ASX ANNOUNCEMENT 29 October 2020

QUARTERLY ACTIVITY REPORT SEPTEMBER QUARTER 2020

Aurora Tank Gold Discovery 100% owned

The quarter has been particularly active, commencing with establishing a new semi-permanent camp at Aurora Tank, and then immediately using it as a base to carry out our largest drill program to date at the Aurora Tank gold discovery.

July, August, September RC Drilling Program

From mid-July to mid-September, Marmota carried out RC drilling at Marmota's Aurora Tank gold discovery: [ASX:MEU 24 July, 3 Sept, 14 Sept 2020]

- **RC drill program**: 134 holes
- **Total RC drilling**: ~ 12,500 m
- **Hole depths**: Average: 93m
  Max: 156m



Fig. 1: Aerial view of September RC Drilling at Aurora Tank Gold discovery [drone footage]

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A high-resolution live flyby of September drilling at Aurora Tank can be viewed at:

https://youtu.be/G6u0ZEpQNb0

The RC drill program has a number of objectives, including testing for new extensions, selected in-fill drilling to aid resource modelling and optimal pit design, or where previous holes were not deep enough.

Aurora Tank New Semi-Permanent Camp

As Marmota transitions towards a pathway to production at its Aurora Tank gold discovery, in July 2020 the Company set up a semi-permanent camp at Aurora Tank.

- **Camp includes:**
  multiple sleeping quarters
  separate kitchen &
  separate management office

- **First stage:** **5 air-conditioned donga units installed**

The new camp has already transformed the Company's operational capabilities at Aurora Tank.



Fig. 2: **Aerial view of new camp at Aurora Tank**

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Corporate

New capital

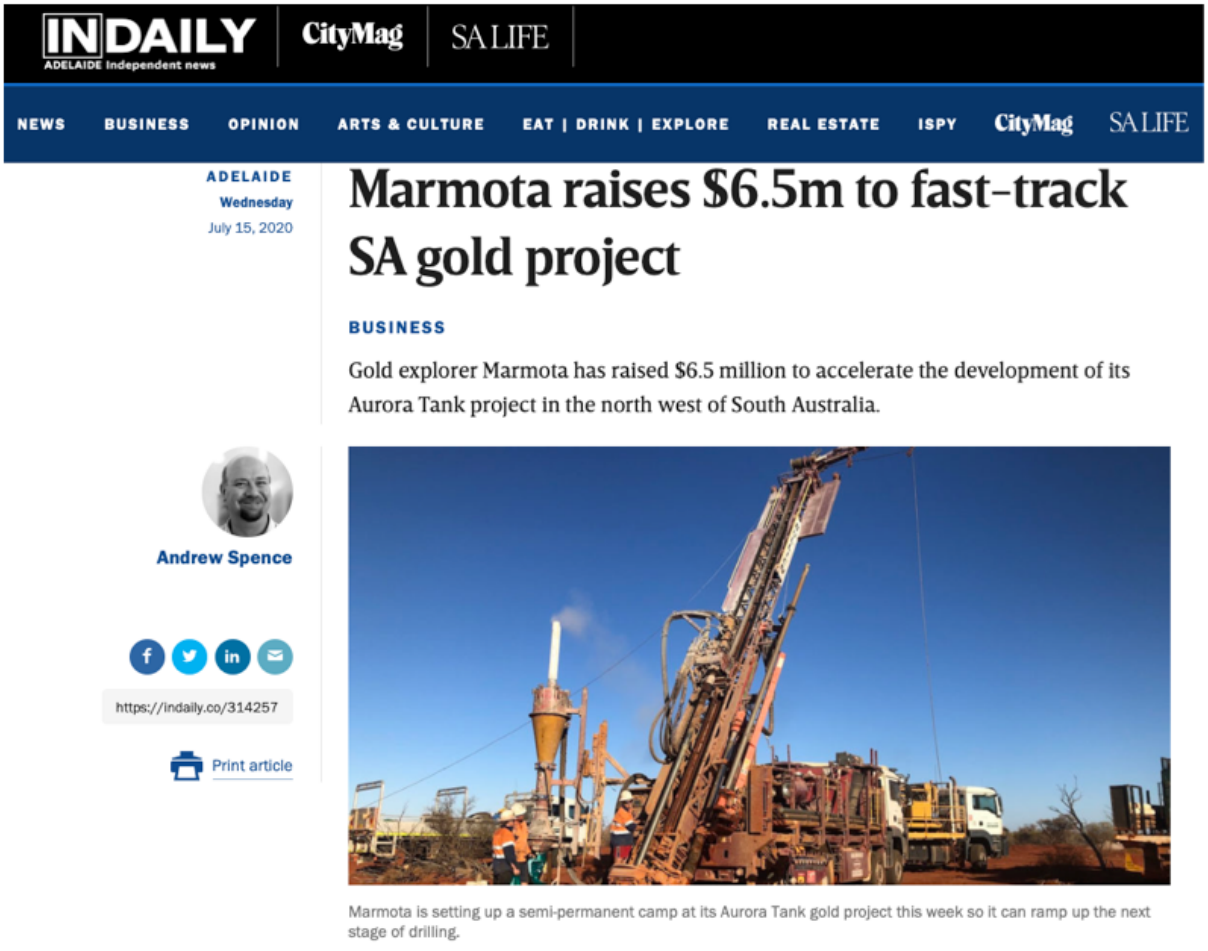
In July 2020, the Company raised $6.5 million via a heavily oversubscribed placement to sophisticated and professional investors at a price of 5.3c per share, with 1 attaching option for every 2 shares subscribed for (exercisable at 10 cents per share with a 2 year expiry). The strength of the support has placed the Company in its strongest financial position in many years. [ASX:MEU 15 July 2020]

AGM The AGM will be held at 3pm (Adelaide time) on:

Wednesday 25 November 2020 at:
BDO, Level 7, 420 King William St, Adelaide

For full detail, please see the **Notice of Meeting** [ASX:MEU 19 Oct 2020]

MEU In the News



INDAILY ADELAIDE Independent news | CityMag | SALIFE

NEWS BUSINESS OPINION ARTS & CULTURE EAT | DRINK | EXPLORE REAL ESTATE ISPY CityMag SALIFE

ADELAIDE
Wednesday
July 15, 2020

Marmota raises $6.5m to fast-track SA gold project

BUSINESS

Gold explorer Marmota has raised $6.5 million to accelerate the development of its Aurora Tank project in the north west of South Australia.

Andrew Spence

https://indaily.co/314257

Print article

Marmota is setting up a semi-permanent camp at its Aurora Tank gold project this week so it can ramp up the next stage of drilling.

Source: *Indaily* 15 July 2020

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Exploration Activities during Quarter

GOLD Gawler Craton

Tenement	Name	MEU Holding
EL 6470	Aurora Tank	100%
EL 6513	Ambrosia	100%
EL 6514	Pundinya	100%
EL 6166	Muckanippie	100%
EL 5799	Indooroopilly	100%
EL 6123	Mt Christie	100%
EL 6082	Lake Anthony	100%
EL 6348	Cudyea	100%
EL 5759	Mulgathing	100%
EL 6083	Woorong Downs	100%
EL 6084	Comet	100%
EL 6463	Bradman	100%
EL 5861	Carnding	100%
EL 5930	Irria	100%
EL 5914	Pegler	100%
EL 6040	Commonwealth Hill	100%
EL 6371	Malbooma	100%

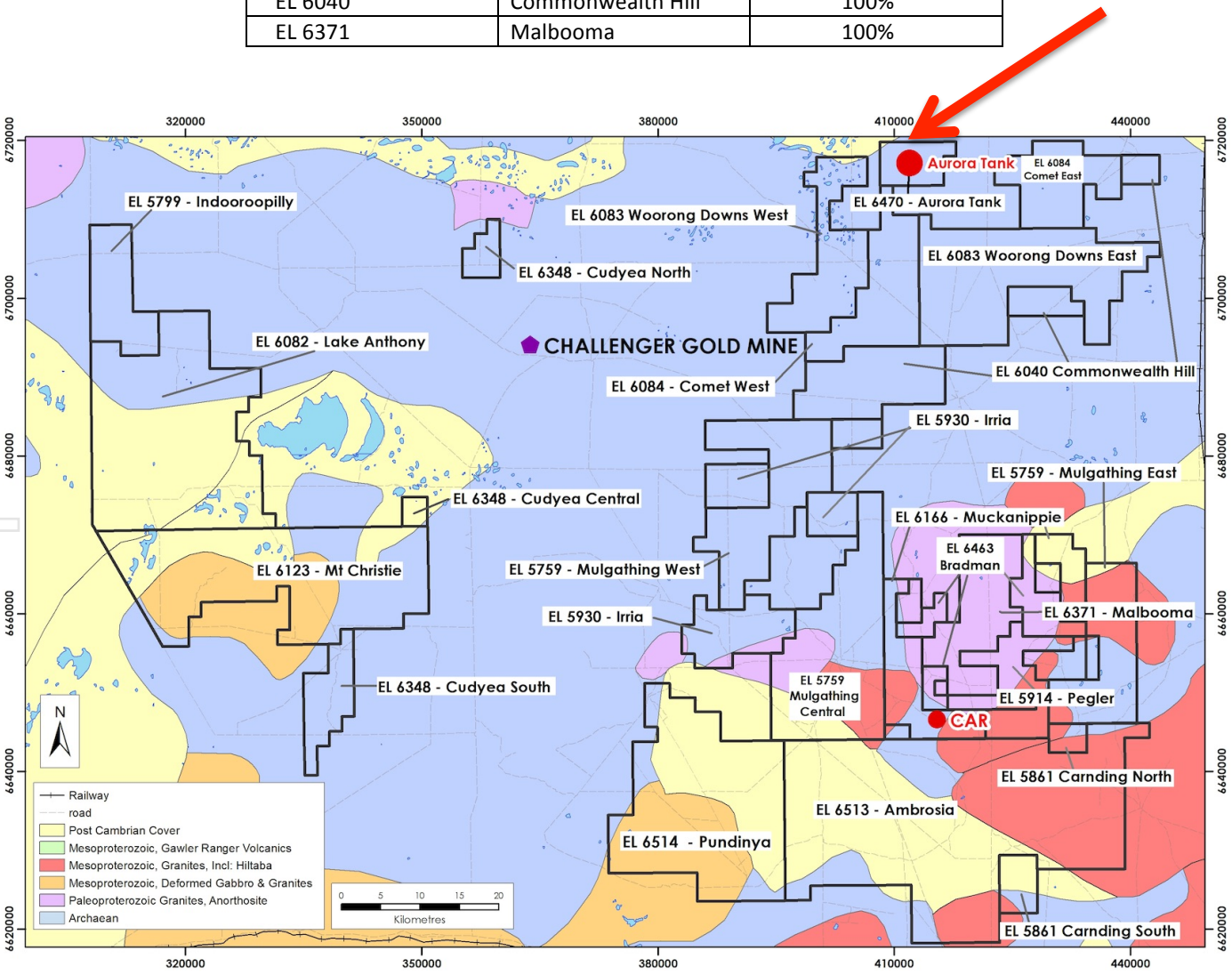


Figure 3: **Marmota's Gawler Craton Gold Project, around the Challenger Gold mine Aurora Tank Gold discovery (RED arrow)**

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Gawler Craton Gold 100% owned

Marmota's Aurora Tank gold discovery is located about 100km SW of Coober Pedy, and 50km NE of the Challenger Gold Mine, in the Woomera Prohibited Defence Area of South Australia [see Fig. 3].

New camp + July/August/September RC drill program: discussed above.
For full detail, please see: [ASX:MEU 20 July, 24 July, 3 Sept, 14 Sept 2020]
Assay results are due imminently.

Marmota was recently awarded a $225,000 grant by the South Australian Government under the ***Accelerated Discovery Initiative*** (ADI) [ASX:MEU 24 June 2020]. Marmota's first work funded by that grant commenced during the quarter, including a program of calcrete and biogeochemical sampling on the Ambrosia tenement EL 6513, and an R&D component modelling surface expressions of geochemical/biogeochemical anomalism in relation to underlying mineralisation, including at Aurora Tank. The program is ongoing.

Marmota is actively refining the Company's substantial tenement holding as our exploration team works through our tenement holding, adding ground and/or relinquishing as deemed desirable.

COPPER Copper Coast – Yorke Peninsula

Tenement	Name	MEU Holding
EL 5832	West Melton	100%

- Champion Copper (EL 5832) is situated on the Yorke Peninsula in South Australia approximately 50km north of Rex Minerals Ltd Hillside copper-gold deposit.

URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL5682	Junction Dam	100% of uranium

Junction Dam is strategically located 15 km east from the Honeymoon (ASX:BOE) in-situ recovery (ISR) uranium mine (west of Broken Hill) [see Fig. 4]

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Marmota has:

- JORC Inferred Resource of **5.4 million pounds** U_3O_8 with average grade of 557ppm U_3O_8 [ASX:MEU 18 Nov 2011, 20 Feb 2012, 17 July 2013]
- Overall Exploration Target[1] of **22–33 million pounds** U_3O_8 at approx. 400 to 700 ppm U_3O_8
- Assay grades of up to 8,143ppm U_3O_8 at the Saffron deposit

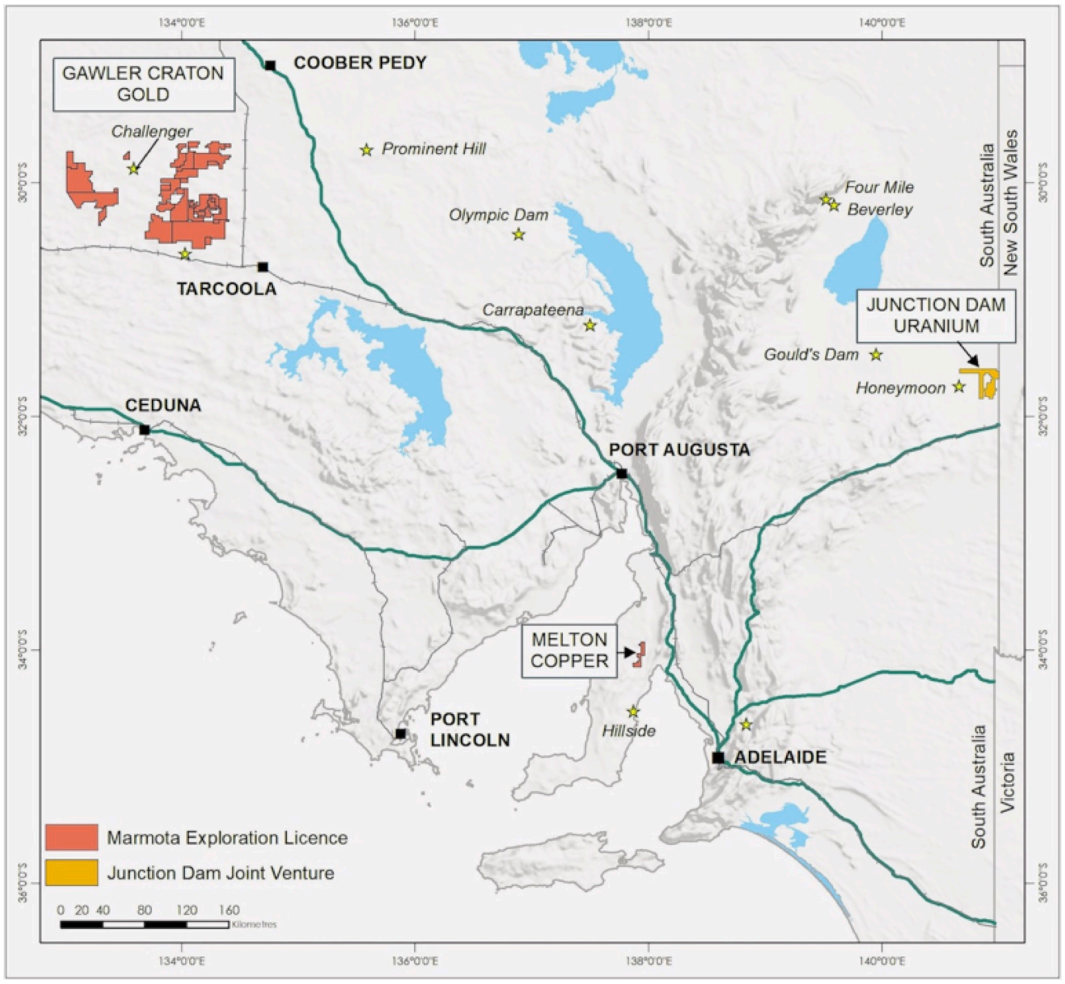


Figure 4: Location of Junction Dam

The MEU Board has recently commenced a strategic review of its uranium assets to add value to shareholders. [ASX:MEU 11 June 2020]

Marmota is particularly well-placed for an upturn in the uranium sector, with an existing uranium JORC Resource that the Company spent millions of dollars to develop in prior years, and which is located adjacent to one of only 4 permitted mines in Australia. The Board is watching this space with interest.

[1] Saffron deposit with Bridget and Yolanda prospects: see ASX:MEU 9 July 2012. The potential quantity and grade of an Exploration Target is conceptual in nature. The estimates of Exploration Targets should not be misunderstood or misconstrued as estimates of Mineral Resources. It is uncertain if further exploration over those zones currently defined by an Exploration Target will result in the determination of a Mineral Resource.

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What is next?

Aurora Tank Gold

RC drill program: July / August / September 2020

- **Assay results are expected imminently.**

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 the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released.

For further information, please contact:

Marmota Limited

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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 copper project is based at the Melton project on the Yorke Peninsula. The Company's 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MARMOTA LTD

ABN	Quarter ended ("current quarter")
38 119 270 816	**30 SEPTEMBER 2020**

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 (if expensed)		
	(b) development		
	(c) production		
	(d) staff costs	(28)	(28)
	(e) administration and corporate costs	(31)	(31)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(54)**	**(54)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(78)	(78)
	(d) exploration & evaluation (if capitalised)	(564)	(564)
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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**	**(642)**	**(642)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,500	6,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(347)	(347)
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**	**6,153**	**6,153**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,451	2,451
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(54)	(54)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(642)	(642)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,153	6,153
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**7,908**	**7,908**

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	7,869	7,869
5.2	Call deposits	39	39
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)**	**7,908**	**7,908**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	18
6.2	Aggregate amount of payments to related parties and their associates included in item 2	31

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 and 6.2 sets out payment of non-executive and executive directors' fees, salaries and superannuation to the directors for the quarter.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(54)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(564)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(618)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	7,908
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	7,908
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	12.8

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

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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.

Date: 29 October 2020

Authorised by: LN Askham-Levy

Lisa Askham-Levy: CFO and Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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TENEMENT STATUS

(as at 30 September 2020)

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SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km^2)	Details	Marmota's interest %	Status
Junction Dam	Junction Dam ELA 2020/00030	EL 5682	341	JV with Teck Australia, Variscan Mines & Eaglehawk Geological Consulting	100% of the uranium mineral rights	Granted
Melton	West Melton	EL 5832	88		100%	Granted
Gawler Craton West Block	Indooroopilly	EL 5799	100		100%	Granted
	Lake Anthony	EL 6082	495		100%	Granted
	Mt Christie	EL 6123	466		100%	Granted
	Cudyea	EL 6348	110		100%	Granted
Gawler Craton NE Block	Aurora Tank	EL 6470	48		100%	Granted
	Woorong Downs	EL 6083	458		100%	Granted
	Comet	EL 6084	268		100%	Granted
	Commonwealth Hill	EL 6040	196		100%	Granted
Gawler Craton SE Block	Ambrosia	EL 6513	854		100%	Granted
	Muckanippie	EL 6166	145		100%	Granted
	Mulgathing	EL 5759	652		100%	Granted
	Pundinya	EL 6514	435		100%	Granted
	Bradman	EL 6463	92		100%	Granted
	Carnding	EL 5861	53		100%	Granted
	Irria	EL 5930	406		100%	Granted
	Pegler	EL 5914	77		100%	Granted
	Malbooma	EL 6371	178		100%	Granted