
August – Sept 2012	Angel Wing gold – Nevada USA	• Drilling
October – Nov 2012	Indooroopilly	• Drilling of PACE co-funded gold targets

Mr Dom Calandro
MANAGING DIRECTOR

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 the 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Marmota Energy Limited

ABN	Quarter ended ("current quarter")
38 119 270 816	30 June 2012

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(895)	(3,029)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(112)	(902)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	85	373
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	GST	(43)	43
	Other	-	11
	Net Operating Cash Flows	(965)	(3,511)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(3)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	9
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	6
1.13	Total operating and investing cash flows (carried forward)	(965)	(3,505)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(965)	(3,505)
	Cash flows related to financing activities		
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)	-	-
	- Costs associated with issues of shares	(35)	(35)
	Net financing cash flows	(35)	(35)
	Net increase (decrease) in cash held	(1,000)	(3,540)
1.20	Cash at beginning of quarter/year to date	3,239	5,779
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,239	2,239

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	(354)
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), legal fees paid to a legal firm in which a director is a partner, exploration costs reimbursed to a director related entity and payments to a related party for shared facilities and staff.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities, from a related entity.

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

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

$23,069 contributed by Monax Mining Limited for exploration under joint venture agreement, for all minerals on EL 4000 and EL 3911. US$283,197 Contributed by Ramelius Nevada LLC for exploration on Big Blue and Angel Wing projects in Nevada.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
4.3	Production	-
4.4	Administration	200
	Total	**500**

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	189	189
5.2	Deposits at call	2,050	3,050
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,239	3,239

+ See chapter 19 for defined terms.

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				
6.2	Interests in mining tenements acquired or increased	ELA 2012/00135 ELA 2012/00128 ELA 2012/00129 ELA 2012/00109	Application Application Application Application	0% 0% 0% 0%	100% 100% 100% 100%

+ See chapter 19 for defined terms.

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	151,649,490	151,649,490		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	28,000,000 250,000 325,000 125,000 325,000	- - - - -	*Exercise price* $0.40 $0.04 $0.1016 $0.083 $0.086	*Expiry date* 11/07/12 23/12/13 05/03/15 21/12/15 29/07/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

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.

Sign here: .....Date: 31/7/2012
(~~Director~~/Company secretary)

Print name: Virginia Suttell.....

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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