



ASX ANNOUNCEMENT

28 July 2017

QUARTERLY ACTIVITY REPORT

JUNE QUARTER 2017

HIGHLIGHTS

Aurora Tank Gold 100% ownership

- Marmota's 2017 drilling program at Aurora Tank **commenced** on 26 June
- Aurora Tank is located approximately 50km NE of the Challenger Gold mine
- **87 Aircore holes** drilled
- **Total drilling:** 4189m **Average hole depth:** 50m (approximate)
- Drilling completed on schedule [see ASX: MEU **10 July 2017**]

Two distinct zones: [see **Fig. 2**]

1. **Goshawk** : In-fill drilling at **Goshawk** [see **Fig. 3**]
2. **Kingfisher** : First pass testing of a new target called **Kingfisher** [see **Fig. 4**]

- **Assay results due imminently**

Corporate

- **New Board and Management Structure**

On 5 June 2017, Marmota announced a new Board and Management structure:

Dr Colin Rose	Executive Chairman
Peter Thompson	Technical Director (non-executive)
Dr Kevin Wills	Executive Director – Exploration

Under the changes [see ASX: MEU **5 June 2017**]:

- ➔ Dr Rose moved from non-executive Chair to executive Chair
- ➔ Dr Kevin Wills joined the Board as Executive Director – Exploration

Ian Warland ceased to be a Director effective 2 June 2017 [see ASX: MEU **8 May 2017**]

The Board thanks Ian for his contribution which is most appreciated.

- **EDI Taxation Credits** issued to Marmota shareholders [ASX:MEU **22 May 2017**]

Exploration Activities during Quarter

GOLD

Gawler Craton

Tenement	Name	MEU Holding
EL5589	Aurora Tank	100%
EL5830	Ambrosia	100%
EL5684	Pundinya	100%
EL5195	Muckanippie	100%
EL5799	Indooroopilly	100%
EL4995	Mt Christie	100%
EL5060	Lake Anthony	100%
EL5377	Cudyea	100%
EL5759	Mulgathing	100%
EL5087	Woorong Downs	100%
EL5088	Comet	100%
EL5527	Bradman	100%
EL5861	Carnding	100%
EL5930	Irria	100%
EL5914	Pegler	100%

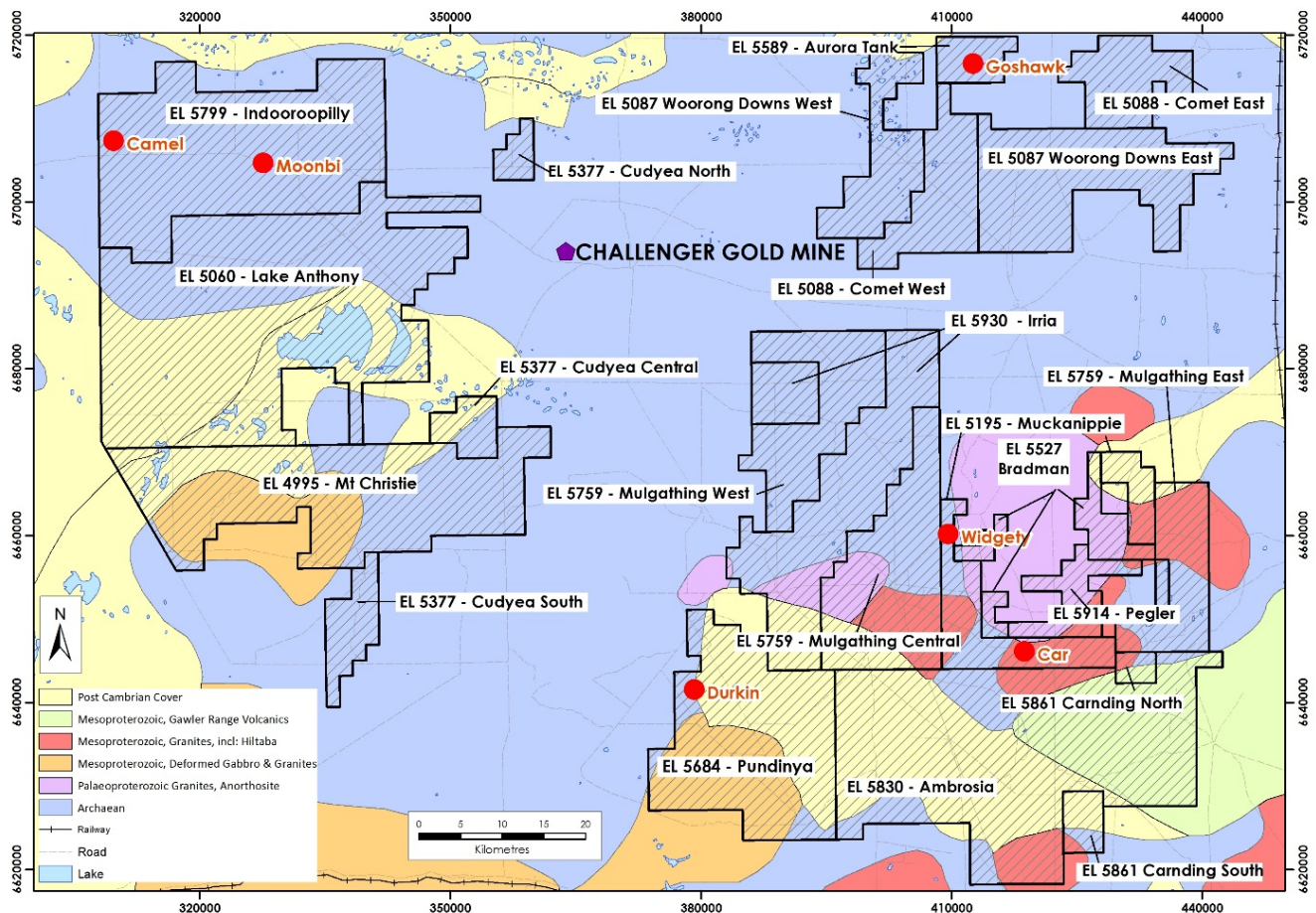


Figure 1: Marmota's Gawler Craton Gold Project – Tenements (at 30/6/2017) over Surface Geology

Background

- Marmota is searching for Challenger-style gold systems. The Challenger mine has already produced over 1 million ounces of gold (over A\$1.6 billion of gold, at current prices).
- Marmota has a dominant tenement holding around Challenger. Marmota tenements cover approximately 6,000 km² of highly prospective area around the Challenger gold mine, in the Woomera Prohibited Defence Area in the Gawler Craton.
- Marmota is adopting an updated version of the calcrete sampling methodology that was used to find Challenger — to highlight areas of gold anomalism for drill testing.

Gold Exploration Activities

- Under the direction of Dr Wills, Marmota has updated and improved its gold exploration program over the northwest Gawler Craton around the Challenger gold mine.
- During the quarter, calcrete sampling was carried out on tenements including:
 - Lake Anthony (EL 5060),
 - Cudyea Central (EL 5377) and
 - Mt Christie (EL 4995) tenements

Three new gold-in-calcrete anomalies have been recognised and are being subjected to further infill in the current phase of calcrete sampling.

Aurora Tank Gold: Goshawk Prospect and new Kingfisher Target

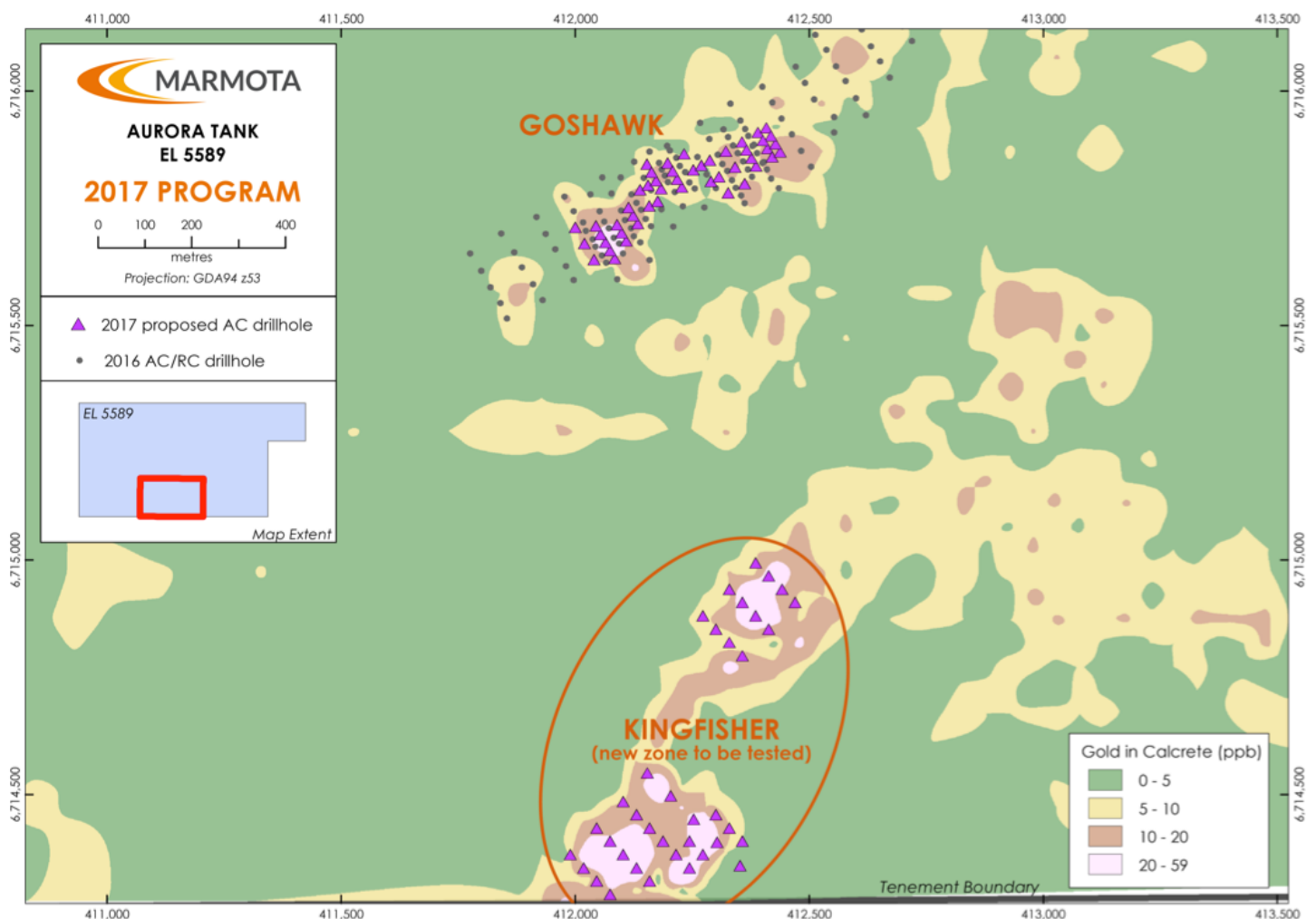


Figure 2: Summary: June/July 2017 aircore drillhole grid ▲

Aurora Tank is located approximately 50km NE of the Challenger gold mine [see Fig. 1]

2016 Drilling at Goshawk

- In September 2016, Marmota commenced its first drilling program at Aurora Tank, at the Goshawk Gold Prospect, with the intention of fully defining geochemical dispersion from gold mineralisation. The program has already yielded excellent significant intersections.
- 2016 drilling: 98 angled Aircore drill holes for 4,385 metres [ASX:MEU 29 Nov 2016]
31 RC drill holes for 2,604 metres [ASX:MEU 1 Feb 2017, 23 May 2017]

2016 Drilling: Highlights at Goshawk include:

- 3m at 11.3 g/t gold from 22m – Hole 16AT019 (incl 1m @ 23 g/t from 22m)
- 4m at 9.0 g/t gold from 25m – Hole 16AT043 (incl 1m @ 34 g/t from 27m)
- 4m at 3.7 g/t gold from 24m – Hole 16AT044 (and 1m @ 11 g/t from 20m)
- 4m at 6.2 g/t gold from 35m – Hole 16AT061 (incl 1m @ 23 g/t from 35m)
- 4m at 5.1 g/t gold from 40m – Hole 16AT126 (incl 1m @ 13 g/t from 41m)
- 4m at 5.0 g/t gold from 32m – Hole 16AT100 (incl 1m @ 10 g/t from 33m)
- 4m at 3.9 g/t gold from 20m – Hole 16AT062
- 4m at 3.3 g/t gold from 36m – Hole 16AT028
- 4m at 3.1 g/t gold from 16m – Hole 16AT107
- 4m at 3.2 g/t gold from 12m – Hole 16AT115
- 4m at 2.8 g/t gold from 16m – Hole 16AT118
- 4m at 3.2 g/t gold from 44m – Hole 16AT124
- 4m at 2.7 g/t gold from 28m – Hole 16AT128
- Significant gold mineralisation over 750m strike length
- More than 66 intersections greater than 1 g/t gold
- Mineralisation close to surface (consistently within 50m of surface)
- New 2017 drilling designed to increase confidence in ore continuity to aid estimation of a JORC Compliant Inferred Resource

Goshawk: The aircore drilling completed during June/July 2017 at Goshawk has infilled drillhole coverage to 50m depth to approximately 20 x 20m over a strike length of 500m, and is expected to lead to the estimation of an inferred resource at this deposit. At Goshawk, 2,299 metres were completed in 48 holes: initial composite assays are anticipated at around the end of July, which will be followed up with 1 metre assays.

Kingfisher: The Kingfisher target is characterised by a strong magnetic anomaly and some anomalous gold from a few historical RC holes. Aircore drilling was successfully completed with 39 holes for 1,890 metres, despite encountering some hard banded iron material. Assays are anticipated at the end of July.

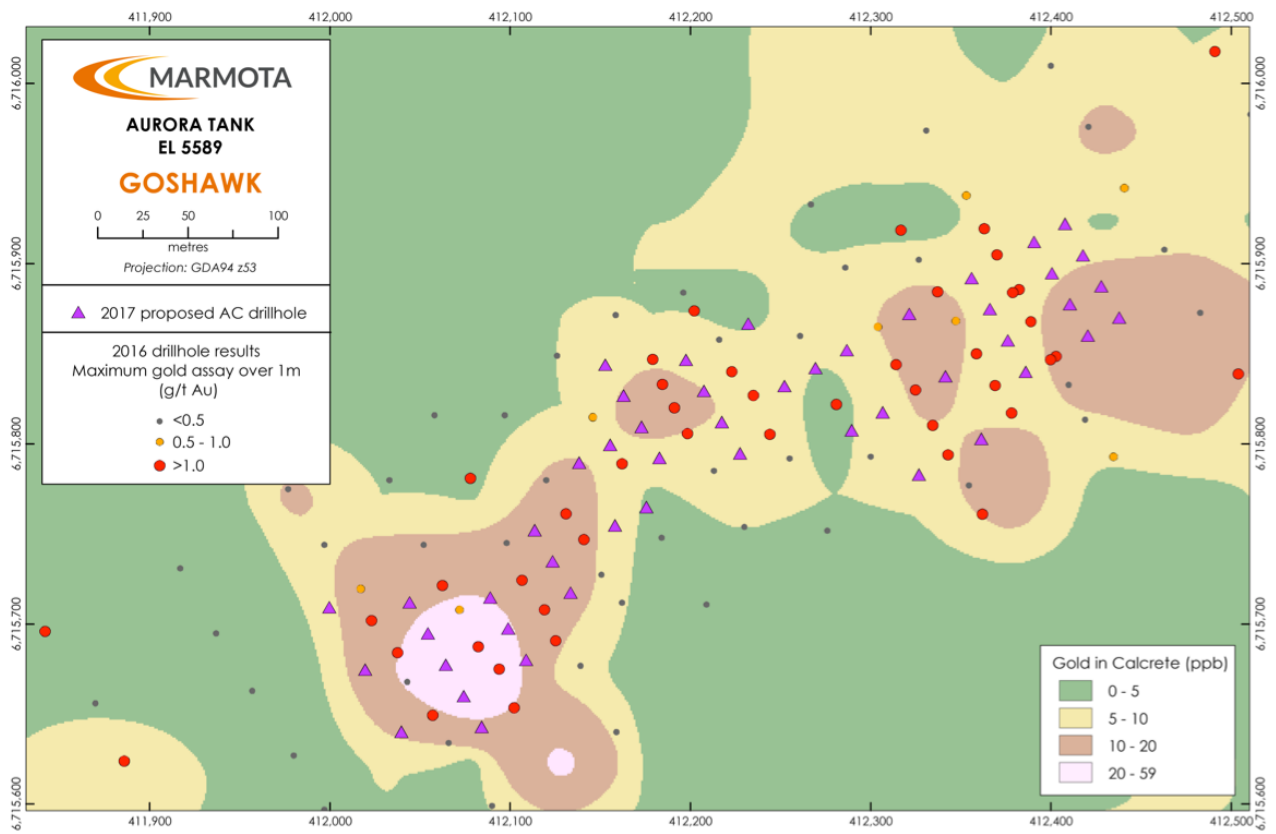


Figure 3 (detail): Goshawk – 2017 drill grid ▲ (June/July 2017)

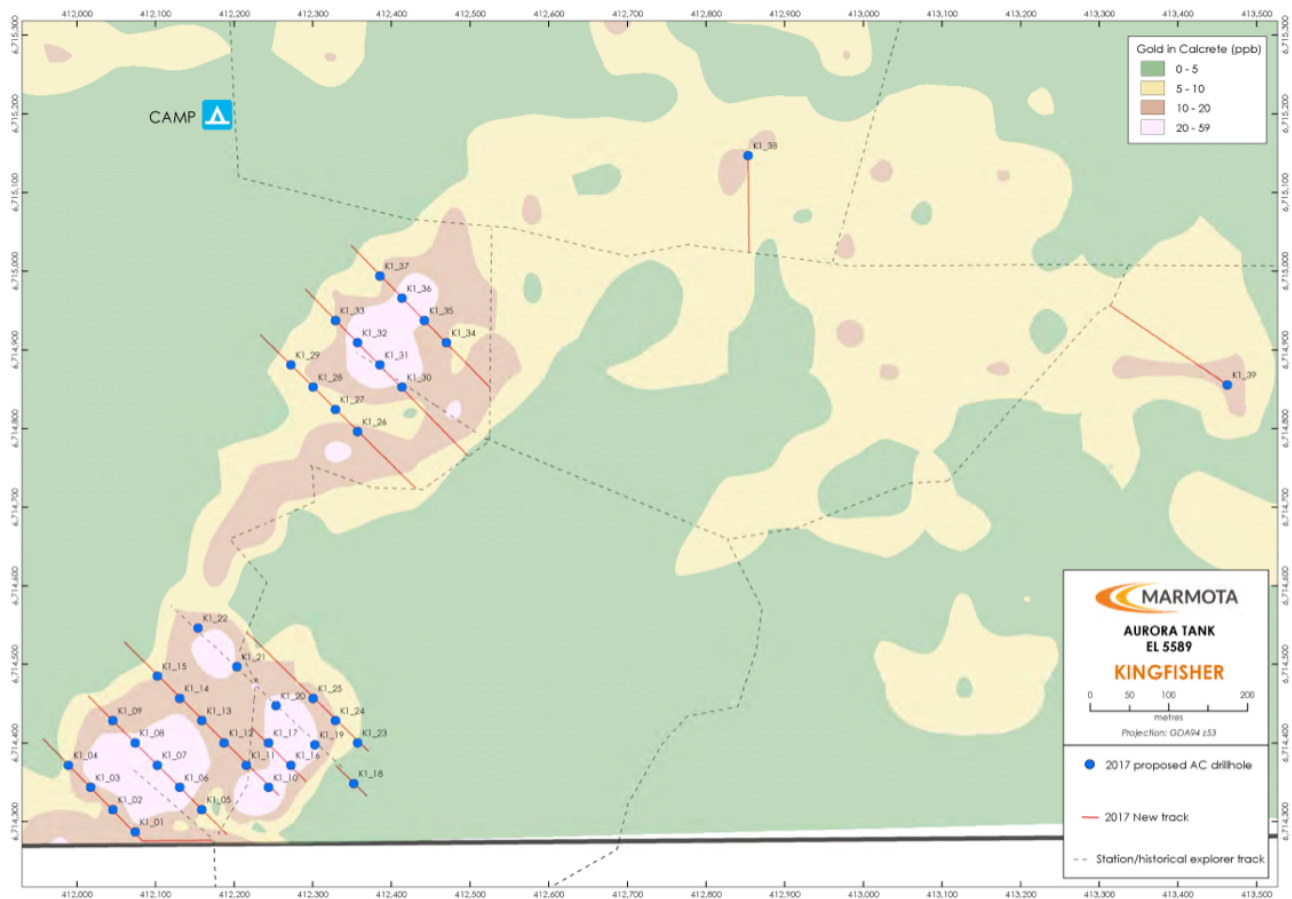


Figure 4 (detail): Kingfisher – 2017 drill grid ● (June/July 2017)

URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL5682	Junction Dam	100% of uranium
EL5124	Mulyungarie	100%

Marmota has:

- Inferred Resource of ¹ **5.4 million pounds** U_3O_8 with average grade of 557ppm U_3O_8 [ASX:MEU 18 July 2013]
- Overall Exploration Target² of 15 to 25 m tonnes at 400-700 ppm U_3O_8 containing **22–33 million pounds** U_3O_8 [Saffron deposit with Bridget and Yolanda prospects: ASX:MEU 9 July 2012]



Figure 5: Location of Junction Dam and Honeymoon Mine

Future exploration focus

- Watching developments re prospective re-opening of adjacent Honeymoon Plant, approximately 10km away.

¹ Upward revision of the Saffron deposit Inferred Resource size as indicated above follows the application of an average positive

COPPER Copper Coast – Yorke Peninsula

Tenement	Name	MEU Holding
EL5832	West Melton	100%
EL5122	Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%
EL 5209	North Melton	Marmota 75% Monax Mining Limited [ASX:MOX] 25%

Champion Copper

Background

- Champion Copper (EL 5832) is situated on the Yorke Peninsula in South Australia approximately 50km north of Rex Minerals Ltd Hillside copper-gold deposit [see Fig. 6]
- Significant copper mineralisation was identified at Champion during air-core drilling in 2014 [ASX:MEU 1 April 2014 and 7 May 2014]

2017 Drilling

In February 2017, Marmota commenced a drilling programme at Champion, completed in April, with the intention of extending mineralisation first identified in the 2014 air-core drilling program. The program consisted of 89 RC holes for 6,410 m and 2 diamond holes for 245m.

- Assays were reported during the quarter [see ASX:MEU 13 April 2017]
- Highlighted Intersections (downhole widths) greater than 0.3% Cu include:
 - 10m @ 0.66% Cu from 65m – Hole WMRC077; incl. 1m @ 1.17% Cu from 71m
 - 14m @ 0.44% Cu from 42m – Hole WMRC087
 - 14m @ 0.40% Cu from 31m – Hole WMRC008
 - 16m @ 0.35% Cu from 39m – Hole WMRC007
 - 13m @ 0.42% Cu from 43m – Hole WMRC060; incl. 1m @ 1.0% Cu from 55m
 - 11m @ 0.43% Cu from 20m – Hole WMRC015

Geology and Mineralisation

- At a 0.3% Cu cut off, the 2017 drilling results have defined an extensive low grade zone of secondary Cu mineralisation with elevated Au, approximately 1km along strike, trending in a north-easterly direction and 80 to 300m wide.
- The strongest secondary copper intersections from 2014 air-core drilling (greater than 0.5% Cu) have not been replicated in the current RC drilling programme.
- Infill drilling indicates moderate to steeply dipping Cu mineralisation often with a variably developed sub horizontal cap.
- Cu mineralisation appears to be dominantly in malachite between surface and 55m depth, transitioning to chalcopyrite at deeper levels.
- Cu mineralisation is hosted within partially weathered Paleoproterozoic metasediments.

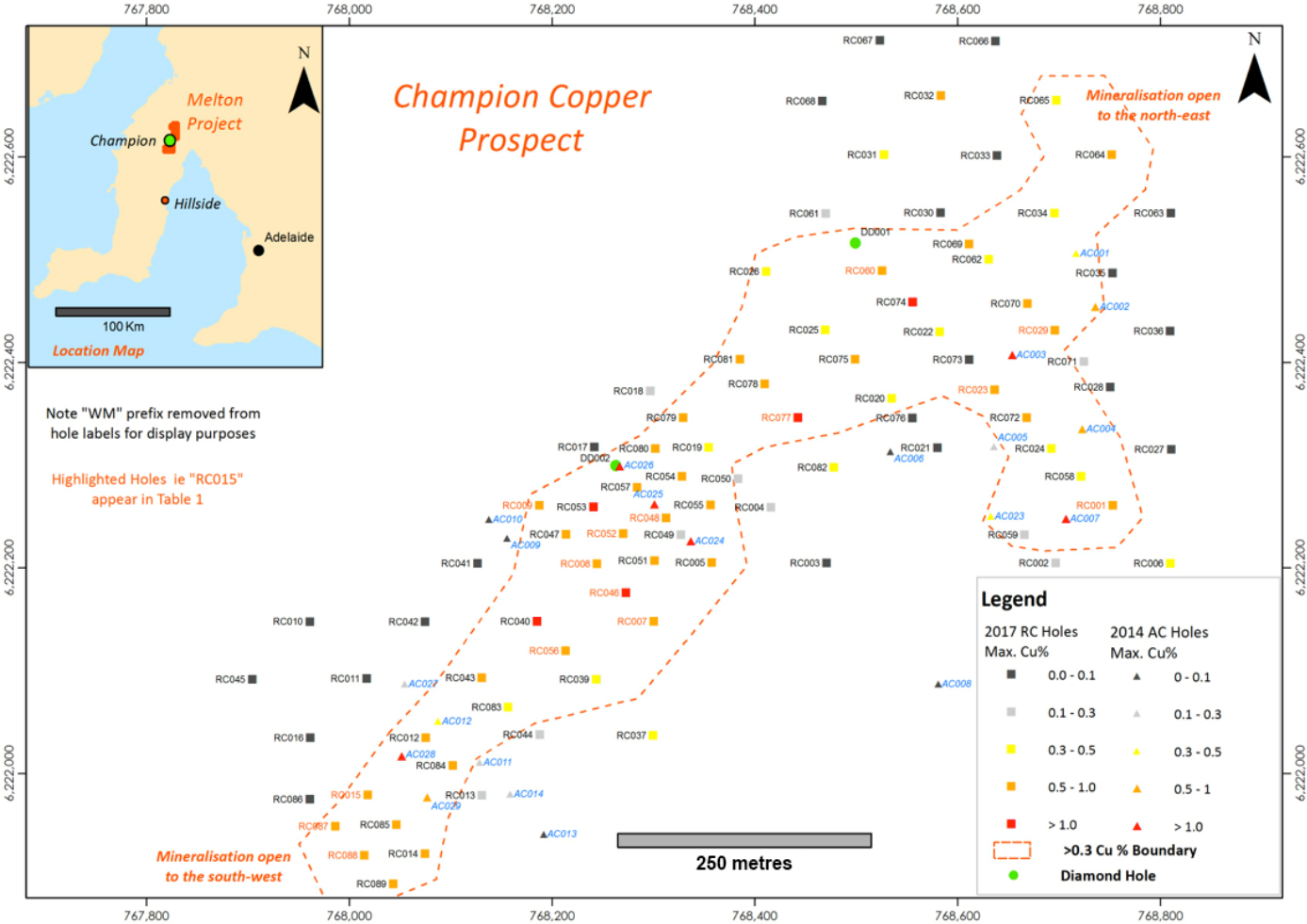


Figure 6: Champion: Maximum downhole Cu% intercepts for 2017 RC and 2014 AC Drilling

What is next?

GOLD

Aurora Tank

- Assay results from June/July 2017 drilling are due imminently
- Intention of estimating a JORC compliant Inferred Resource

Gawler Craton Gold

- 2017 calcrete program is underway

Competent Persons Statement

Information in this Release relating to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Dr Kevin Wills, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr Wills consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Where results from previous announcements are quoted, Marmota confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

For further information, please contact:

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About Marmota Limited

Marmota Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's cornerstone copper project is based at the Melton project on the Yorke Peninsula. The Company's largest uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: www.marmota.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MARMOTA LTD

ABN

38119270816

Quarter ended ("current quarter")

30 JUNE 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(740)	(1,552)
	(b) development		
	(c) production		
	(d) staff costs	(46)	(194)
	(e) administration and corporate costs	(31)	(157)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	10
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (government funding received)	2	25
1.9	Net cash from / (used in) operating activities	(811)	(1,868)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(1)
	(b) tenements (see item 10)		
	(c) investments		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	14	14
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	14	13

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,829
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(77)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	1,752

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,328	634
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(811)	(1,868)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14	13
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,752

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	531	531

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	494	1,291
5.2	Call deposits	37	37
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	531	1,328

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

49

-

The amount at 6.1 represents payments of non executive director's fees and salary (including superannuation) paid to executive director.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	330
9.2 Development	-
9.3 Production	-
9.4 Staff costs	16
9.5 Administration and corporate costs	44
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	390

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	n/a	n/a	n/a	n/a
10.2 Interests in mining tenements and petroleum tenements acquired or increased	n/a	n/a	n/a	n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 28 July 2017

Print name: Victoria Allinson

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

TENEMENT STATUS

(as at 30 June 2017)

Project name	Tenement	Number	Area (km ²)	Tenure holder / applicant	Details	MEU's interest %	Status
Junction Dam	Junction Dam	EL 5682	341	Teck Australia Pty Ltd 51%, Variscan Mines 39.2%, Eaglehawk Geological Consulting Pty Ltd 9.8%	JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting	100% of the uranium mineral rights	Granted
Melton	Melton	EL 5122	28	Marmosa P/L	JV with Monax Mining	75% of all minerals	Granted
	North Melton	EL 5209	137	Marmota	JV with Monax Mining	75% of all minerals	Granted
	West Melton	EL 5832	88	Marmota		100%	Granted
Ambrosia	Ambrosia	EL 5830	854	Marmosa P/L		100%	Granted
	Muckanippie	EL 5195	181	Marmota		100%	Granted
	Mulgathing	EL 5759	652	Marmota		100%	Granted
	Carnding	EL 5861	53	Marmota		100%	Granted
	Pegler	EL 5914	77	Marmota		100%	Granted
	Irria	EL 5930	406	Marmota		100%	Granted
	Bradman	EL 5527	92	Marmota		100%	Granted
Pundinya	Pundinya	EL 5684	435	Marmota		100%	Granted
Aurora Tank	Aurora Tank	EL 5589	48	Marmota		100%	Granted
	Woorong Downs	EL 5087	458	Marmota		100%	Granted
	Comet	EL 5088	268	Marmota		100%	Granted
Indooroopilly - Lake Anthony	Indooroopilly	EL 5799	584	Marmota		100%	Granted
	Mt Christie	EL 4995	564	Marmota		100%	Granted
	Lake Anthony	EL 5060	959	Marmota		100%	Granted
	Cudyea	EL 5377	145	Marmota		100%	Granted
Mulyungarie	Mulyungarie	EL 5124	17	Marmosa P/L		100%	Granted

Marmosa Pty Ltd is a wholly owned subsidiary of Marmota Limited