Significant increase in Saffron deposit size for Marmota at Junction Dam project in SA

- **Saffron deposit footprint increases to approximately eight times the size of the nearby Honeymoon uranium deposit area.**

- **Campaign results also confirm contiguous grade continuity with adjoining Bridget deposit on Saffron's northern boundary, for a total combined strike length of 6.5km.**

- **Key areas of mineralisation identified at the large scale Yolanda prospect including drill hole YORM028 achieving a significant 5.5 metre intercept of mineralisation with peak grade of 772 ppm eU_3O_8 .**

- **Junction Dam is developing into a large ISL uranium project, exploration target upgrade ranging up to 33Mlb U_3O_8˜.**

Junction Dam uranium project

(Marmota 87.3% 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 significant further intercepts of uranium in drill holes completed at the Junction Dam project in South Australia, located west of Broken Hill.

Most notably drilling designed to map palaeochannel architecture in preparation for 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 resource at Saffron.

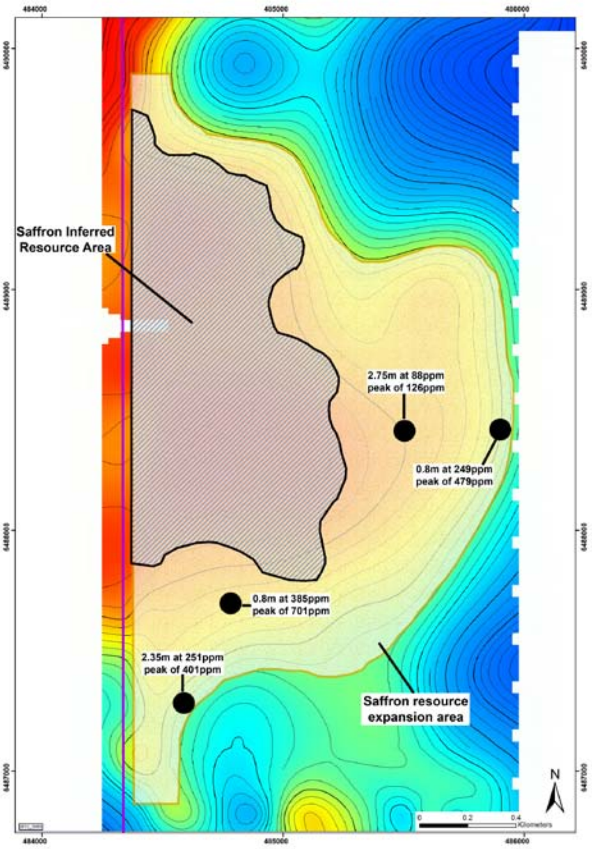

Figure 1: Saffron deposit area, with new halo of mineralisation intercepted from 2012 channel definition drilling highlighted in yellow. Drill holes logged with significant grade intersections outside the current resource as shown on the accompanying map.

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

● Logged palaeochannel definition holes.

The new Saffron intercepts are 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 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 is developing into a large ISL uranium deposit, with potential to become one of the next significant new uranium developments located within a 'world class' ISL province.

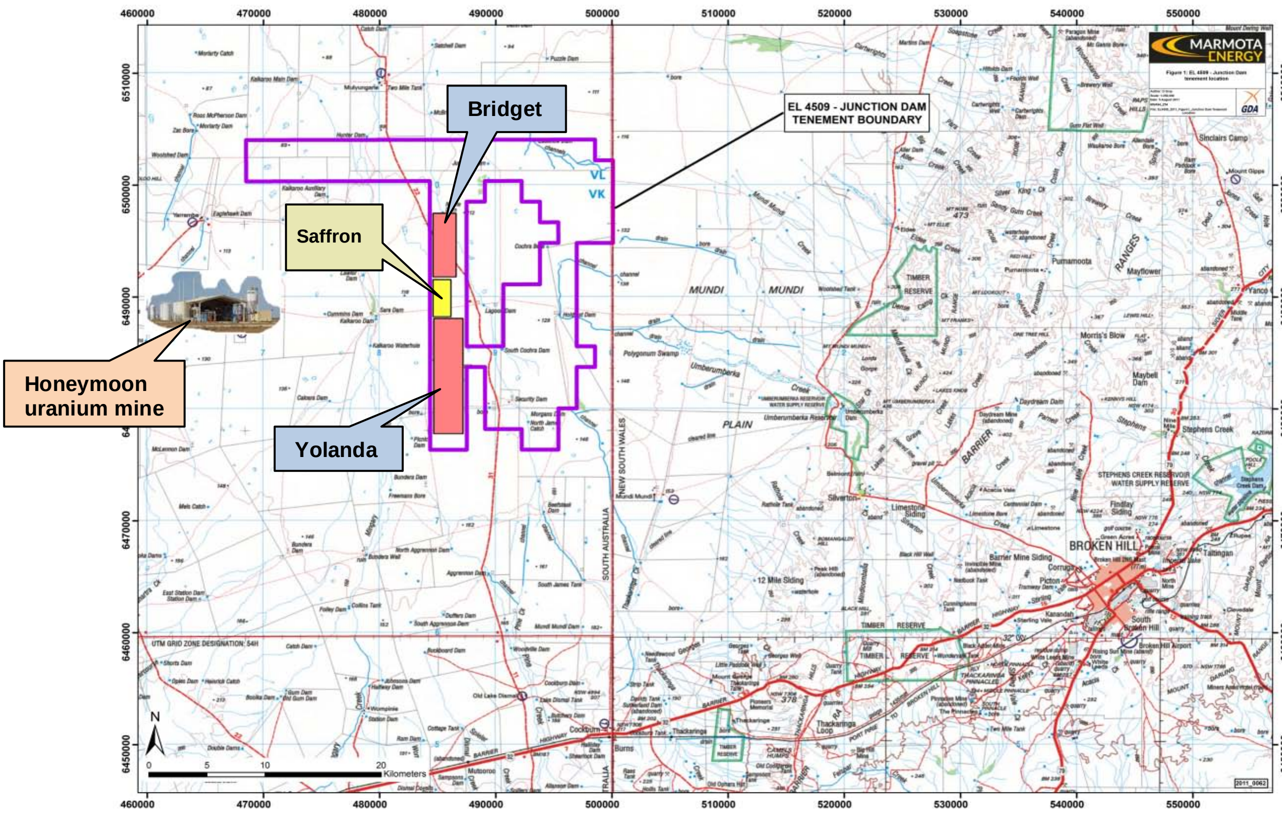

Figure 2: Junction Dam location map.

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 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 sufficient 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.

Mr Dom Calandro
MANAGING DIRECTOR

9 July 2012

**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) is shown in the last column. 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.

Appendix 1: Table of cored drill hole results (grade greater than 500 ppm U_3O_8 highlighted)

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	ASSAY GRADE (ppm U_3O_8)	GRADE THICKNESS m%U_3O_8	DOWNHOLE GRADE (ppm eU_3O_8)
SASO001	484798	6488725	110	1	135.6	0.01	111.1
			125	5.5	326.9	0.18	253.3
		including	125	0.5	**708.0**		
		including	128	0.5	**814.0**		
		including	128.5	0.5	**1792.0**		
SASO002	484697	6488368	131	2	**993.5**	0.20	
		including	131.5	0.5	**3691.0**		
SASO003	484762	6488729	125	1.5	269.26	0.04	163.8
		including	125	0.5	442.0		
SASO005	484577	6488636	126.5	1	**2007.7**	0.20	892.7
		including	126.5	0.5	**3555.0**		
SASO007	484727	6488449	126	1	**4849.6**	0.48	
		including	126	0.5	**8143.0**		
		including	126.5	0.5	**1557.0**		
			128	2.5	**590.8**	0.15	390.1
		including	129	0.5	**1928.0**		
SASO008	484818	6488379	129	2	315.5	0.06	173.4
		including	129.5	0.5	**867.0**		
BRSO001	484712	6491786	91	3	**1026.9**	0.31	601.93
		including	93	0.5	**4811.0**		
		including	93.5	0.5	**678.0**		

GT is an estimation presented as %m U_3O_8. It is calculated by multiplying the interval (metres width) by the average grade of the interval. All drill holes are vertical, widths shown are true widths.

Appendix 2: Table of significant down hole gamma results from Junction Dam

HOLE ID	*EASTING*	*NORTHING*	*DEPTH FROM (metres)*	*THICKNESS (metres)*	*AVERAGE GRADE eU3O8*(ppm)*	*PEAK GRADE eU3O8* (ppm)*	*GRADE THICKNESS m%eU3O8*
BRRM002	484696	6491798	89.65	4.6	417.6	1530	0.192
BRRM012	484590	6491797	109.8	2.4	377.5	831	0.091
BRRM015	484792	6490789	109.55	1.05	320.9	864	0.034
BRRM025	484903	6491710	94.2	4.45	160.09	766	0.071
BRRM042	484602	6492604	82.6	1.85	388.42	727	0.072
JDRM0107	484996	6487979	120.6	0.65	508.97	1381	0.033
JDRM0111	484800	6488818	124.8	0.8	588.237	1152	0.047
JDRM0114	485000	6488530	124.07	3.15	174.605	830	0.055
JDRM0115	485000	6488330	128.86	0.75	648.597	1676	0.049
JDRM0116	485000	6488130	123.98	0.85	540.732	1411	0.046
JDRM0117	485000	6487850	116.42	0.9	509.983	1095	0.046
		also	123.27	0.85	674.378	1996	0.057
JDRM0118	484799	6488726	124.03	5.95	423.793	7551	0.252
JDRM0120	484700	6488750	124.8	4.05	97.414	1044	0.039
JDRM0121	484800	6488530	127.88	2.7	427.609	3226	0.115
JDRM0122	484810	6488330	126.1	3.15	238.561	1328	0.075
JDRM0124	484900	6488430	128.45	1.35	227.631	808	0.031
SARM004	484798	6488567	129.84	0.85	825.935	2510	0.070
SARM006	484797	6488415	112.55	0.85	284.779	600	0.024
SARM007	484805	6488385	128.2	1.85	693.498	1935	0.128
SARM008	484749	6488715	124.75	1.7	1272.899	5192	0.216
SARM009	484749	6488533	125.7	6.55	117.728	935	0.077
SARM012	484596	6488740	125.32	4	156.526	888	0.063
SARM013	484594	6488645	123.66	3.15	633.658	2720	0.200
SARM017	484606	6488249	128.1	0.65	313.093	654	0.020
SARM019	484703	6488662	125.7	2.7	130.437	714	0.035
SARM021	484706	6488438	126.16	3.85	357.926	2565	0.138
SARM022	484695	6488358	126.15	4.15	584.18	3674	0.242
SARM026	484797	6488131	127.24	3.05	106.745	550	0.033
SARM027	484803	6488038	118.65	1	459.641	1204	0.046
SARM028	484657	6488501	124.95	3.7	161.195	663	0.060
SARM029	484646	6488402	125.15	4.05	328.41	1927	0.133
SARM032	484739	6488300	127.55	1.8	409.594	2075	0.074
SARM033	484504	6489381	124.37	1	378.067	1239	0.038
SARM034	484500	6489199	124.05	4.3	73.118	513	0.031
SARM037	484698	6489195	128.1	1.15	766.124	2416	0.088
SARM039	484373	6488010	129.44	0.85	535.907	1163	0.046
SARM042	484600	6489411	124.29	1.45	304.934	777	0.044
SARM044	484596	6488997	128.19	0.8	505.25	1320	0.040
SARM046	484490	6488651	126.9	1	926.326	3221	0.093
SARM050	484895	6488118	124.99	4.2	300.341	1457	0.126
SARM052	484399	6489591	123.35	0.35	281.175	542	0.010
SARM060	484850	6488750	121.15	1.3	169.625	661	0.022
SARM061	484772	6488724	127.75	1	377.79	1400	0.038
SARM063	484700	6488403	125.2	4.7	161.647	543	0.076

SARM066	484794	6488067	125.55	1.75	496.171	2132	0.087
SARM067	484390	6488747	127.15	1.15	569.223	1545	0.065
SARM070	484395	6488449	126.7	0.7	497.491	1096	0.035
SARM071	484400	6488350	127.05	1.1	525.869	1687	0.058
SARM072	484399	6488251	127.7	0.8	410.434	896	0.033
SARM075	484501	6488450	125.75	1.25	357.713	1459	0.045
SARM076	484493	6488354	126.6	1.05	352.834	971	0.037
SARM081	484494	6489499	122.6	1.45	1491.458	5538	0.216
SARM083	484696	6489500	122.4	1.05	281.821	702	0.030
SARM090	484877	6489286	115.75	1.4	315.498	812	0.044
SARM094	484598	6489100	128.5	1	463.347	956	0.046
SARM096	484795	6489100	111.05	0.95	558.683	1987	0.053
SARM101	484605	6488897	127.45	1.55	418.184	1194	0.065
SARM103	484807	6488873	122.45	2	253.424	763	0.051
SARM116	484748	6488601	123.95	6.7	289.07104	3614	0.194
SARM126	484794	6487697	126.85	0.8	385.28	701	0.031
YORM028	484498	6480197	124.05	5.55	278.08	772	0.154

GT is an estimation presented as %m U_3O_8. It is calculated by multiplying the interval (metres width) by the average grade of the interval. All drill holes are vertical, widths shown are true widths.

Table above contains results acquired with downhole gamma probes with the following calibration factors:

`Equivalent grades (eU3O8) from Borehole Wireline Pty Ltd gamma probe 5270, calibrated at Adelaide Test Pits. Dead time 2.09135e-6, k factor 2.29405e-5, 108mm hole, water filled.

`Equivalent grades (eU3O8) from Borehole Wireline Pty Ltd gamma probe 3024, calibrated at Adelaide Test Pits. Dead time 6.06656e-6, k factor 2.47442e-5, 108mm hole, water filled.

`Equivalent grades (eU3O8) from Borehole Wireline Pty Ltd gamma probe 3785, calibrated at Adelaide Test Pits. Dead time 4.27264e-6, k factor 2.2702e-5, 108mm hole, water filled.

`Equivalent grades (eU3O8) from Borehole Wireline Pty Ltd gamma probe 3348, calibrated at Adelaide Test Pits. Dead time 4.36826e-6, k factor 2.39056e-5, 108mm hole, water filled.

`Equivalent grades (eU3O8) from Borehole Wireline Pty Ltd gamma probe 3018, calibrated at Adelaide Test Pits. Dead time 5.95913e-6, k factor 2.35474e-5, 108mm hole, water filled.