ASX ANNOUNCEMENT 29 July 2021

QUARTERLY ACTIVITY REPORT JUNE QUARTER 2021

Aurora Tank Gold Discovery 100% owned

Diamond drilling has recently commenced at Aurora Tank. [ASX:MEU 6 July 2021]

In preparation for the planned diamond drilling program, camp infrastructure at Aurora Tank was upgraded during the quarter, including:

- Septic tank and waste water treatment system installed [ASX:MEU 18 May 2021]
- Doubling water tank capacity to 90,000 litres (necessary for diamond drilling program)
- Arrival of first self-bunded 10,000L diesel storage tank

Diamond drilling then commenced in early July 2021.

Figure 1: Diamond drilling underway at Aurora Tank (July 2021)

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Diamond Program commenced July 2021

- **Diamond drill program**: 14 holes (approx.)
- **Total drilling**: 1,000m (approx.)
- **Maximum depth**: 200m downhole

The diamond program is primarily a **production-focused program**, designed to provide the necessary detail to advance Aurora Tank to production, including:

1. **Geotechnical:** design of optimal pit walls at Aurora Tank

2. **Bulk Density measurements:**
Required for completing (a) **resource estimation** and (b) **scoping/feasibility studies**

3. **Bulk samples** to enable final phase metallurgical testing across:

a) different weathering zones (from strongly weathered oxide zones to deeper fresh rock) and
b) different areas of the deposit, including the first diamond drilling in the high-grade NW flank

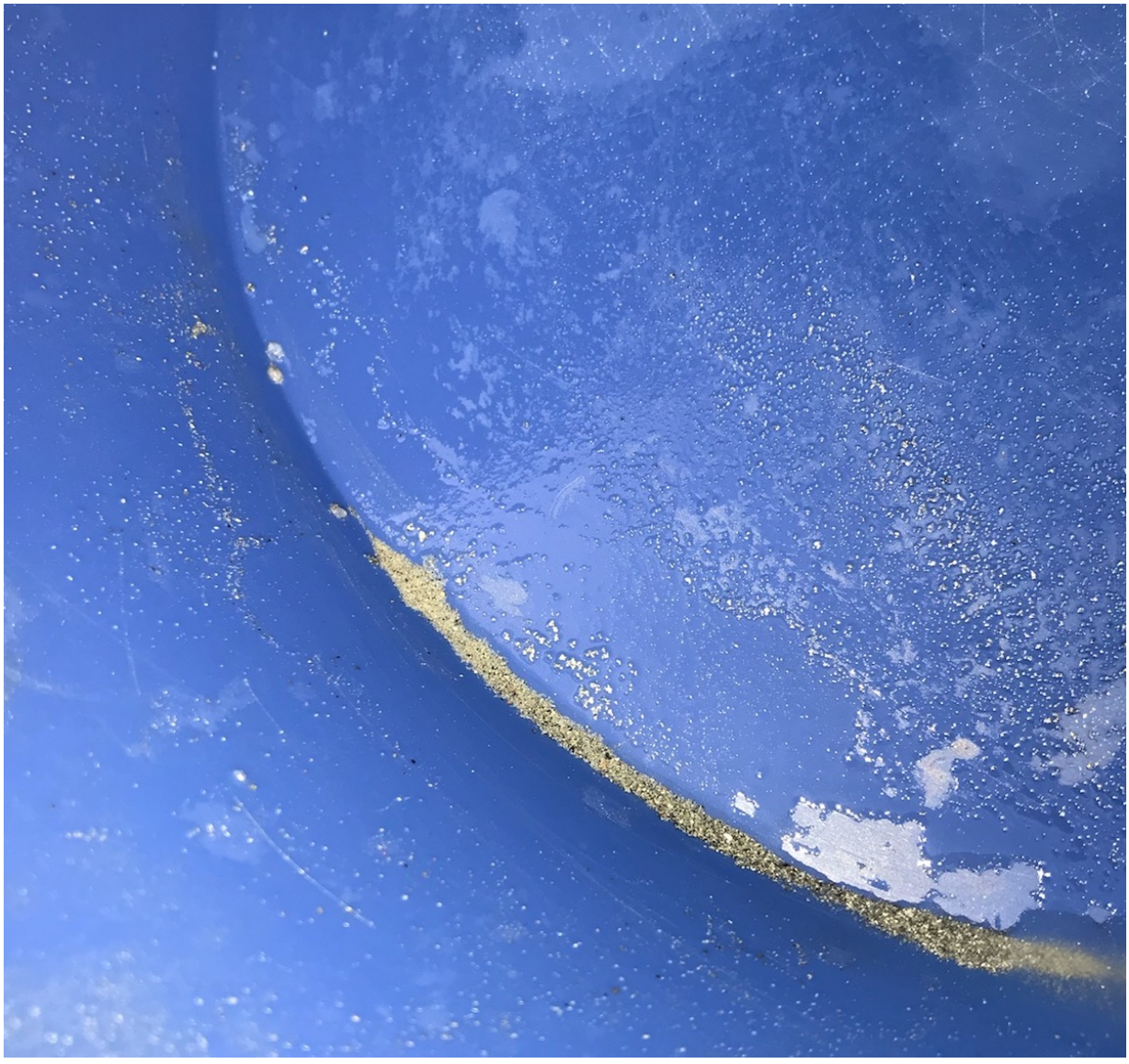

Figure 2: Gold grains panned on site yesterday by one of the drillers from some loose sandy material in the core barrel while drilling Planned Hole 6

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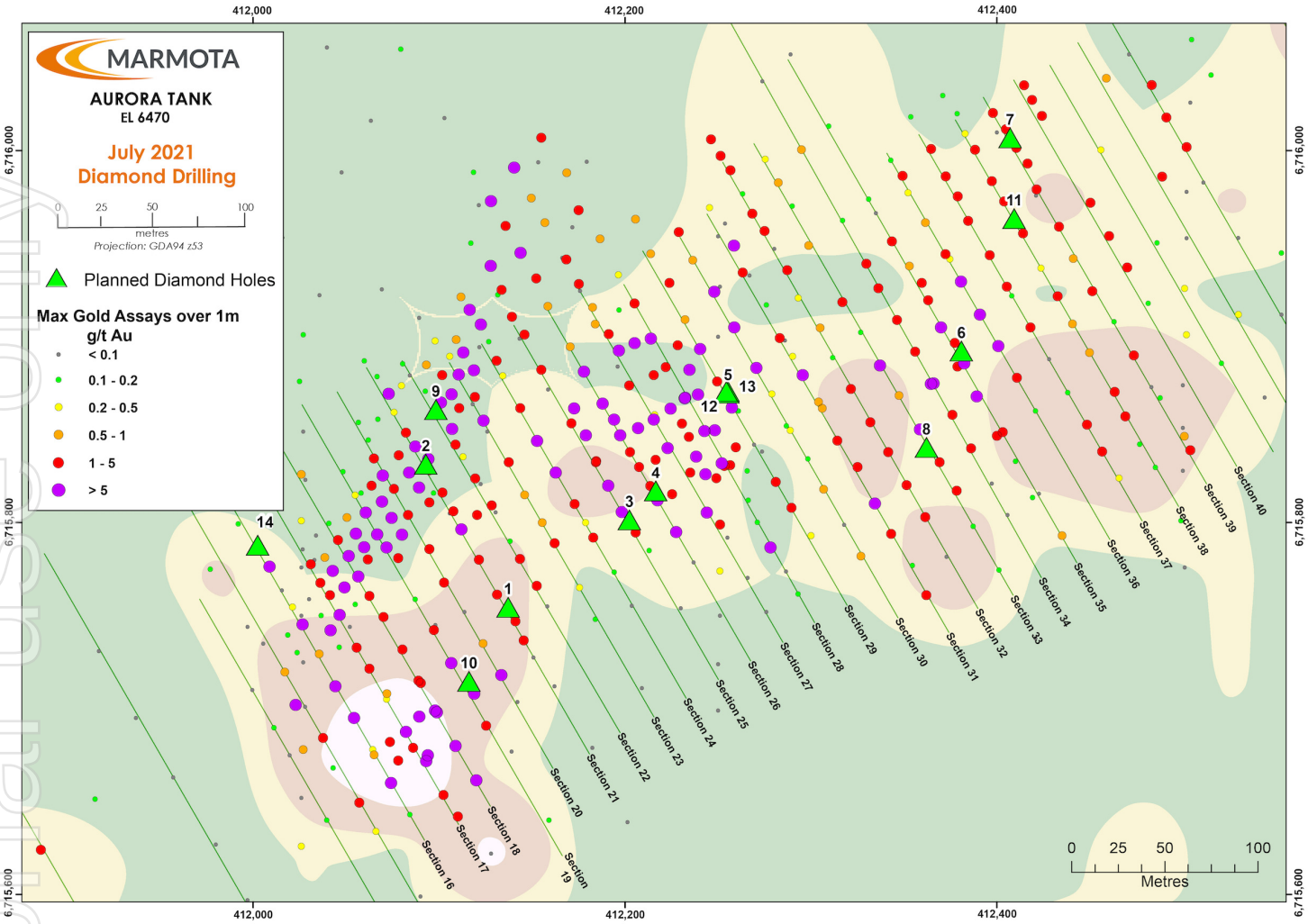

Figure 3: Aurora Tank Planned July/August 2021 Diamond holes

Effect of COVID lockdowns

Marmota's activities are usually largely unaffected by COVID, partly due to the remoteness of the Company's field operations which provide their own natural isolation. Even so, in part due to logistical challenges posed by drill rigs / crew arriving from interstate contemporaneously with COVID outbreaks in multiple states that have caused State border closures, as well as internal South Australia lockdowns, requiring additional permitting, mandatory checks in Coober Pedy for interstate crew, and some delays with crew rotations and replacements — some downtime at Aurora Tank was experienced in July (subsequent to the end of the quarter).

At the time of writing, over 43% of the diamond program has been drilled with generally very good recoveries. The diamond drilling program is now expected to complete by late August, such timing also allowing for a likely expansion to the program.

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Jumbuck Acquisition $2.4 million cash payment made

Further to the Share and Asset Sale Agreement for Marmota to acquire all of the rights, title and interest of Tyranna Resources Limited ('Tyranna' ASX:TYX or 'Vendor') in the **Jumbuck Gold Project** [see **ASX:MEU** 30 Nov 2020] (and subsequent minor updates to same) ('Share and Asset Sale Agreement'):

- All of the conditions precedent to the updated Share and Asset Sale Agreement have been satisfied, leaving only receipt of Ministerial Consent (relating to a subset of tenements) for completion.

- Marmota made payment during the quarter of the entire outstanding $2.4million cash component of the transaction into a trust account for the benefit of Tyranna, such funds to be released on receipt of Ministerial Consent relating to the transfer to Marmota of a subset of the tenements.
  [see **ASX:MEU** 1 June 2021]

With this hurdle achieved, it leaves only Ministerial Consent (for a subset of tenements) to enable Completion. The Jumbuck Gold Project more than doubles Marmota's Gawler Craton gold exposure from around 5,000 km^2 to over 12,000 km^2.

Board Renewal

Marmota welcomed on to the Board [see **ASX:MEU** 11 May 2021] Neville Bergin and Aaron Brown, and thanked Dr Kevin Wills and Shane Barker for their contribution to the Board. Dr Wills continues to advise the Company on its exploration program in his new role as Consulting Geologist, for both the Aurora Tank gold discovery and the new Jumbuck project.

Neville Bergin joined the Board of Marmota as of 11 May 2021 as *Non-executive Director – Production*. Neville is a mining engineer with over four decades of experience in the mining industry, primarily in operations in the gold sector. He has both open pit and underground operational experience.
Neville has previously held roles as a director of Northern Star Resources Ltd, as Vice President of Gold Fields Australia Pty Ltd where he oversaw operational management of the company's Australian mines, and as General Manager (Operations) for Jubilee Mines. He was the manager of the Fosterville Gold Project when it was an oxide gold heap leach operation – of particular relevance to Marmota, which plans a heap leach operation at its Aurora Tank gold discovery. Neville most recently managed the Definitive Feasibility Study for Capricorn Metals Karlawinda Gold Project which poured its first gold in the June quarter 2021. The Company is delighted to welcome Neville onto the Board.

Aaron Brown joined the Board of Marmota as *Executive Director – Exploration*. Aaron is an exploration geologist with over 17 years' experience, exploring for gold, uranium, copper and nickel across a range of terrains in South Australia (particularly in the Gawler Craton), the Northern Territory and WA. Aaron joined Marmota in January 2018 as Senior Geologist, and has been working together with Dr Wills in driving the development of the Aurora Tank gold discovery. Aaron also heads up Marmota's biogeochemical exploration program that has given rise to the discovery of the new NW flank at Aurora Tank, including multiple outstanding intersections of over 100 g/t gold over 1m. Aaron is already well-known to the Company, and the Company now welcomes him to the Board.

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Tenement Overview 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%

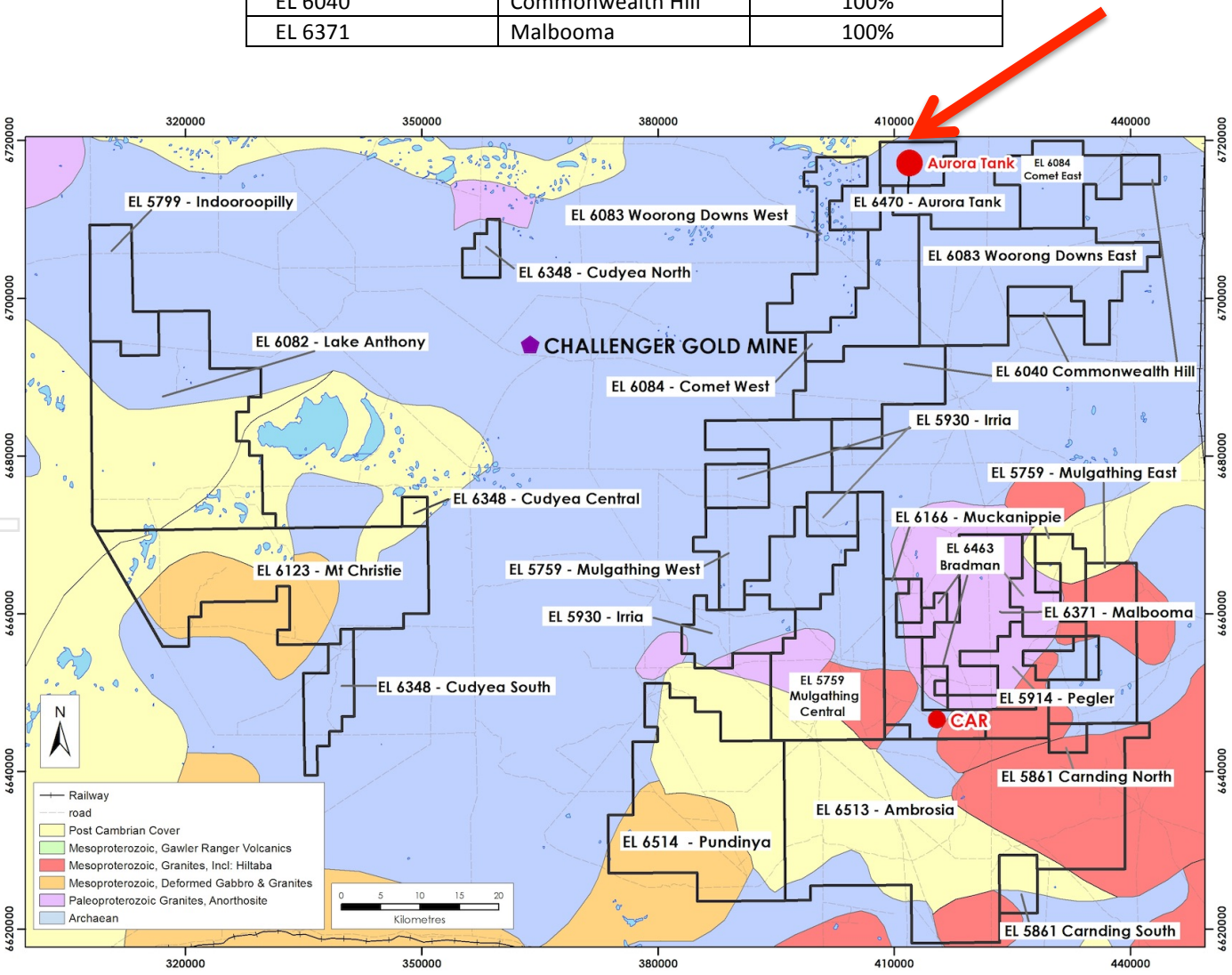

Figure 4: **Marmota's Gawler Craton Gold Project, around the Challenger Gold mine Aurora Tank Gold discovery (RED arrow)**

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Gawler Craton Gold 100% owned

Aurora Tank

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. 4].

Summary details are provided on pages 1 to 3 of this Quarterly Report.

Figure 5: Aerial view of new infrastructure works (May) at Aurora Tank camp

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Marmota is further 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.

ADI Program

Marmota was recently awarded a $225,000 grant by the South Australian Government under the ***Accelerated Discovery Initiative*** (ADI) [ASX:MEU 24 June 2020]. Work funded by that grant during the quarter included Phase 2 of a program of calcrete and biogeochemical sampling on the Aurora Tank tenement and surrounding, and an R&D component modelling surface expressions of geochemical/biogeochemical anomalism in relation to underlying mineralisation, including at Aurora Tank. Based on the calcrete sampling, some 2 to 4 new gold anomalies in calcrete have been identified and require further infill sampling. Marmota is still awaiting final biogeochemical assays, prior to selecting potential drill targets.

Figure 6: **New water tanks arriving at Aurora Tank camp in May**

URANIUM Junction Dam project

Tenement	Name	MEU Holding
EL6530	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. 7]

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

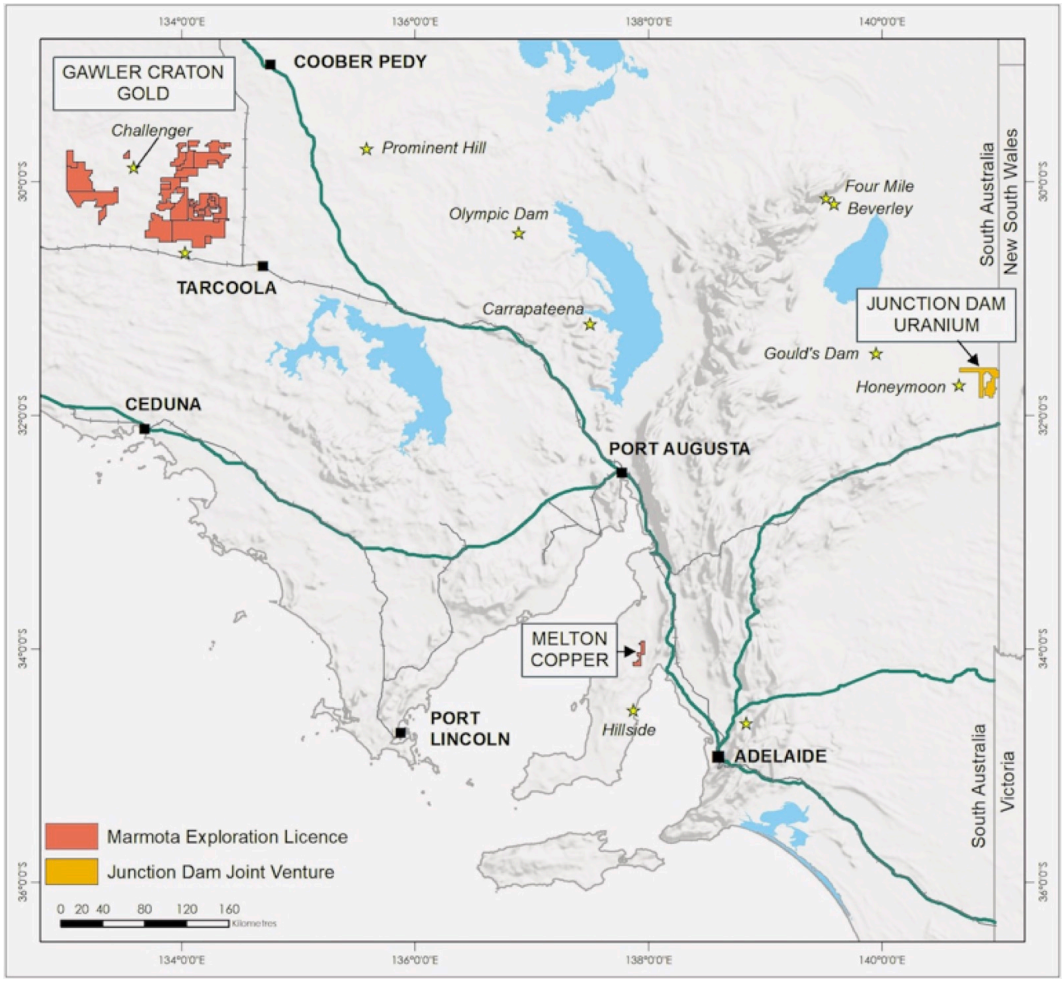

Figure 7: Location of Junction Dam

[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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The MEU Board 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.

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.

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What is next?

Aurora Tank Gold

- **Diamond drilling program underway through August 2021**
- **RC drilling program to follow**

Accelerated Discovery Initiative: ADI

- **Additional infill of selected targets**
- **Analysis and interpretation of calcrete and biogeochemical data**
- **Selection of best targets for drilling**

Marmota acquisition of Jumbuck Gold project

- On 30 November 2020, Marmota entered into a binding agreement with Tyranna Resources to acquire all of the rights, title and interest of Tyranna Resources Ltd in the Jumbuck Gold project, adjacent to MEU ground.
- Marmota has made cash payment of outstanding $2.4m cash, leaving only Ministerial approval to enable Completion (expected this quarter)
- Planning work commencing this quarter for first work programs.
- For detail regarding the transaction, please see: ASX:MEU 30 Nov 2020 .

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:

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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

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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 JUNE 2021**

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	(23)	(99)
	(e) administration and corporate costs	(36)	(175)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	34
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**	**(56)**	**(240)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements	(2,400)	(2,500)
	(c) property, plant and equipment	(77)	(204)
	(d) exploration & evaluation (if capitalised)	(214)	(1,513)
	(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**	**(2,691)**	**(4,217)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	15
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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 (right of use asset lease payment)	(9)	(36)
3.10	**Net cash from / (used in) financing activities**	**(9)**	**6,132**

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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	6,882	2,451
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(56)	(240)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,691)	(4,217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	6,132
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**4,126**	**4,126**

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	4,088	6,843
5.2	Call deposits	38	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)**	**4,126**	**6,882**

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	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	32

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.

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)	(56)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(214)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(270)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,126
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,126
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	15.3

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 July 2021

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 June 2021)

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SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km^2)	Details	Marmota's interest %	Status
Junction Dam	Junction Dam	EL 6530	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	83		100%	Granted
	Carnding	EL 5861	53		100%	Granted
	Irria	EL 5930	196		100%	Granted
	Pegler	EL 5914	77		100%	Granted
	Malbooma	EL 6371	178		100%	Granted