Marmota Energy awarded PACE funding for drilling Indooroopilly Cu-Au Project – west of the Challenger Gold mine

- **The South Australian Government has confirmed the success of Marmota's Indooroopilly drilling submission for PACE funding.**
- **Marmota has been awarded $65,000 in collaborative funding to support drilling on the Indooroopilly copper-gold project.**
- **This is 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.**

Indooroopilly copper-gold project

(Indooroopilly 100% Marmota Energy Limited)

Marmota Energy (ASX: MEU) has been successful in its application under the PACE Discovery Drilling 2012 collaborative funding for drilling of copper-gold targets at the Company's Indooroopilly project. The project is located west of Kingsgate's Challenger Gold Mine (Figure 1), which produces 100,000oz gold annually. Good access to the 570km^2 tenement is gained along the Challenger Mine road and local station tracks. 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 and sandstone hosted uranium in the younger Mesozoic and Cainozoic sediments.

It is recognised by both Marmota and 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.

A number of ready to drill targets have been identified on the project with strong coincident geochemical and geophysical anomalism particularly for copper and gold. The Moonbi target (Figure 2) has been identified as the highest priority target with a magnetic high and coincident gold and copper in calcrete anomalies over a sizeable area covering 5.5km x 4.5km. 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 lode gold sites in the region. At Challenger a high-resolution aeromagnetic survey has mapped an easily discernible, magnetic high interpreted to be similar in signature to what is observed from data over Moonbi (Figure 2).

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.

Theme 2 of PACE embodies a partnership with industry to undertake drilling in areas with economic mineral potential.

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

8 May 2012

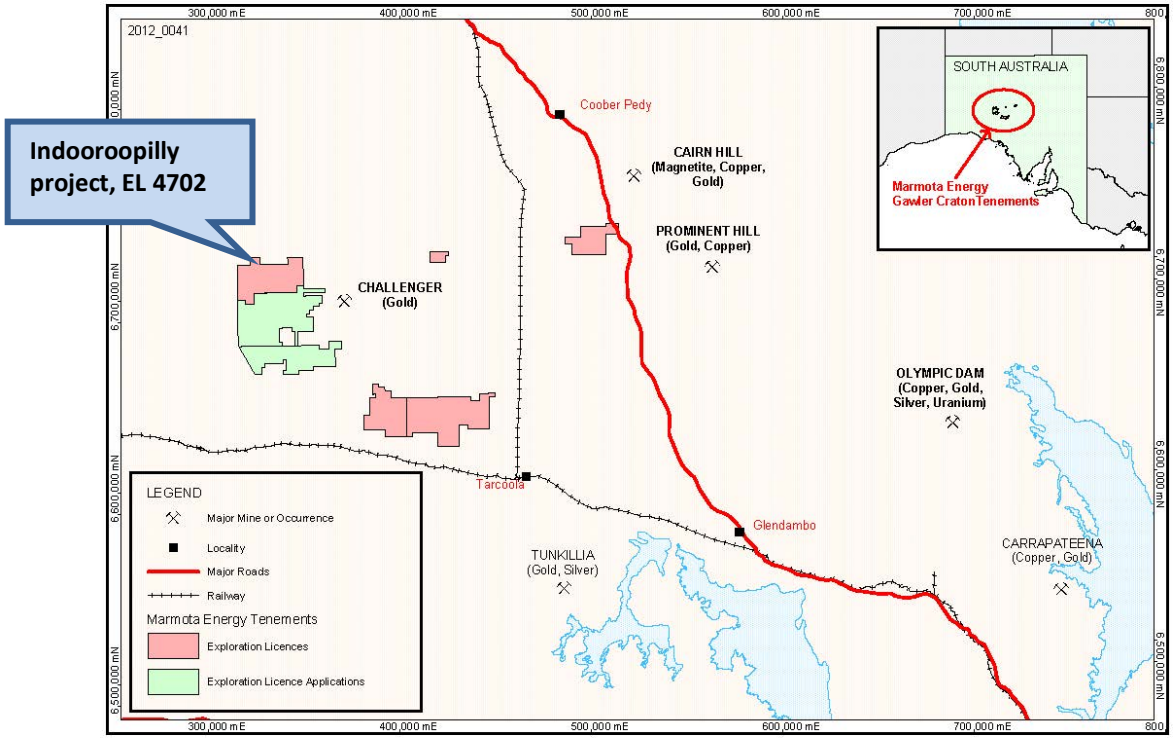
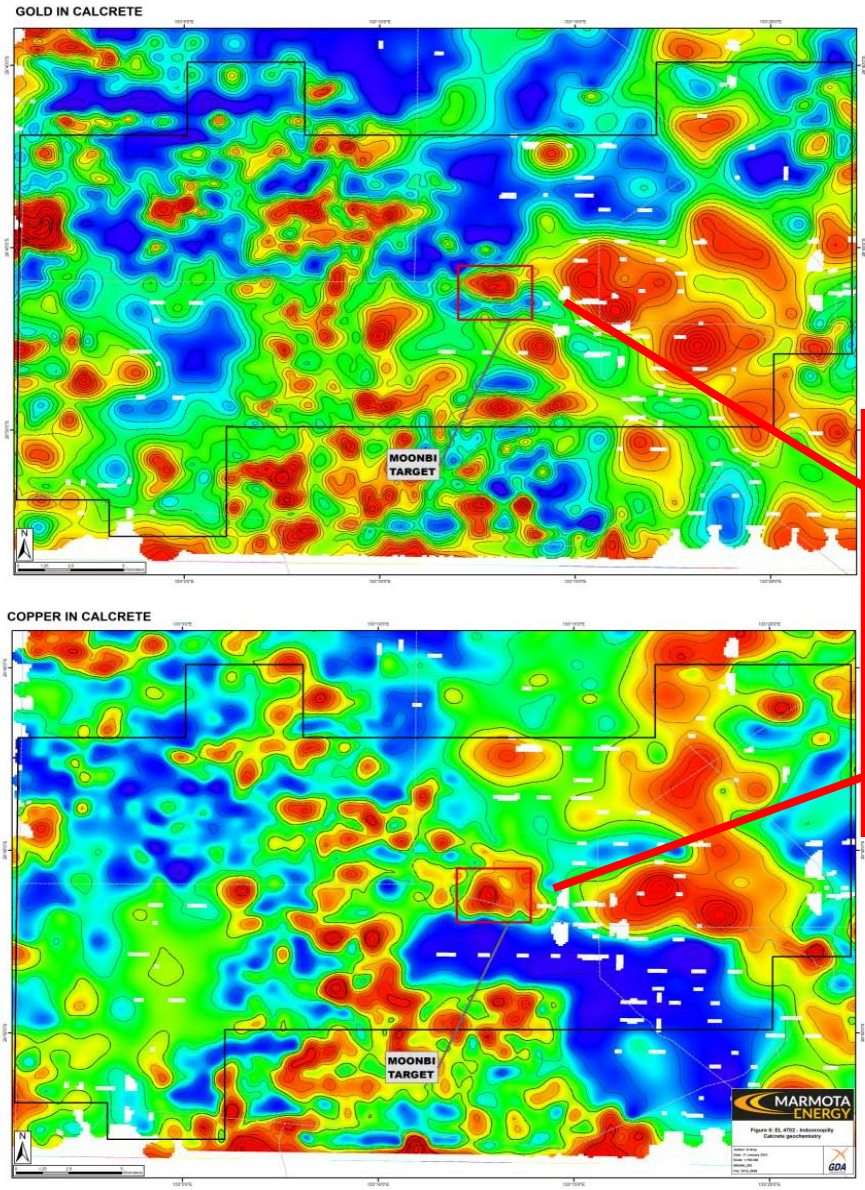


Figure 1:Indooroopilly location map



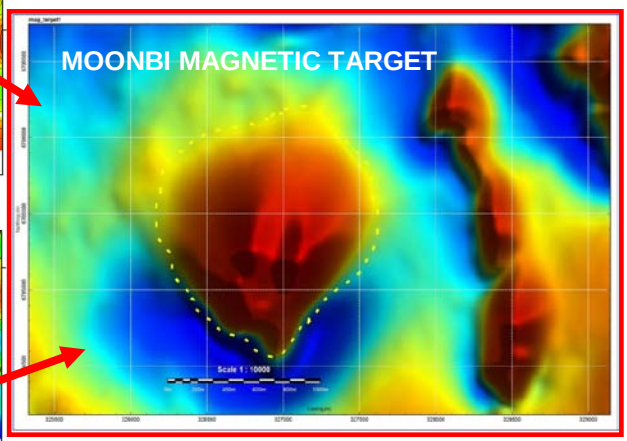


Figure 2: Moonbi target, strong gold and copper in calcrete anomalism (left) coincident with geophysical anomaly (below).