



ASX RELEASE

QUARTERLY REPORT – Period ending June 2013

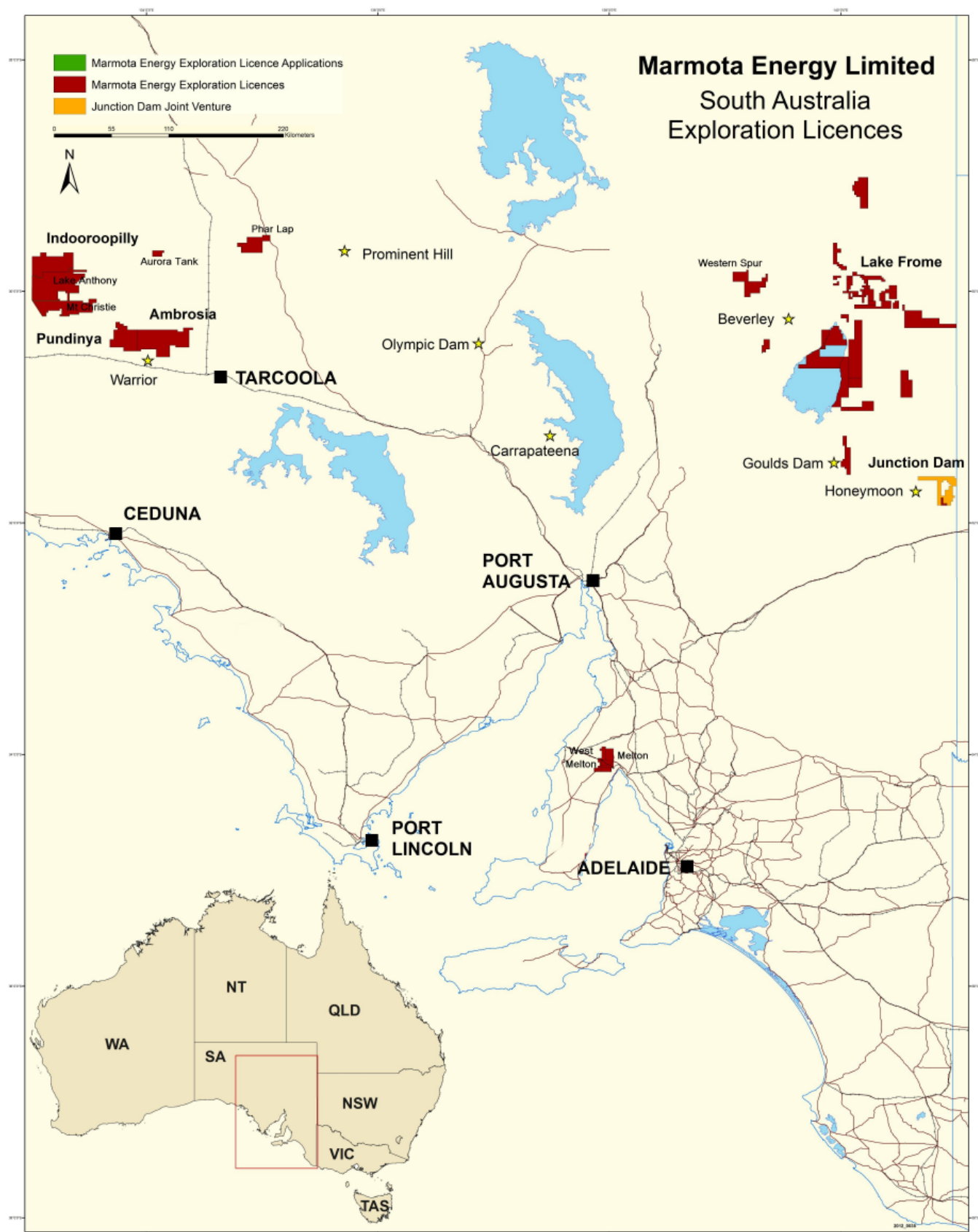
Highlights

Durkin copper/nickel prospect (SA)

- Assays confirm nickel and copper sulphides intercepted in seven holes at Durkin project during Phase 1 drilling program
- Includes continuous 75m in one hole amid multiple large intervals of copper and nickel in numerous holes along a 3km trend
- One metre split sample submitted for assay
- Sample submitted for petrology
- Further geophysical surveys along defined nickel trend and deepening of holes planned

Central Gawler Craton - Indooroopilly project (SA)

- Extensive tungsten mineralisation intercepted from shallow depths in multiple holes during Moonbi maiden drilling program – a PACE supported project
- Tungsten intercepted in widely spaced holes over significant strike
- Nickel sulphides also intercepted; one drill hole with nickel, chromium and cobalt concentrations elevated over 39 metre interval to end of hole
- One metre split sample submitted for assay
- Sample submitted for petrology



Marmota Energy project location map

Review of Operations

Durkin copper/nickel prospect

(Marmota Energy Limited (ASX: MEU) 100%)

During the Quarter, the Company completed first drill testing of greenfields targets at its high priority Durkin copper / nickel prospect located in South Australia's Gawler Craton.

The Durkin drilling program was part of a larger drilling program which also drill tested targets on the Indooroopilly project located to the north of Durkin and near the producing Challenger gold mine.

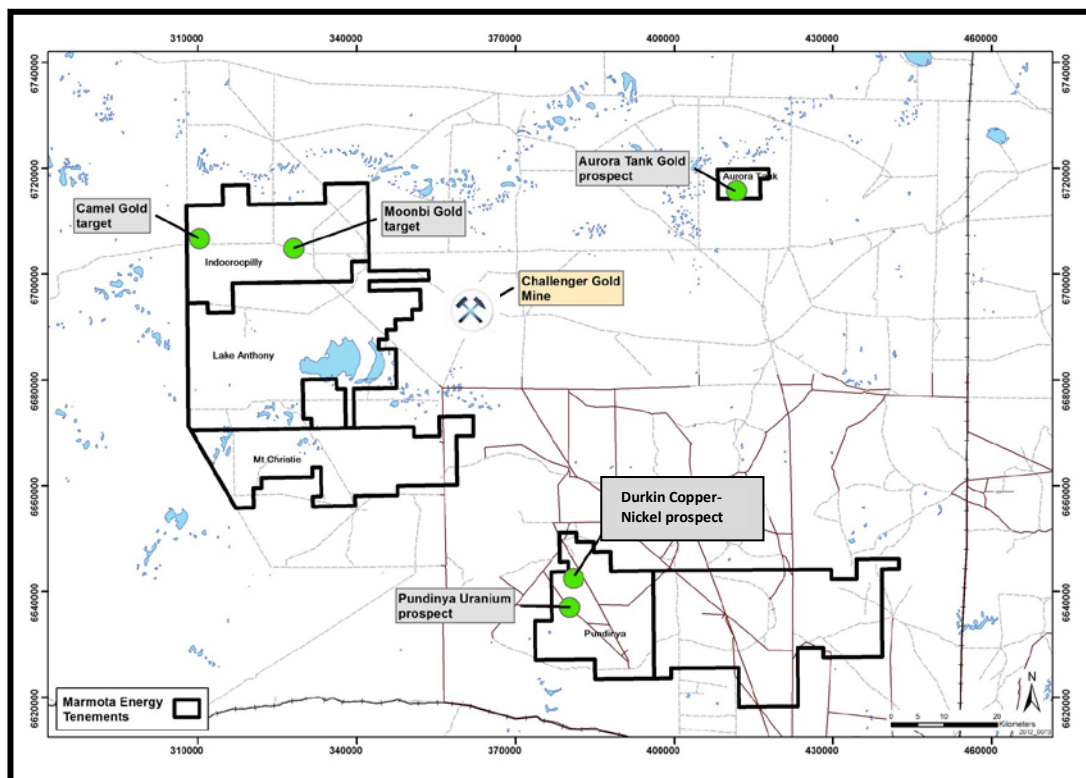


Figure 1: Durkin copper/nickel prospect location.

During the Quarter first pass RC drilling intercepted large intervals of copper and nickel sulphides in targets located at its Durkin project. The results follow previous announcements made during the Quarter of sulphides being intercepted at targets located within and one outside the main Durkin area.

The maiden Durkin campaign totalled 2,200 metres of drilling to various depths of up to 300 metres.

Of the 13 holes, seven drill holes intercepted significant intervals of anomalous nickel and copper (Figure 3) along with common associate elements such as gold, palladium, chromium and magnesium. The largest intercept of nickel is 75 metres thick in drill hole DRC012.

Drilling was designed to test Cu-Ni anomalous zones of outcrop identified from previous surface sampling, in conjunction with specific geophysical and geochemical characteristics and structures identified through surveys completed over the area in late 2012.

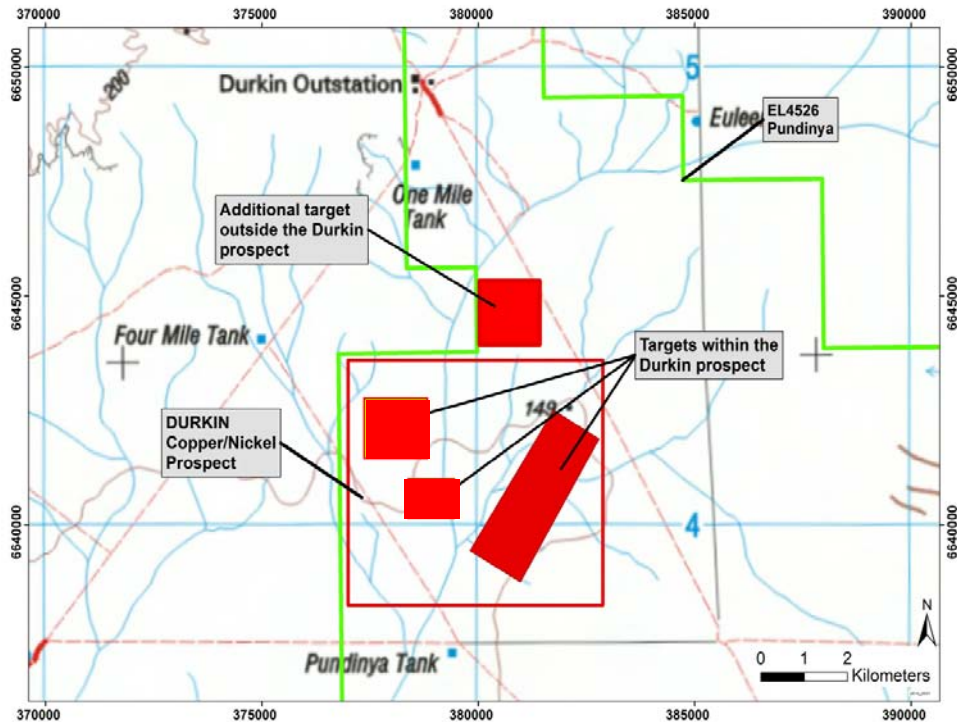


Figure 2: Location map of target zones drill tested during Phase 1 at Durkin.

The seven drill holes from this first stage program have intercepted nickel and copper sulphide - bearing mafic and ultramafic rocks from shallow depths, with sulphides being present throughout each hole. Assay results received from three metre composite samples from the RC holes drilled include concentrations of up to 0.1% nickel (Ni) and 308 ppm copper (Cu) from three metre composite samples (See ASX announcement dated 13 June 2013).

The results are encouraging given the significant number of down hole intervals over which copper and nickel have been intercepted and which extend over a large strike distance. The results continue to support the model for a layered mafic to ultramafic style of mineralisation, with the first stage drilling intercepting mafic rock, and distinct intervals of ultramafic rocks having potential for higher grades. For example, drill hole DRC011 intercepted nickel from 39 metres to end of hole at 84 metres with nickel concentrations rising in the bottom 21 metres.

There was also a significant increase in magnesium concentrations (>10% Mg) in the bottom 6 metres of DRC011, an indicative characteristic of ultramafic potential. DRC011 was halted at a depth of 84 metres due to drilling difficulties and is a candidate for follow up investigation with further intervals of mineralisation anticipated with deeper diamond drilling.

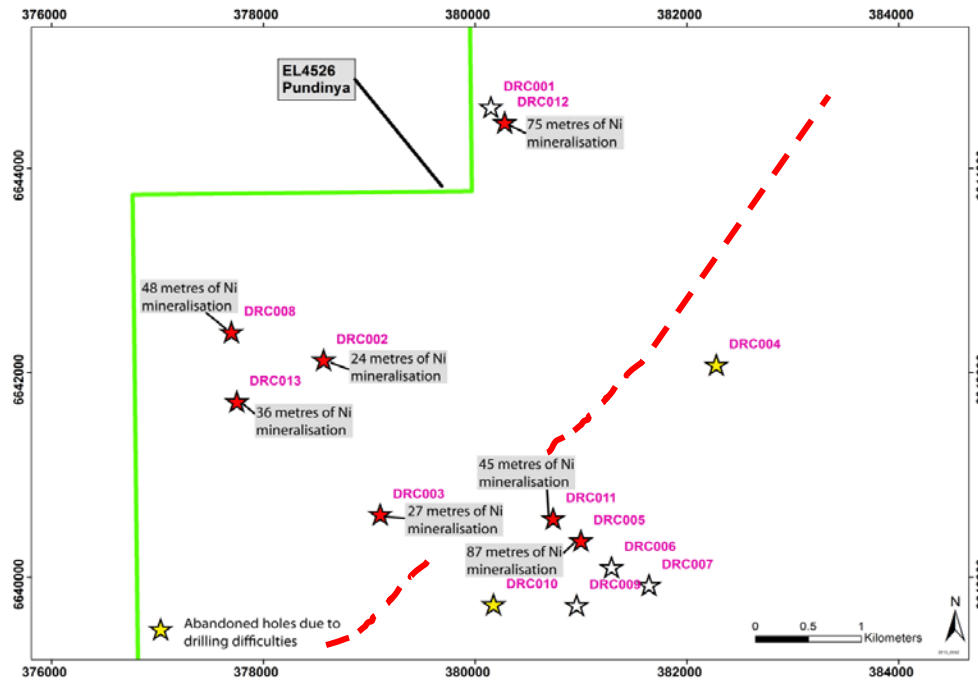


Figure 3: Location of drill holes from Phase 1, with holes containing anomalous nickel and copper denoted by red stars. Intercepts shown are total metres of Ni intercepted in holes along the defined nickel trend zone.

The similarity of observed geology and sulphide mineralisation throughout the widely spaced seven drill holes (denoted by the red stars) suggests that these targets are part of a wider large-scale mineralised intrusive system stretching over three kilometres.

Marmota is very encouraged by the lithologies encountered with rocks comprising: mafics, ultramafics, diorites, felsic units and gneisses. These lithologies also suggest that the Phase 1 drilling program did not fully encounter the projected deeper ultramafic units in the mineralisation model for this prospect (Figure 4). Deeper drilling will determine if nickel sulphides are also present in the modelled basal ultramafic units.

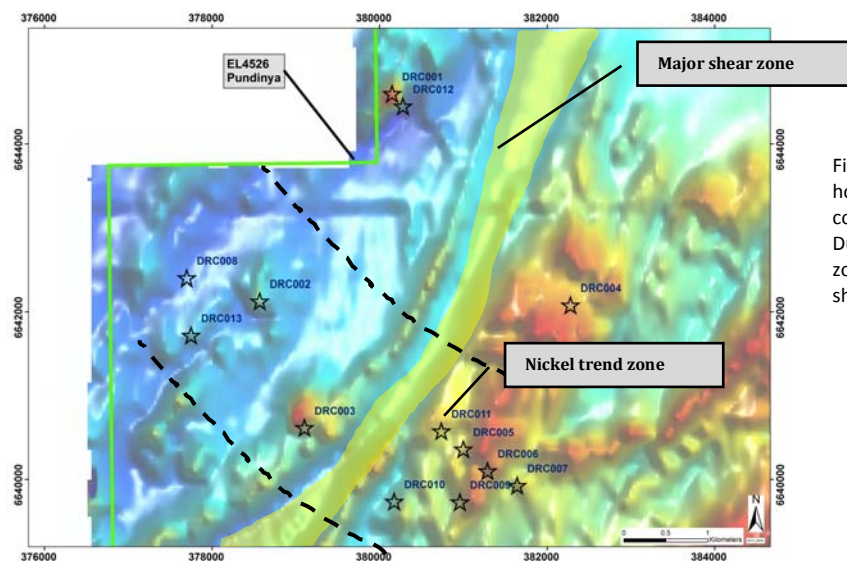


Figure 4: Location map of drill holes over magnetic image completed during Phase 1 at Durkin. Interpreted nickel trend zone defined by assays also shown.

A large shear zone cuts through the area drilled on a NE-SW trend and is clearly visible in the geophysical surveys acquired by Marmota (Figure 3). The more significant anomalism noted from this phase of drilling is located towards the shear zone. This deep seated shear has potentially been the conduit along which nickel and copper mineralisation have been mobilised from deeper in the system (Figure 4).

Assessment of results is underway with one metre split sample from key drill holes submitted for further assay and petrological analysis. Further infill geophysical surveys are being planned in-line with the trend of nickel mineralisation defined by the Phase 1 drilling in order to map zones of higher potential for further drill testing.

Although this exploration program is at an early stage the Company is excited about the potential for high grade base metals mineralisation within this area.

Cautionary Statement: Early stage exploration at the Durkin prospect is underway and thus, there has been insufficient exploration to define the extent of exploration potential at the target area. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Indooroopilly project

Moonbi prospect (SA)

(Marmota Energy Limited (ASX: MEU) 100%)

RC Drilling program results

During the Quarter RC drilling of targets located at the Moonbi prospect has intercepted large intervals of tungsten mineralisation. The drilling was part of a PACE co-funded project to investigate geophysical anomalies identified by the Company at the Moonbi prospect. Fourteen vertical Reverse Circulation (RC) drillholes for a total of 2100 metres were completed at the target area, which is located within Marmota's Indooroopilly tenement in the highly prospective Gawler Craton west of Challenger gold mine.

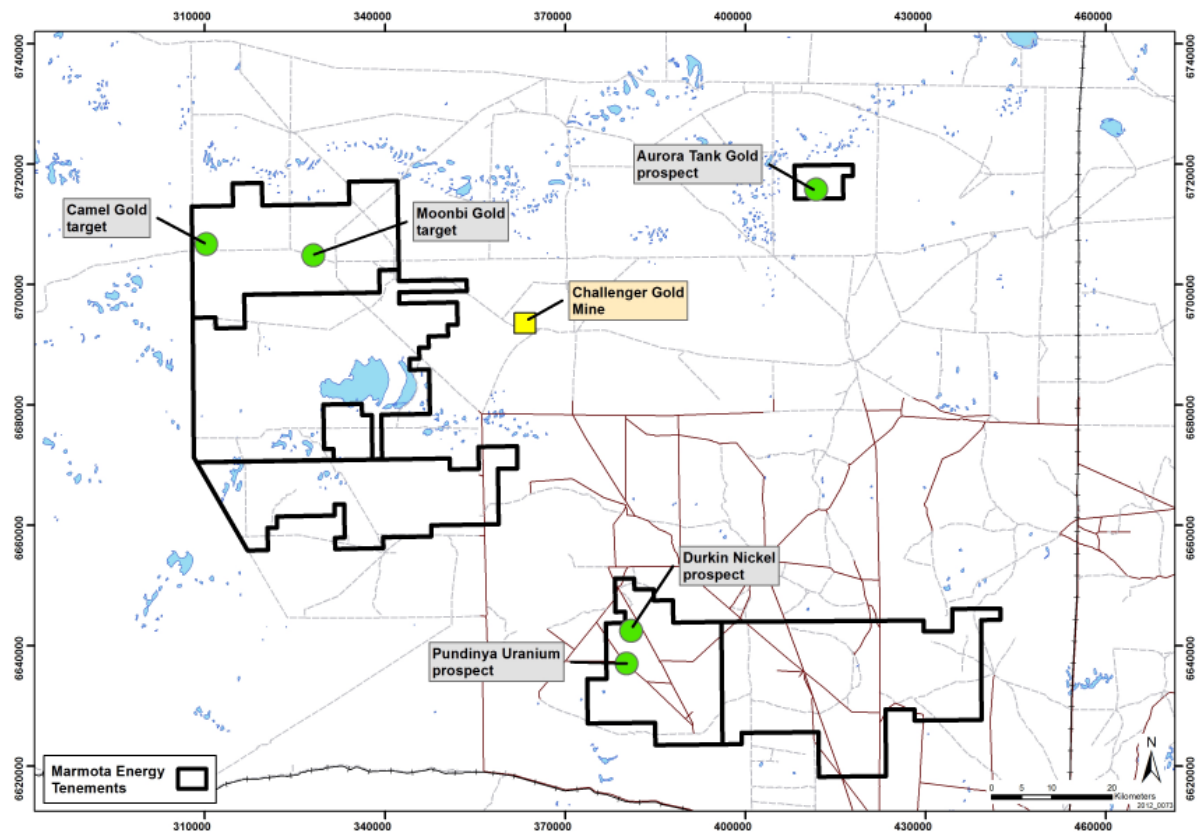


Figure 6: Indooroopilly - Moonbi target location map

Moonbi geology

Units identified from the RC drill chips are predominantly leucocratic Christie Gneiss, comprising, quartz, plagioclase, K feldspar, biotite and garnet with cordierite identified in several holes. Pyrite is the dominant sulphide, with arsenopyrite and pyrrhotite identified. Granites and fractionated melts are logged throughout the drill holes at Moonbi and where noted grade in and out of each other, due to synorogenic emplacement of the granites.

Investigation is underway to determine the potential relationship of these granites to the tungsten mineralisation observed in drill holes at Moonbi. It is not uncommon for tungsten deposits to be associated with granites, for example the intra-granitic wolframite vein deposits in China.

Tungsten occurrences flank the Cookes Creek Granite in Western Australia, which is considered the source of tungsten mineralisation at Cookes Creek tungsten project. Further work is underway to confirm the method of tungsten emplacement at Moonbi.

Mafic intrusions were identified in several drillholes, and in MRC010 the mafic unit revealed elevated Ni, Cr, Co mineralisation over a significant interval. The mafic unit is dark green to black and very fine grained containing sulphides. Samples have been submitted for petrological analysis.

Tungsten facts

- A rare metal: 50 times rarer than copper.
- Unique metal: with physical properties that limit substitution.
- Tungsten mineralisation commonly occurs as either wolframite, which is an iron manganese tungstate mineral ($[\text{Fe}, \text{Mn}]\text{WO}_4$) or scheelite (CaWO_4).
- As a point of reference, a grade of 0.10% Tungsten equates to 1 kg of Tungsten per tonne. The current average spot price of tungsten is \$47.00 USD/kg (2 July 2013).
- Tungsten resource average grades of deposits in Australia can range from 0.08% WO_3 with cut off grades of 0.05% WO_3 .
- Tungsten has a wide range of uses, the largest of which is as tungsten carbide, a wear-resistant material used by the metalworking, mining, petroleum, military construction, medical and jewellery industries. Also utilised in flat screen technology LCD and LED and Solar Energy.

RC Drilling program assay results

Six widely spaced drill holes have intercepted tungsten mineralisation at shallow depths in Phase 1 drilling completed at the Moonbi target area. The bulk of the drill holes that have intercepted tungsten lie along a large geophysical target extending for approximately 1.6 km (Figure 7).

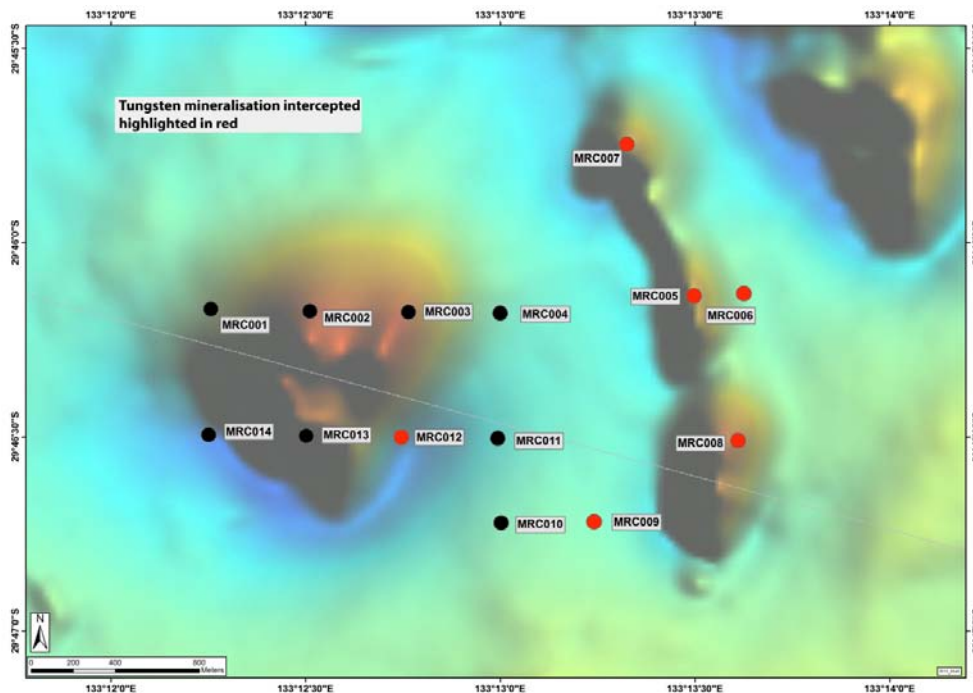


Figure 7: Moonbi target, drill hole locations over processed magnetic image.

Indooroopilly tungsten discovery

Tungsten mineralisation was intercepted in six drill holes with the largest intercept extending for more than 50 metres to end of hole in drill hole MRC006. The results from hole MRC006 have higher grade tungsten intervals located within significant widths of lower grade (see ASX announcement dated 5 July 2013). Three wide spaced drill holes MRC005, 6 and 8 end in tungsten mineralisation with grades ranging up to 0.12% WO_3 (Figure 8). This is a positive sign for more mineralisation potential to be realised with further drilling. The zone of tungsten mineralisation intercepted in the Phase 1 drilling appears to be dipping to the west.

Petrological assessment is being undertaken to determine which species of tungsten-bearing mineral has been intercepted. Immediate priority has also been placed on the submission of individual metre intervals for further assay. Lithium Borate Fusion ICP-MS will be utilised as the assay method for the individual one metre samples submitted.

As noted in the tungsten facts above, tungsten resources within Australia have average grades as low as 0.08% WO_3 , which suggests the zone intercepted at Moonbi to be a significant discovery. Tungsten has been listed as a 'critical metal'. Critical metals are defined as those metals with a critical risk to supply, on which humans are highly dependent for survival, and which are necessary for the continuation of a modern way of life. With the current high contract price for tungsten and with demand increasing this provides a favourable environment for new discoveries.

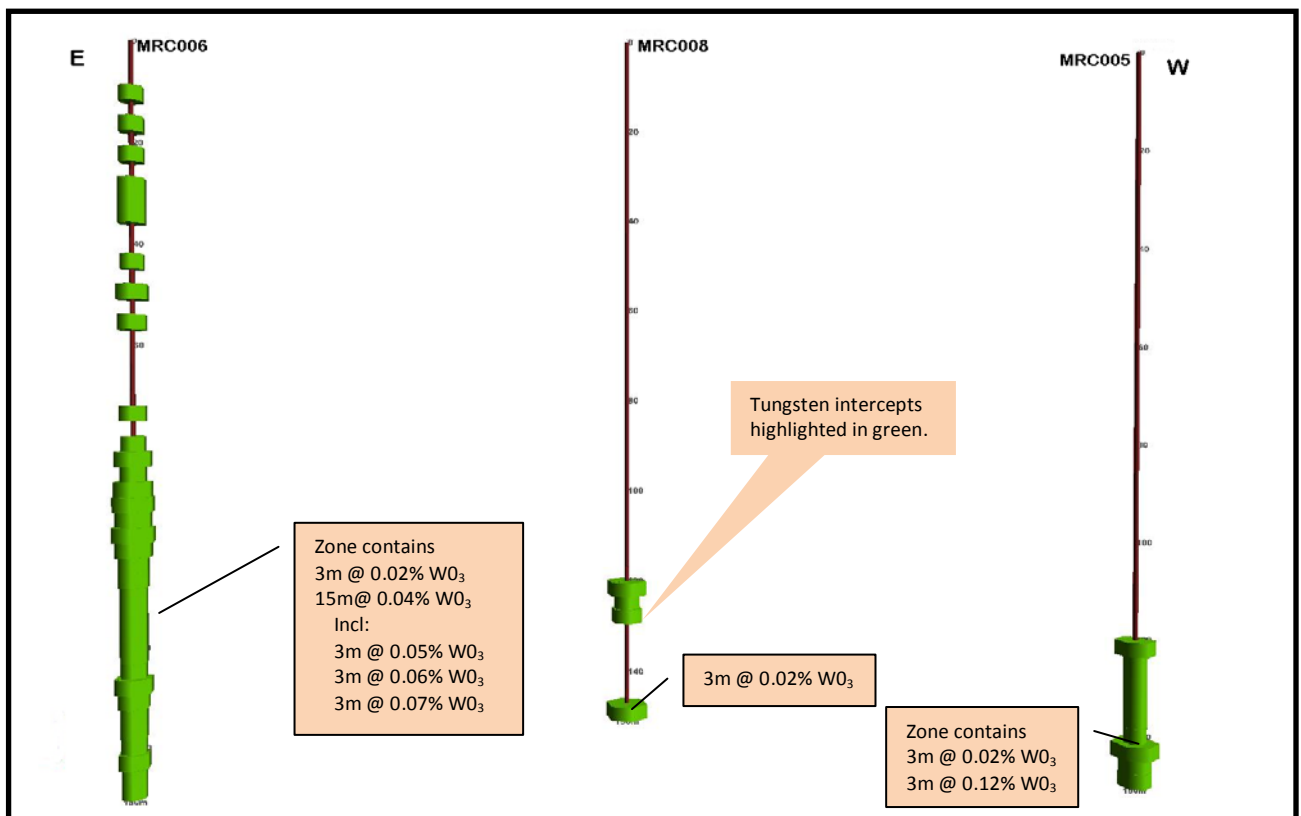


Figure 8: Drill hole schematic diagram with all tungsten intercepts highlighted in green. View is east to west looking back to south. MRC008 is located approximately 800 metres south of MRC005 and 6.

Broad zone of nickel sulphide intercepted

Mafic intrusions were logged in several drillholes, and in MRC010 the mafic unit revealed elevated Ni, Cr, Co mineralisation.

39 metres of anomalous nickel sulphide in mafic rock was intercepted in drill hole MRC010. The upper intervals of the hole were barren until the depth of 111 metres where a sudden increase in nickel and sulphur concentrations occur until end of hole. This is considered unusual, as this part of the Gawler Craton is not known for its nickel potential.

Further detailed investigation of the nickel mineralisation intercepted in this hole is currently underway. This will involve the resubmission of individual one metre intervals to be analysed for nickel along with other elements, including platinum and palladium not completed in this first round.

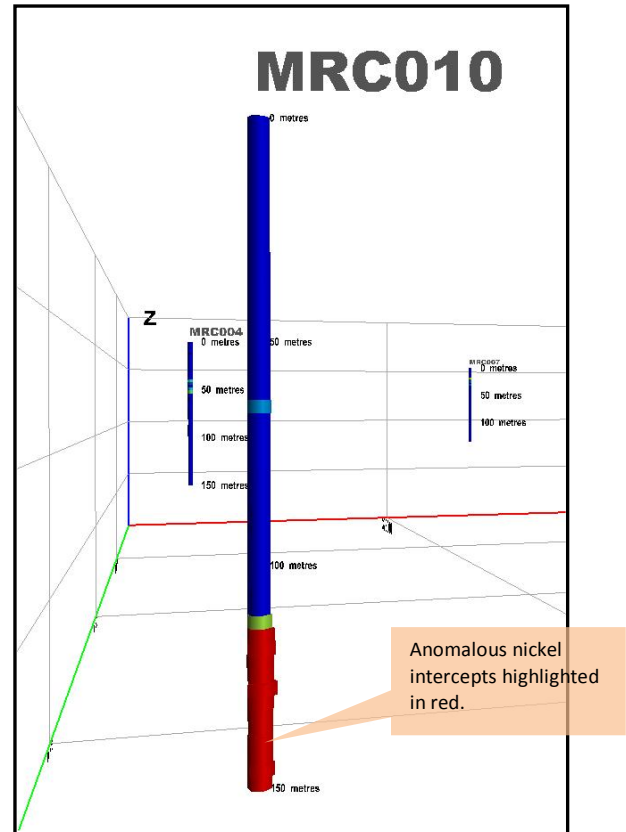


Figure 9: MRC010 drill hole schematic diagram with anomalous Ni and S intercepts highlighted in red. View is from south to north.

Forward plan

The interception of broad zones of tungsten mineralisation, along with a strong likelihood of further mineralisation nearby is considered a high priority for Marmota. The close proximity of the mineralisation to existing mining infrastructure and ease of access make this a high priority for low cost follow up exploration.

A low cost follow up exploration program is planned including:

- Reassaying of key intervals from the tungsten intercepts using Lithium Borate Fusion ICP-MS.
- Submitting 1 metre split samples of key intervals from hole MRC010 where anomalous nickel was intercepted in mafic rock.
- Submission of sample for petrological assessment.
- Reassessment of geophysical data with emphasis on tungsten corridors.
- Results dependent, shallow low cost step out RC drilling program to continue to define potential tungsten zone of mineralisation (7 drill holes).

Cautionary Statement: Early stage exploration at the Moonbi prospect is underway and thus, there has been insufficient exploration to define the extent of exploration potential at the target area. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Indicative forward program

Next phase of drilling at the Angel Wing gold project in Nevada is scheduled to commence during August 2013 with partner Ramelius Resources.

One metre split samples from both Durkin and Moonbi projects have been submitted for assay along with sample for petrology. Results will be assessed with planning for further follow up exploration underway.

Data will be modelled for target assessment and drill testing at the Melton and West Melton projects. Planning is underway to obtain bulk samples for bottle role tests at the Junction Dam uranium project.

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
Q1-Q2 2013	Durkin Cu/Ni project	• First pass RC drill program
	Indooroopilly gold project	• RC drilling of PACE co-funded gold targets
Q2 2013	Durkin Cu/Ni project	<ul style="list-style-type: none"> Analyse assay results from RC drilling program Submission of one metre sample for assay Infill geophysical surveys along defined Ni trend
	Moonbi project	<ul style="list-style-type: none"> Analyse assay results from RC drilling program Submission of one metre sample for assay
Q3 2013	Angel Wing gold - Nevada USA	• Follow up drilling of gold targets
Q3 2013	Melton / West Melton	• Modelling of geochemical and geophysical survey results for drill hole planning



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.

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

38 119 270 816

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(809)	(2,715)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(229)	(1,044)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	72	115
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	GST	(52)	(7)
	Other	6	6
Net Operating Cash Flows		(1,012)	(3,652)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(24)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	2
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(10)	(22)
1.13	Total operating and investing cash flows (carried forward)	(1,022)	(3,674)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,022)	(3,674)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,156	5,191
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	(113)	(279)
	Net financing cash flows	2,043	4,912
	Net increase (decrease) in cash held	1,021	1,238
1.20	Cash at beginning of quarter/year to date	2,456	2,239
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,477	3,477

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	268
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

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+ See chapter 19 for defined terms.

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

\$32,405 contributed by Monax Mining Limited for exploration under joint venture agreement, for all minerals on EL 4000 and EL 3911.

US\$16,728 contributed by Ramelius Nevada LLC for exploration on 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	455
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	655

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	227	186
5.2 Deposits at call	3,250	2,270
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,477	2,456

+ 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	EL 5275 (formerly ELA 2012/00338)	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 <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	263,059,235	263,059,235		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	34,760,000	34,760,000		
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	250,000 325,000 125,000 250,000 125,000	- - - - -	<i>Exercise price</i> \$0.040 \$0.1016 \$0.083 \$0.073 \$0.036	<i>Expiry date</i> 23/12/13 05/03/15 21/12/15 29/07/16 24/07/17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

7.12	Unsecured notes (<i>totals only</i>)		
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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:
(~~Director~~/Company secretary)

Date: 31/07/2013

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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+ See chapter 19 for defined terms.