

# 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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## EXPLORATION UPDATE – INCREASE IN STRIKE LENGTH OF THE SAFFRON PROSPECT AT THE JUNCTION DAM URANIUM PROJECT

- New drilling extends zone of mineralisation, with northern target area at the Saffron prospect having high grade uranium intercepted in recent drilling.
- Further high grade uranium intersections from infill drilling of the main Saffron target zone of mineralisation.

### 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 new drilling in recent weeks has confirmed an extension to the zone of mineralisation at the Saffron prospect at Junction Dam (Figure 1). High grade intercepts were encountered in the new extended area and also within infill drilling on the Saffron prospect.

The Phase 2 drilling program follows the completion in March 2010 of a high resolution ground electromagnetic survey over the high grade target zones. The survey was designed to define potential extensions to high grade areas on the project for continued drill testing. Drill holes completed in recent weeks have confirmed mineralisation defined by this data (Figure 1).

The results of the survey, when combined with other high resolution geophysical datasets that Marmota has acquired over the project, have successfully defined potential extension to the north of high grade target zones where drilling has previously confirmed mineralisation. Sixty shallow rotary mud drill holes are planned as part of this program, with 87 % of holes drilled to date in this current phase intersecting uranium mineralisation.

Multiple holes have continued to return peak uranium grades of more than 1000 ppm  $\text{eU}_3\text{O}_8^*$ . Outstanding high grade intercepts coupled with significant intervals of mineralisation continue to be intersected in this current phase of drilling (Table 1). A number of the recently completed holes drilled have reported grade-thickness accumulations in excess of 0.045 m%  $\text{eU}_3\text{O}_8$  and up to 0.126 m%  $\text{eU}_3\text{O}_8$  (intersections of greater than 0.045 m%  $\text{eU}_3\text{O}_8$  are considered significant and important in evaluating the economic viability). These are in addition to the previously released high grade results.

HOLE ID	EASTING	NORTHING	DEPTH FROM (metres)	THICKNESS (metres)	AVERAGE GRADE eU3O8*(ppm)	PEAK GRADE eU3O8*(ppm)	GRADE THICKNESS m%eU3O8
SARM017	484606	6488249	128.1	0.65	313.093	654	0.020
SARM028	484657	6488501	124.95	3.7	161.195	663	0.060
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
SARM042	484600	6489411	124.29	1.45	304.934	777	0.044
SARM044	484596	6488997	128.19	0.8	505.25	1320	0.040
SARM045	484502	6488750	125.12	1.15	154.268	203	0.018
SARM049	484896	6488229	127.25	1.45	194.69	490	0.028
SARM050	484895	6488118	124.99	4.2	300.341	1457	0.126
SARM063	484700	6488403	125.2	4.7	161.647	543	0.076
SARM065	484751	6488349	125	3.15	138.168	375	0.044
SARM066	484794	6488067	125.55	1.75	496.171	2132	0.087

	Uranium peak grade greater than 1000 ppm
	Grade thickness greater than .030 m%eU3O8
	Grade thickness greater than .045 m%eU3O8

Table 1: Down hole readings from recent weeks on Junction Dam from 2010-Phase 2 drilling program. The widths shown are true widths with a 100 ppm cut off applied.

\*Hole prefix 'SAR': \*Equivalent grades (eU<sub>3</sub>O<sub>8</sub>) 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.

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, at the completion of the current phase of drilling.

Continued high grade results of this nature are extremely significant as they confirm the Company's belief that results achieved to date are analogous with the mineralisation model at the nearby Honeymoon Uranium Mine.

Drilling completed in recent weeks has confirmed mineralisation within the zone highlighted by the red circle in the adjacent figure. This further extends the strike length of the Saffron prospect to approximately **two kilometres**, open to the north and south. When making a geographic size comparison with Honeymoon, Marmota's Saffron prospect is now more than double in strike length.

At the completion of the Phase 2 drilling, Marmota will assess all drill results as part of its program to outline the extent of potential mineralisation at Junction Dam over the coming year.

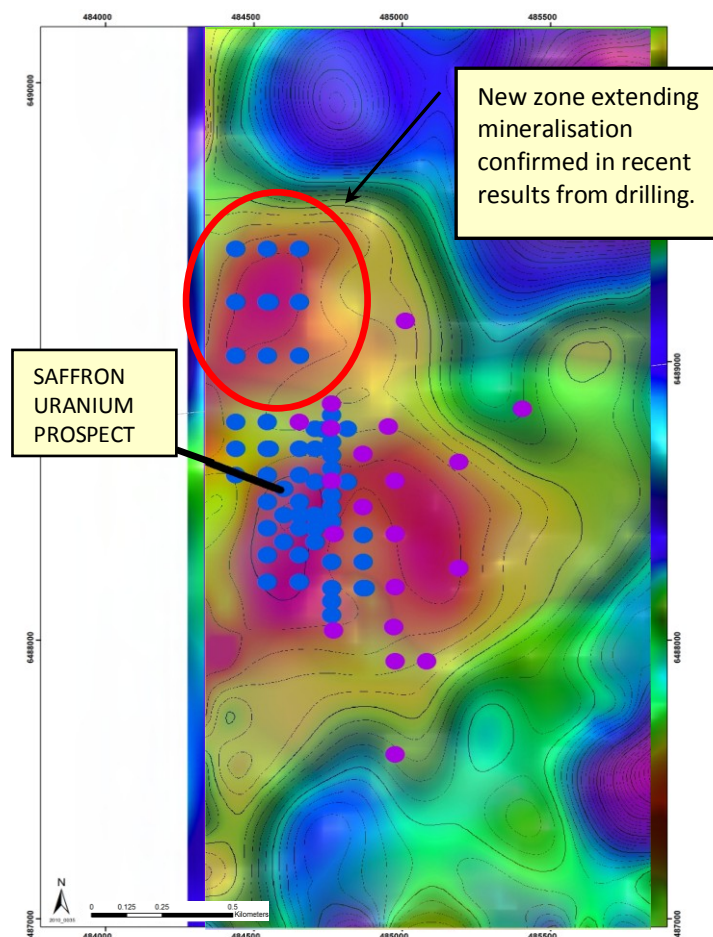
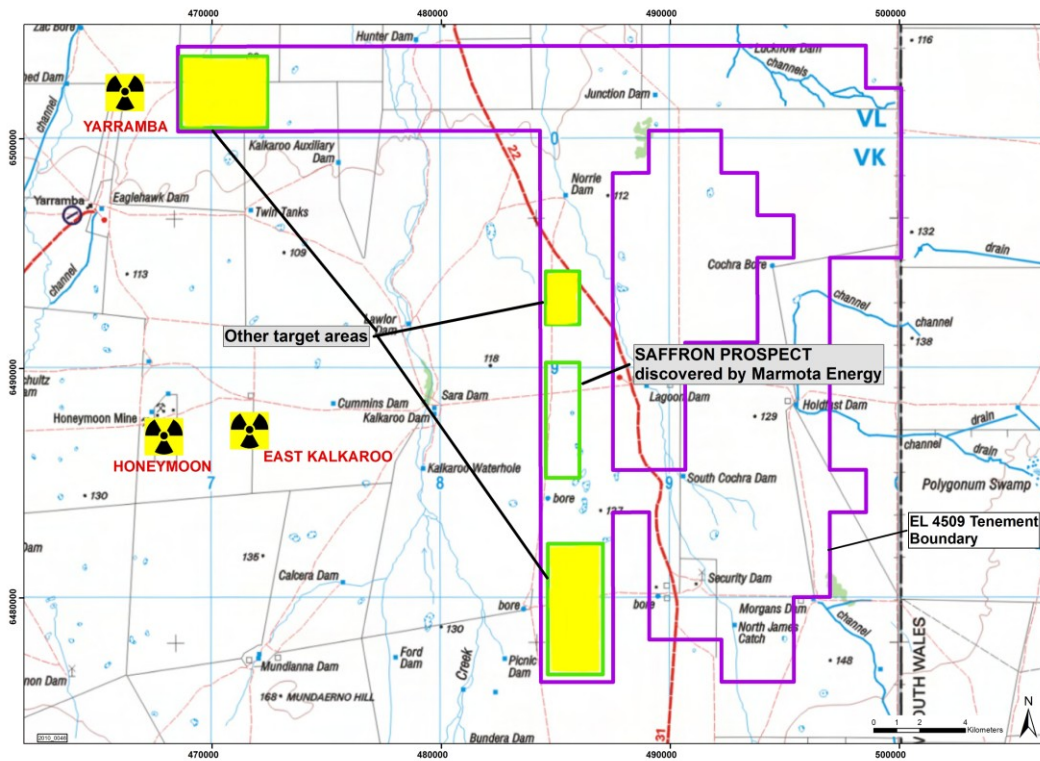
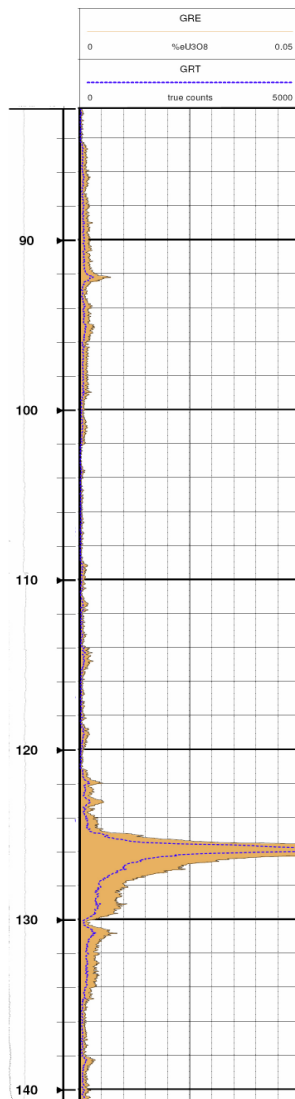


Figure 1: New extension to zone of mineralisation confirmed from results of drilling completed in recent weeks. Conductivity colour filled contours draped over high resolution gravity.

Below: Junction Dam location map, with Marmora's Saffron drilling area in green.



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



Right: Gamma log from drillhole SARM050 intersecting a 4.2 metre interval of mineralisation.

Junction Dam is strategically located approximately 50 kilometres from the outback centre of Broken Hill, and has excellent access to major road and rail infrastructure. The Saffron prospect which is currently being drill tested, is located in very close proximity to established uranium mining infrastructure in a well recognised uranium mining province within South Australia.

More results from the current phase of drilling will be announced over coming weeks as the planned drilling progresses.

*Mr Dom Calandro*

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**4 August 2010**