



MARMOTA

ANNUAL REPORT

2022

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COMPLIANCE STATEMENTS

DISCLAIMER

This Annual Report contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.

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.

EXPLORATION TARGETS

Exploration Targets are reported according to Clause 18 of the JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.

COMPETENT PERSON

The information in the Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Aaron Brown who is a Member of the Australian Institute of Geoscientists. 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." Mr Brown consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

ANNUAL GENERAL MEETING

Shareholders are invited to attend the Marmota 2022 AGM:

Venue: BDO
Level 7
420 King William Street
Adelaide, South Australia

Time: Thursday **24 November 2022** at 3 pm (Adelaide time)

Full details are contained in the Notice of Meeting available online.

Front Cover: *Aurora Tank by night* (October 2022): time-lapse photograph
Photograph credit: Sam Brown www.instagram.com/iaperturecat/



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ASX: **MEU**

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CHAIRMAN'S REPORT

Dear Fellow Shareholder

It is with considerable pleasure that we present the Marmota Ltd 2022 Annual Report.

- **Bonanza gold grades + best ever intersections**

During the financial year, Marmota **drilled more than 13,000m**, in the process yielding bonanza gold grades and our **best ever gold intersection of 217 g/t** over 1m (at 103m from surface at Aurora Tank) [ASX:MEU 29 Sept 2022], and even exceeding the **197 g/t gold over 1m** (at ~ 57m from surface) from the previous financial year located ~200m to the north [ASX:MEU 4 Feb 2021].

This is the fifth time Marmota has intersected bonanza grades of around 100 g/t or more at Aurora Tank, and it is now very pleasing to see our best ever results extend deeper into fresh rock. It is even more remarkable to do so as part of an extensional program, in this case exploring ground to the SW. Follow-up drilling is already under way [ASX:MEU 7 Oct 2022].

- **First BLEG analysis**

In February 2022, the first Bulk Leach Extractable Gold (BLEG) analysis of gold samples from Aurora Tank yielded grades **over 200 g/t gold** [ASX:MEU 22 Feb 2022]. The high-precision BLEG method has (a) confirmed bonanza results at Aurora Tank, and (b) yielded even higher average grades over the same intervals.

- **Aurora Tank: First Pit Wall Design**

In June 2022, Marmota advised it had received the first pit wall parameters to be used in the design of an open pit at Aurora Tank, ticking off another step on the pathway to production at Aurora Tank.

- **Wildcat hole at Comet finds gold**

As part of the government-funded *Accelerated Discovery Initiative* (ADI), in June 2022, Marmota carried out the first drilling (by any company) ever on the Comet (West) tenement, south of Aurora Tank. Remarkably, an isolated wildcat hole, without any surface gold-in-calcrete anomaly, intersected over 7 g/t gold over 1m (at 47m from surface) [ASX:MEU 14 Oct 2022]. Follow-up drilling is to commence in November 2022.

- **Welcome Jumbuck**

In FY22, Marmota completed its acquisition of the rights, title and interest of the Jumbuck Gold Project from Tyranna Resources Limited ('Tyranna' ASX:TYX). The

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acquisition has doubled Marmota's tenement holding in the highly prospective area from around 5,000 km² to 10,000 km² and includes a substantial gold JORC resource as part of the Western Gawler Craton JV.

- **Corporate**

Subsequent to the end of financial year, the Company has raised over \$4 million via placement to sophisticated investors at 5.3c per share. The Company is very grateful for the support of shareholders. Some of those funds are already hard at work in the follow-up drilling work already commenced.

- **Trifecta of high-value commodity exposure**

Marmota now provides a **trifecta of high-value commodity exposure** to our shareholders:

- **GOLD** The underlying AUD gold price is extremely favourable to us; Marmota reporting its highest assay results ever, recent acquisition of the Jumbuck project (adding multiple gold deposits holding over 300,000 ounces), new follow-up 8,000m RC drilling program underway, and excellent potential for low-cost, open-pittable heap leach gold production.
- **URANIUM** The uranium price has doubled in the last year; ever closer to the re-opening of the adjacent Honeymoon plant with Boss Energy raising more than \$125m to potentially re-start the Honeymoon plant, and their market cap exceeding \$950 million (prior to even being in production) and with obvious implications for the value of Marmota's adjacent uranium JORC resource;
- **RARE EARTH ELEMENTS** New major high-value Rare Earth Elements discovery by Petratherm, immediately on Marmota's tenement boundary, and with the most exceptional high-value magnet REE results achieved *on our boundary*. As the hosting ionic clays are regional, this opens the potential for significant REE discoveries on our tenements.

- **Welcome to new shareholders**

As the Company's underlying fundamentals improve, Marmota is seeing a considerable inflow of new investor interest, with a net inflow of over 440 new shareholders onto the register in the last year (increasing from 2,787 to 3,228 shareholders over the period). The Company extends a very warm welcome to all new MEU shareholders.

We look forward to an exciting year ahead!



Dr Colin Rose
Chairman



REVIEW OF OPERATIONS

GOLD

URANIUM

COPPER

Gawler Craton

Junction Dam

Melton

– NW of Tarcoola, SA

– NW of Broken Hill (in SA)

– Yorke Peninsula, SA

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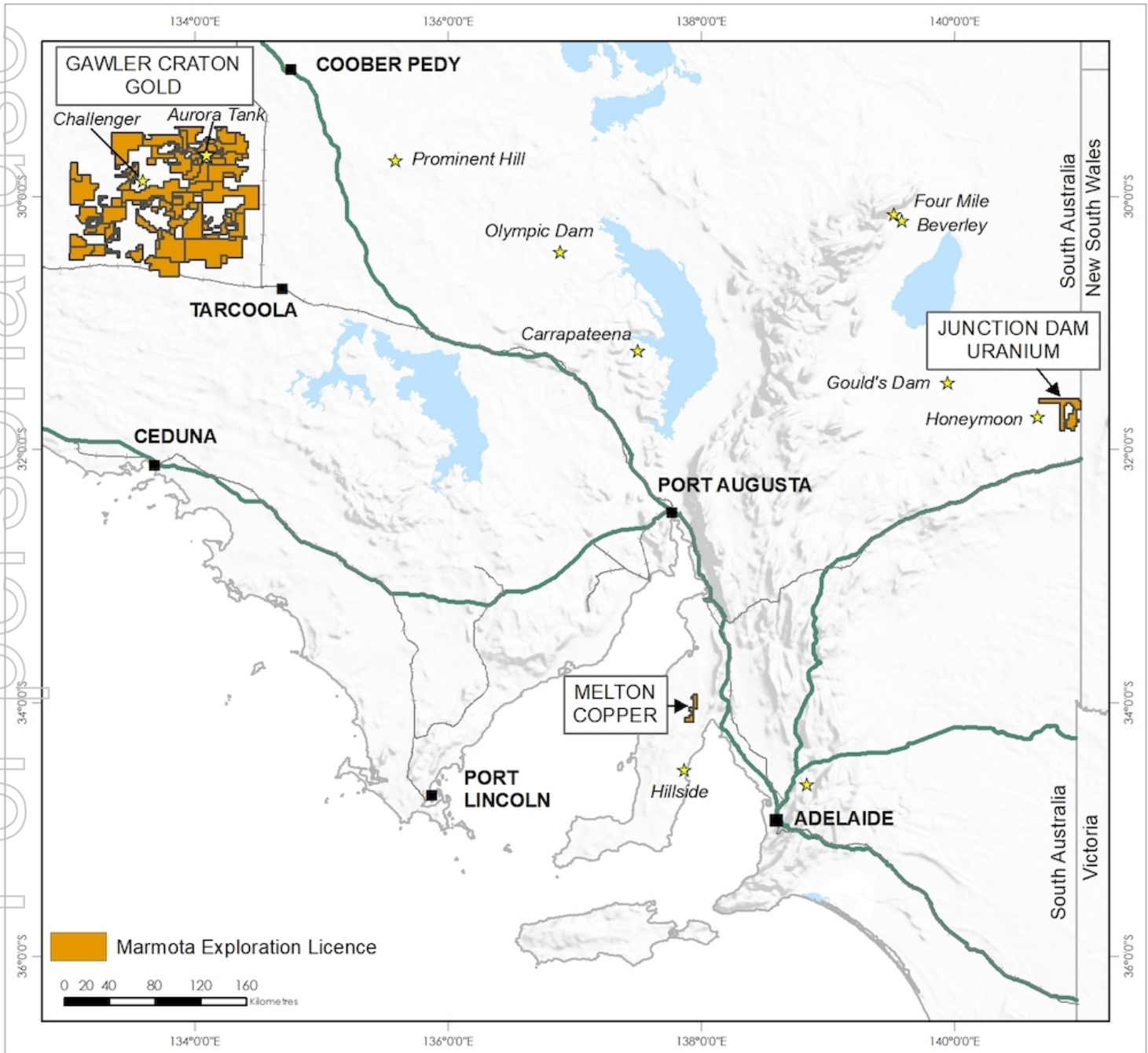


Figure 1: Map showing Marmota's 100%-owned tenements

TENEMENT STATUS

(as at 30 September 2022)

SOUTH AUSTRALIA

Project name	Tenement	Number	Area (km ²)	Details	Marmota's interest %	Status
Junction Dam	Junction Dam	EL 6530	341		100%	Granted
Melton	West Melton	EL 6701	88		100%	Granted
Gawler Craton	Ambrosia	EL 6513	854		100%	Granted
	Aurora Tank	EL 6470	48		100%	Granted
	Barton Area	EL 5820	59		100%	Granted
	Bradman	EL 6463	83		100%	Granted
	Brickies - Wynbring	EL 6501	204		100%	Granted
	Carnding	EL 5861	53		100%	Granted
	Comet	EL 6084	268		100%	Granted
	Commonwealth Hill	EL 6040	196		100%	Granted
	Commonwealth Hill	EL 6216	384		100%	Granted
	Cudyea	EL 6348	110		100%	Granted
	Deep Leads	EL 6098	154		100%	Granted
	Eagle Hawk	EL 6005	624		100%	Granted
	Galaxy Tank	EL 6456	295		100%	Granted
	Garford Outstation East	EL 6004	403		100%	Granted
	Garford Outstation West	EL 6003	480		100%	Granted
	Hilga Crutching Shed	EL 6214	107		100%	Granted
	Honey Eater	EL 6763	149		100%	Granted
	Indooroopilly	EL 6680	100		100%	Granted
	Indooroopilly	EL 6171	57		100%	Granted
	Irria	EL 5930	196		100%	Granted
	Irria	EL 5819	98		100%	Granted
	Irria Outstation (Jumbuck)	EL 6002	711		100%	Granted
	Isthmus	EL 6519	232		100%	Granted
	Lake Anthony	EL 6082	396		100%	Granted
	Lake Anthony	EL 5818	42		100%	Granted
	Mathews Tank	EL 6457	36		100%	Granted
Mt Christie	EL 6123	405		100%	Granted	
Mt Christie	EL 6215	289		100%	Granted	
Mt Christie Siding	EL 6398	237		100%	Granted	
Muckanippie	EL 6166	122		100%	Granted	
Mulgathing	EL 6679	652		100%	Granted	
Pegler	EL 5914	77		100%	Granted	
Pundinya	EL 6514	435		100%	Granted	
Sandstone	EL 5817	27		100%	Granted	
Warrior Outstation	EL 5772	346		100%	Granted	
Wildingi Claypen	EL 6097	128		100%	Granted	
Woorong Downs	EL 6083	458		100%	Granted	

Project name	Tenement	Number	Area (km2)	Details	Marmota's interest %	Status
JV Tenements	Mulgathing	EL 6173	1112	JV interest	78.84% rights to Gold and associated minerals	Granted
	Jumbuck	EL 6502	660	JV interest	78.84% rights to Gold and associated minerals	Granted
	Mobella	EL 6532	89	JV interest	78.84% rights to Gold and associated minerals	Granted
	Sandstone	EL 6625	42	JV interest	78.84% rights to Gold and associated minerals	Granted
	Blowout	EL 6012	110	JV interest	78.84% rights to Gold and associated minerals	Granted
	Campfire Bore	EL 5998	33	JV interest	70.96% rights to Gold and associated minerals	Granted
	Sandstone JV	EL 6569	104	JV interest	70.96% rights to Gold and associated minerals	Granted



Figure 2: Drilling at EL 6470: Aurora Tank gold discovery – October 2022

GOLD Gawler Craton

- Marmota is searching for the next Challenger-style system
- The Challenger mine produced over 1.2 million ounces of gold (*i.e.* more than A\$3 billion of gold at current prices)
- Originally discovered using simple calcrete sampling
- Dr Kevin Wills, the geologist who designed the programs that discovered Challenger, is now designing programs for Marmota
- Marmota tenements now cover around **10,000 km²** of highly prospective area around Challenger
- Exploration is **yielding excellent results with bonanza gold grades** at the **MEU Gold Discovery at Aurora Tank**.

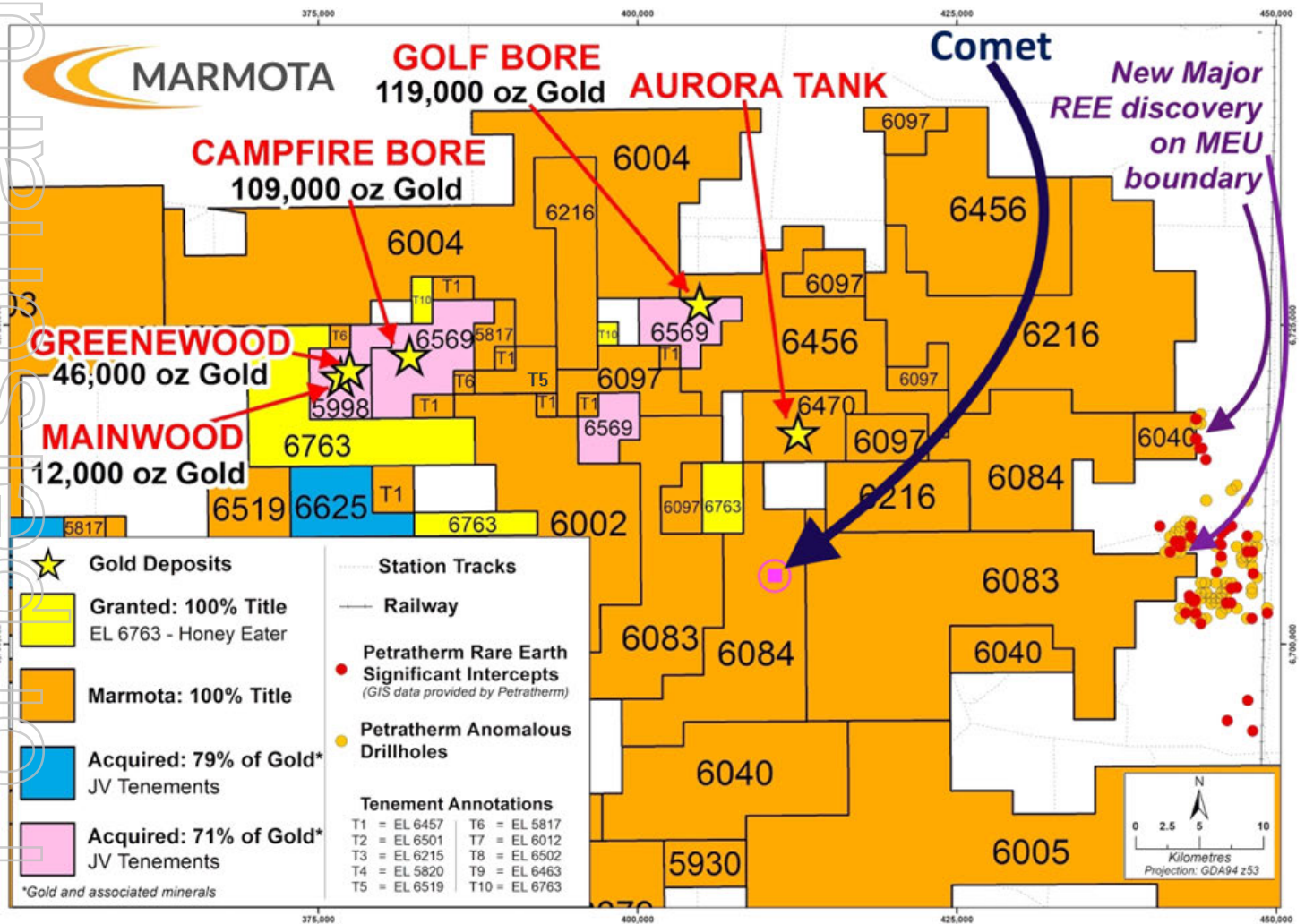


Figure 3: Detail view of Marmota's tenements and gold interests around the MEU Aurora Tank gold discovery

AURORA TANK 100% owned

Bonanza gold grades

Location

100 km SW of Coober Pedy [see [Figures 1 and 3](#)]

50 km NE of the Challenger gold mine

Highly prospective and under-explored Woomera Prohibited Area of the Gawler Craton

Aurora Tank FY22 Exploration Summary

Oct 2021	New diamond driller arrives (replaced previous driller who had inadequate rig + performance issues). Core loss reduced from ~ 30% to 2%, core quality dramatically improved, and metres drilled per day increased 3-fold.
Jan 2022	First geotechnical analysis underway
Feb 2022	First high-precision BLEG (Bulk Leach Extractable Gold) analysis at Aurora Tank <ul style="list-style-type: none"> • samples carried out over Hole 20ATRC324, collecting 4 samples over interval from 66-67m downhole (~ 57m from surface) • yielded average grade of 197 g/t Au [ASX:MEU 22 Feb 2022]
May/June 2022	10,500m RC drilled at Aurora Tank: extensional Further 1,500m on surrounding tenements
June 2022	First pit wall parameters received: <ul style="list-style-type: none"> • for design of an open pit at Aurora Tank
Sept 2022	Assays from May/June RC program yield Marmota's highest ever gold intersection of 217 g/t over 1m (@103m from surface) [ASX:MEU 29 Sept 2022] <ul style="list-style-type: none"> • extends bonanza grades for the first time into fresh rock • multiple new high-grade extensions to NE, SW and at depth
Oct 2022	Commenced immediate follow-up RC program (~ 8,000m) [ASX:MEU 29 Sept 2022]

The FY22 RC program is the 5th drilling program at Aurora Tank in which Marmota has intersected grades of ~ **100 g/t gold** (or more) over 1m, and now in 5 distinct areas:

Grade	Location	Depth from Surface	Hole ID	Date of Result
93 g/t	Central east zone	28 m	17ATAC021	ASX:MEU 4 Sept 2017
105 g/t ¹	Bottom of NW flank	33 m	18ATRC104	ASX:MEU 7 May 2019
120 g/t	South zone	18 m	19ATAC049	ASX:MEU 19 Sept 2019
197 g/t	extension to NW flank	57 m	20ATRC324	ASX:MEU 4 Feb 2021, 22 Feb 2022
217 g/t	extension to SW	103 m	22ATRC024	ASX:MEU 29 Sept 2022

Figure 4 illustrates these results (table above) and the different zones:

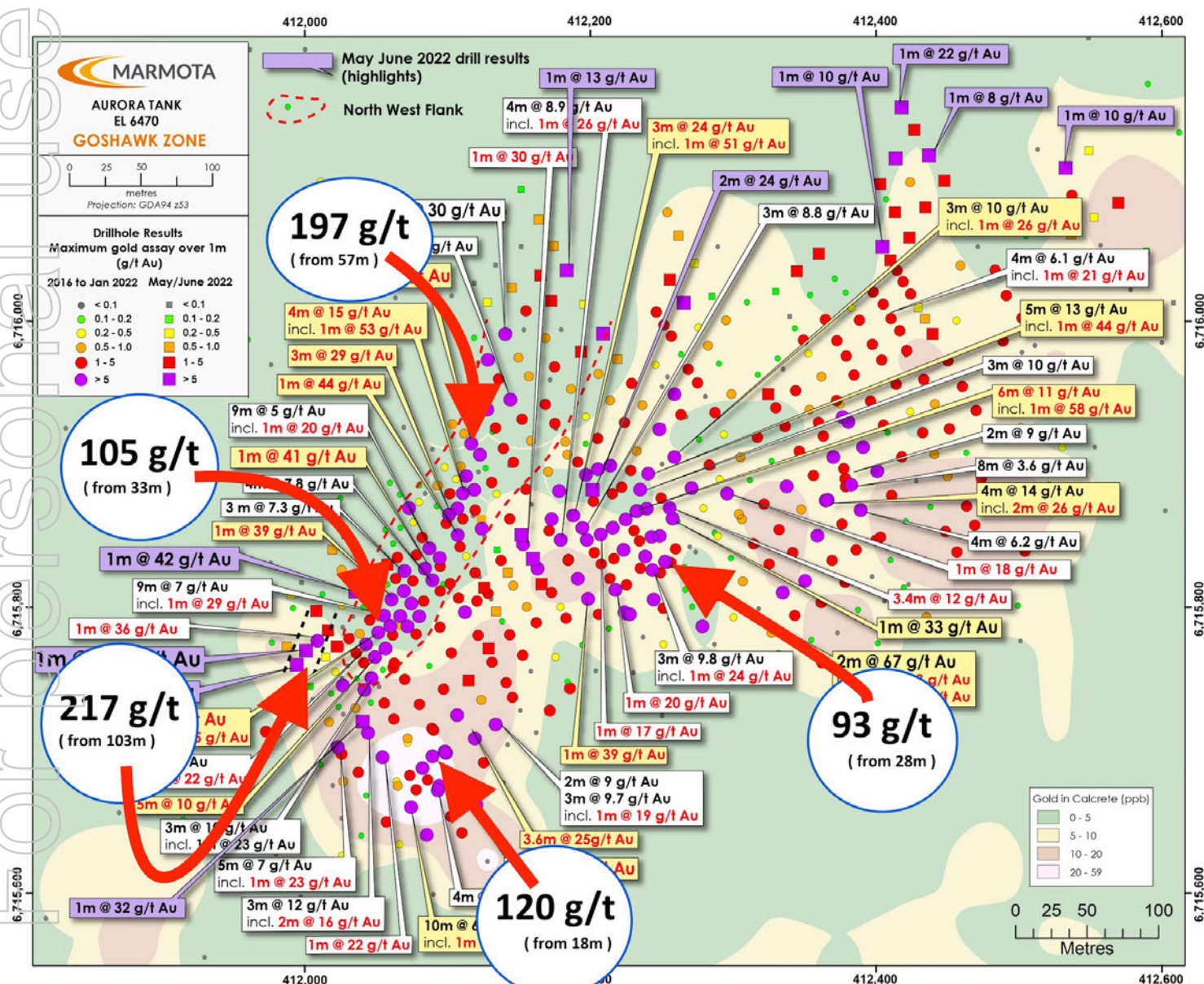


Figure 4: Aurora Tank: location and grade of best intersections over 1m (circled)

¹ Featured in 'Top Drill Intersections per State – Australia – Q1 2019' RSC Mineral Intelligence Report (May 2019: p.9).

Aurora Tank Outstanding intersections (close to surface)

Summary Highlights [to 30 September 2022]

2m at	112 g/t	gold	from 117m	– Hole 22AT024	(incl	1m @ 217g/t	from 118m)
3m at	72 g/t	gold	from 66m	– Hole 20AT324	(incl	1m @ 197 g/t	from 66m)
2m at	67 g/t	gold	from 32m	– Hole 17AT021	(incl	1m @ 93 g/t	from 32m)
3m at	41 g/t	gold	from 21m	– Hole 19AT049	(incl	1m @ 120 g/t	from 21m)
5m at	27 g/t	gold	from 38m	– Hole 18AT104	(incl	1m @ 105 g/t	from 38m)
3m at	29 g/t	gold	from 63m	– Hole 20AT200	(incl	1m @ 74 g/t	from 64m)
3m at	25 g/t	gold	from 29m	– Hole 21ATDD1	(incl	1m @ 36 g/t	from 31m)
3m at	24 g/t	gold	from 34m	– Hole 18AT065	(incl	1m @ 51 g/t	from 35m)
4m at	15 g/t	gold	from 67m	– Hole 19AT162	(incl	1m @ 53 g/t	from 69m)
4m at	13 g/t	gold	from 54m	– Hole 20AT224	(incl	1m @ 42 g/t	from 55m)
6m at	11 g/t	gold	from 40m	– Hole 18AT074	(incl	1m @ 58 g/t	from 44m)
6m at	11 g/t	gold	from 76m	– Hole 22AT025	(incl	1m @ 42 g/t	from 77m)
5m at	13 g/t	gold	from 41m	– Hole 17AT022	(incl	1m @ 44 g/t	from 45m)
4m at	14 g/t	gold	from 32m	– Hole 17AT011	(incl	1m @ 42 g/t	from 33m)
4m at	10 g/t	gold	from 25m	– Hole 16AT043	(incl	1m @ 39 g/t	from 27m)
9m at	7.5g/t	gold	from 41m	– Hole 20AT201	(incl	1m @ 29 g/t	from 49m)
2m at	24 g/t	gold	from 42m	– Hole 22AT034	(incl	1m @ 28 g/t	from 43m)
2m at	20 g/t	gold	from 46m	– Hole 19AT065	(incl	1m @ 39 g/t	from 47m)
2m at	21 g/t	gold	from 120m	– Hole 20AT303	(incl	1m @ 36 g/t	from 120m)
3m at	10 g/t	gold	from 28m	– Hole 18AT070	(incl	1m @ 24 g/t	from 29m)
3m at	12 g/t	gold	from 29m	– Hole 17AT045	(incl	1m @ 20 g/t	from 30m)
3m at	11 g/t	gold	from 22m	– Hole 16AT019	(incl	1m @ 23 g/t	from 22m)
3m at	10 g/t	gold	from 58m	– Hole 18AT120	(incl	1m @ 26 g/t	from 59m)
3m at	10 g/t	gold	from 22m	– Hole 17AT035	(incl	1m @ 19 g/t	from 23m)
3m at	10 g/t	gold	from 28m	– Hole 20AT144	(incl	1m @ 23 g/t	from 28m)
10m at	6 g/t	gold	from 17m	– Hole 17AT042	(incl	1m @ 42 g/t	from 18m)
9m at	5 g/t	gold	from 52m	– Hole 20AT198	(incl	1m @ 20 g/t	from 52m)
4m at	9 g/t	gold	from 28m	– Hole 17AT026	(incl	1m @ 26 g/t	from 31m)
3m at	12 g/t	gold	from 44m	– Hole 21ATDD14			
1m at	47 g/t	gold	from 35m	– Hole 19AT051			
1m at	44 g/t	gold	from 45m	– Hole 20AT199			
1m at	33 g/t	gold	from 45m	– Hole 20AT167			
1m at	32 g/t	gold	from 32m	– Hole 22AT001			
1m at	30 g/t	gold	from 17m	– Hole 17AT029			
1m at	30 g/t	gold	from 82m	– Hole 20AT313			
1m at	22 g/t	gold	from 75m	– Hole 22AT067			
1m at	23 g/t	gold	from 35m	– Hole 16AT061			
1m at	20 g/t	gold	from 17m	– Hole 17AT024			
1m at	22 g/t	gold	from 20m	– Hole 17AT044			

Note: The depths recorded in the above table are all downhole depths.

Since the holes are angled, the true depth from surface is *closer* to the surface.

True Depth from surface = $\sin(-60^\circ) \times (\text{Depth in table})$, where $\sin(-60^\circ) \approx 0.87$.

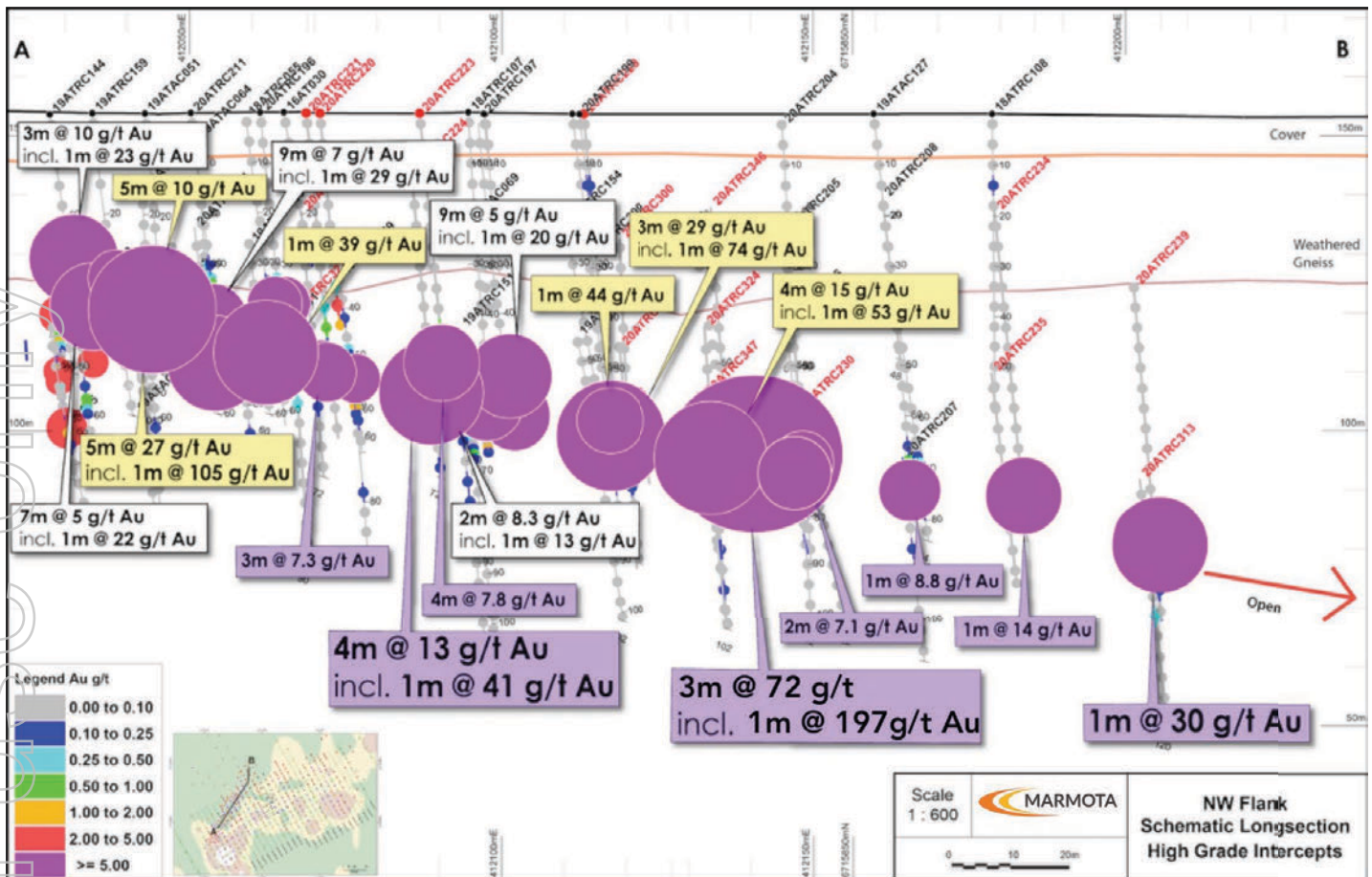


Figure 5: Schematic long-section through new NW flank

Aurora Tank (Goshawk) Drill Program Summary

Date	Number of Drill Holes	Metres
September 2016:	98 angled AC	4,385 m
December 2016:	31 angled RC	2,604 m
June – July 2017:	48 angled AC ²	2,299 m (at Goshawk)
November 2017:	6 angled diamond core ³	186 m
April – May 2018:	41 angled RC	3,538 m (at Goshawk)
September 2018:	24 angled RC ⁴	2,795 m (at Goshawk)
June 2019:	64 angled AC ⁵	3,300 m (at Goshawk)
Dec 2019 – Jan 2020:	64 angled RC ⁶	5,508 m (at Goshawk)
July – Sept 2020:	130 angled RC ⁷	12,145 m (at Goshawk)
July – Oct 2021:	16 angled diamond core	1,247 m
May – June 2022:	79 angled RC ⁸	10,414 m
Oct – Nov 2022:	~ 80 angled RC	~8,000 m [in progress]
Total	~ 680 holes	~ 56,000 m

² In-filled drillhole coverage to (approx.) 50m depth, to (approx.) 20 x 20m over a strike length of 500m.

³ To provide high-quality geological information, including orientation, to assist resource modelling, and provide samples for the subsequent petrology and metallurgical analysis.

⁴ In addition, there was also a reconnaissance program of 7 vertical RC holes (392m) outside the Goshawk mineralised zone.

⁵ In addition, there was also a reconnaissance program of 72 AC holes (3,700m) outside the Goshawk mineralised zone.

⁶ In addition, there was also a reconnaissance component of 20 RC holes (~1,700m) outside the Goshawk zone.

⁷ In addition, there were 4 reconnaissance RC holes (336m) outside the Goshawk zone.

⁸ In addition, there were 20 reconnaissance RC holes (1,586m) outside the Aurora Tank tenement on surrounding tenements.

Aurora Tank Gold First Pit Wall Design

In June 2022, Marmota received the first pit wall parameters to be used in the design of an open pit at Aurora Tank.

The pit wall design was carried out by Rocktest, a specialised Geotechnical Engineering consultancy, based on analysis and testing of diamond core obtained from the company’s recent diamond drilling program at Aurora Tank. The work determines the first realistic pit wall parameters for the design of an open pit at Aurora Tank.

For more detail: see ASX:MEU [16 June 2022](#)

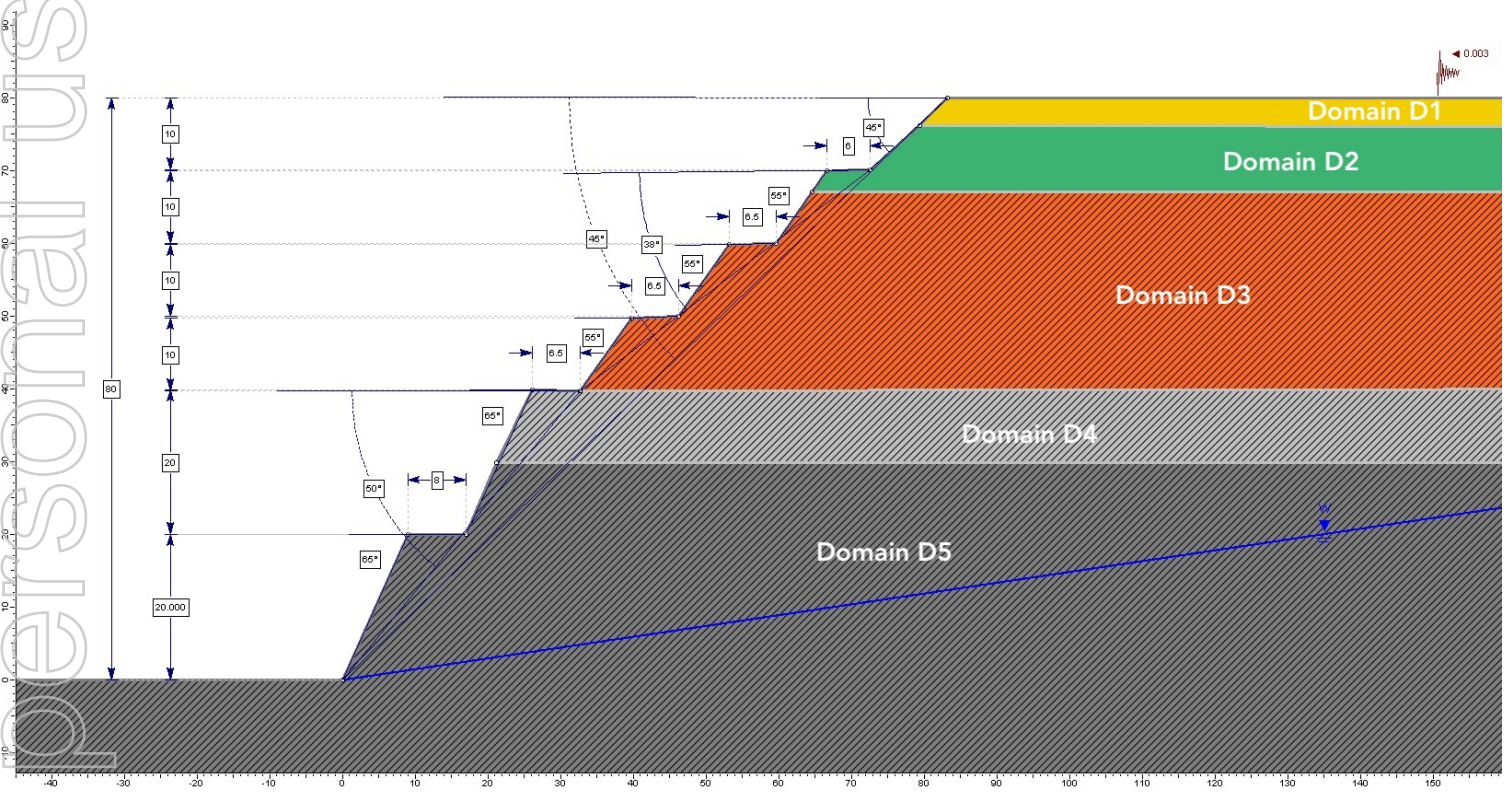


Figure 6: Aurora Tank – Pit Slope Design Parameters by Domain

Metallurgy Summary **Column Leach tests**

Marmota previously carried out Phases 1 and 2 **bottle roll** metallurgical tests to provide an estimate of gold recoveries that may be achievable by processing ore **through a mill**. The bottle roll tests for Aurora Tank ore consistently returned excellent gold recovery rates over 90%.

If favourable metallurgical conditions exist, it is also sometimes possible to commercially process ore *without the expense* and complications of a mill, using instead a much simpler cheaper **heap leaching** process. The trade-off is that gold recoveries using a heap leach can be much lower than via using a specialised mill, while the upside is that the cost of building and/or operating a mill can be avoided. A **column leach** test is used to estimate gold recoveries from a **heap leach** process.

First Column Leach Test yield excellent gold recoveries

- Marmota was very pleased to announce [ASX:MEU 10 Oct 2019] that the first **column leach** test, carried out by Bureau Veritas, using diamond core ore sampled from Aurora Tank, **returned excellent gold recoveries of 83%** ... which is considered very high by industry standards for column leach metallurgy.
- **Figure 7** summarises the leach performance over time.

Gold Recoveries vs Time: Column Leach Performance

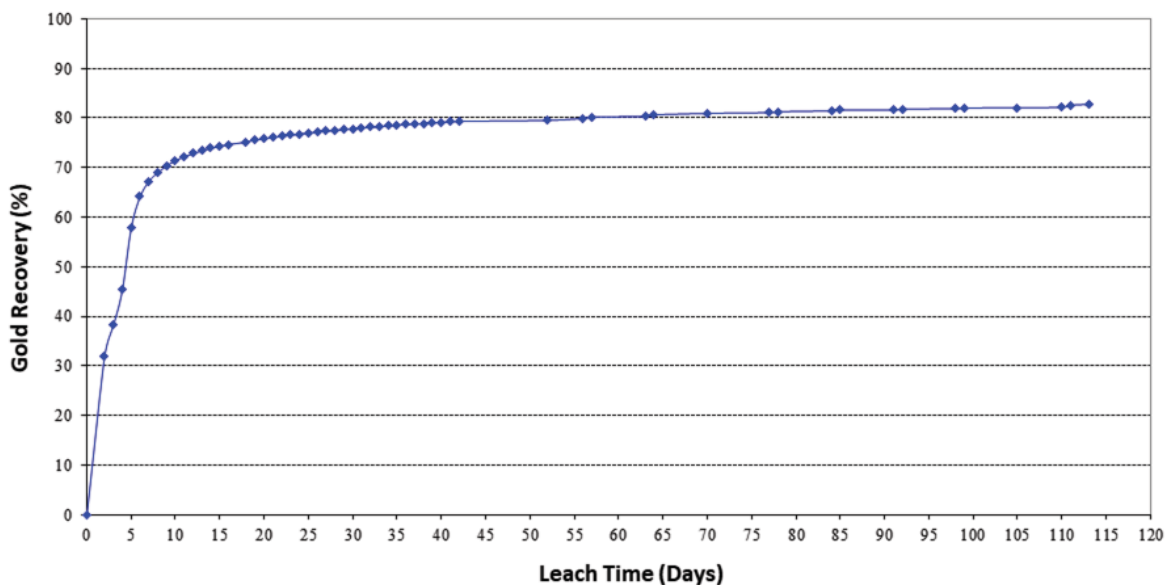


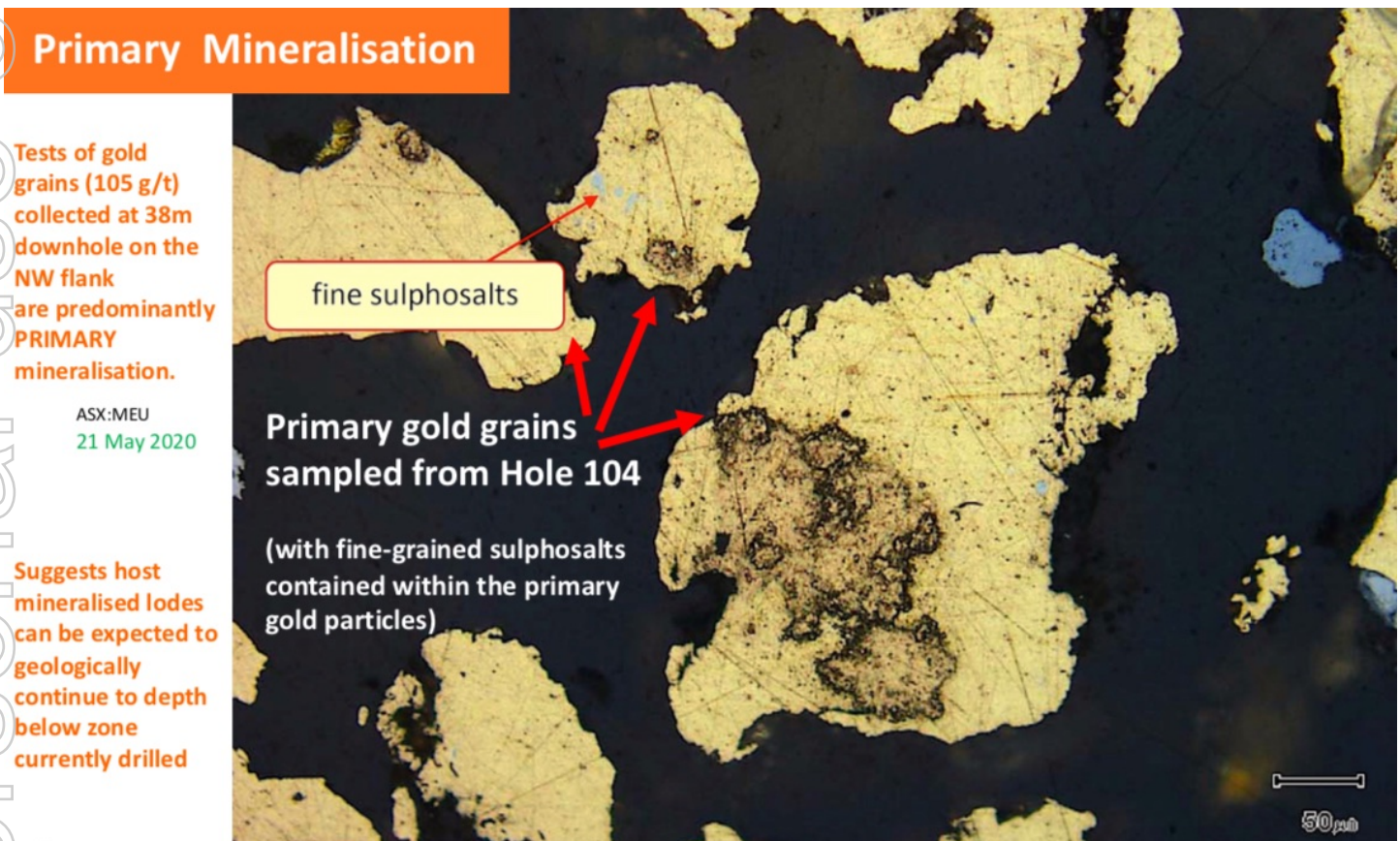
Figure 7: Column Leach Gold recoveries (with 9kg binder) vs time

“ The excellent column leach test gold recoveries suggest that Aurora Tank is amenable to low-cost low-capex heap leach techniques. A heap leach would mean that Marmota would not need to construct a mill, nor share revenue with external parties for toll treatment in a mill. This is a highly desirable outcome for both the Company and our shareholders. ”

Mineragraphic testwork show gold is predominantly *primary*

In May 2020, Marmota reported the results of mineragraphic testwork of gold grains sampled from a high-grade gold intersection at Aurora Tank. The sampled grains were found to be predominantly *primary* mineralisation, with the colour indicating high purity gold.

[see ASX:MEU 21 May 2020]



(Mag. x 200; scale bar = 50 μ ; reflected light)

Fig. 8: Primary Hypogene Gold grains sampled from Hole 104 at Aurora Tank

Most of the gold grains and associated sulphide minerals examined appear of primary hypogene origin which suggests that their host mineralised lodes can be expected to geologically continue to depth below the zone currently drilled.

In a most promising development, as a result of the RC drilling during FY22, Marmota has now also intersected **bonanza grades at depth**, showing that the exceptional high grades extend into fresh rock at Aurora Tank [see ASX:MEU 29 Sept 2022].

Jumbuck in the tucker bag

In FY22, Marmota completed its acquisition of the rights, title and interest of the **Jumbuck Gold Project** from Tyranna Resources Limited ('Tyranna' ASX:TYX), releasing final cash payment of \$2.2m and issuing \$500,000 in shares to Tyranna (at an issue price of 5.237 cents per share) [see ASX:MEU 13 Oct 2021, 15 Nov 2021]. The acquisition has doubled Marmota's tenement holding in the area from around 5,000 km² to 10,000 km².

Western Gawler Craton Joint Venture (WGCJV)

Marmota is the new manager and majority partner in the Western Gawler Craton Joint Venture (WGCJV) by virtue of its 100% acquisition of Half Moon Pty Ltd (the latter acquired as part of the Jumbuck gold transaction). Within the Joint Venture area, there is an existing JORC Resource of 319,000 ounces gold (see Resource Estimates Table below), most of which is located on tenements near Aurora Tank.

Resource Estimates

Table 1. Jumbuck Project Mineral Resource Estimates May 2018 - 0.5g/t cut-off grade

Deposit 0.5 g/t cut-off grade	Indicated Resources			Inferred Resources			Total Mineral Resources		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
Golf Bore	0.57	1.0	18	3.22	1.0	100	3.79	1.0	119
Campfire Bore	-	-	-	2.78	1.2	109	2.78	1.2	109
Greenwood	0.14	1.4	7	0.75	1.6	39	0.90	1.6	46
Monsoon	-	-	-	0.61	0.8	17	0.61	0.8	17
Typhoon	-	-	-	0.27	1.9	16	0.27	1.9	16
Mainwood	-	-	-	0.35	1.1	12	0.35	1.1	12
Total	0.74	1.1	25	7.99	1.1	294	8.70	1.1	319

*The figures in these tables are rounded to reflect the precision of the estimates and include rounding errors.

Source: ASX:TYX 30 May 2018

Marmota's interest in gold and related minerals on the JV tenements varies between 71% and 79%, depending on the tenement. The tenements and interest in gold resources acquired are located adjacent to both Marmota's Aurora Tank gold discovery (see Fig. 3 above) and to the Challenger gold mine which produced more than 1.2 million ounces of high-grade gold and was one of Australia's most profitable open-pit gold mines⁹.

Subsequent to completing the acquisition in FY22, Marmota has already carried out a substantial amount of work to integrate the new tenements and JV data into our information systems, to analyse previous sampling and drilling campaigns, to understanding the geometry of each deposit, to updating and validating databases, and planning the first drilling programs.

⁹ cf. Southern Gold Annual Report 2009 p.11

Wildcat gold find at Comet

During FY22, Marmota carried out the first drilling by *any* company ever on the Comet (West) Tenement EL6084, located south of Aurora Tank [see Fig. 9]. Seven reconnaissance holes were drilled on Comet. Of these 7 holes, an isolated wildcat hole remarkably intersected **7.7 g/t gold over 1m** (at 47m from surface). There is no gold-in-calcrete expression of the gold at surface.

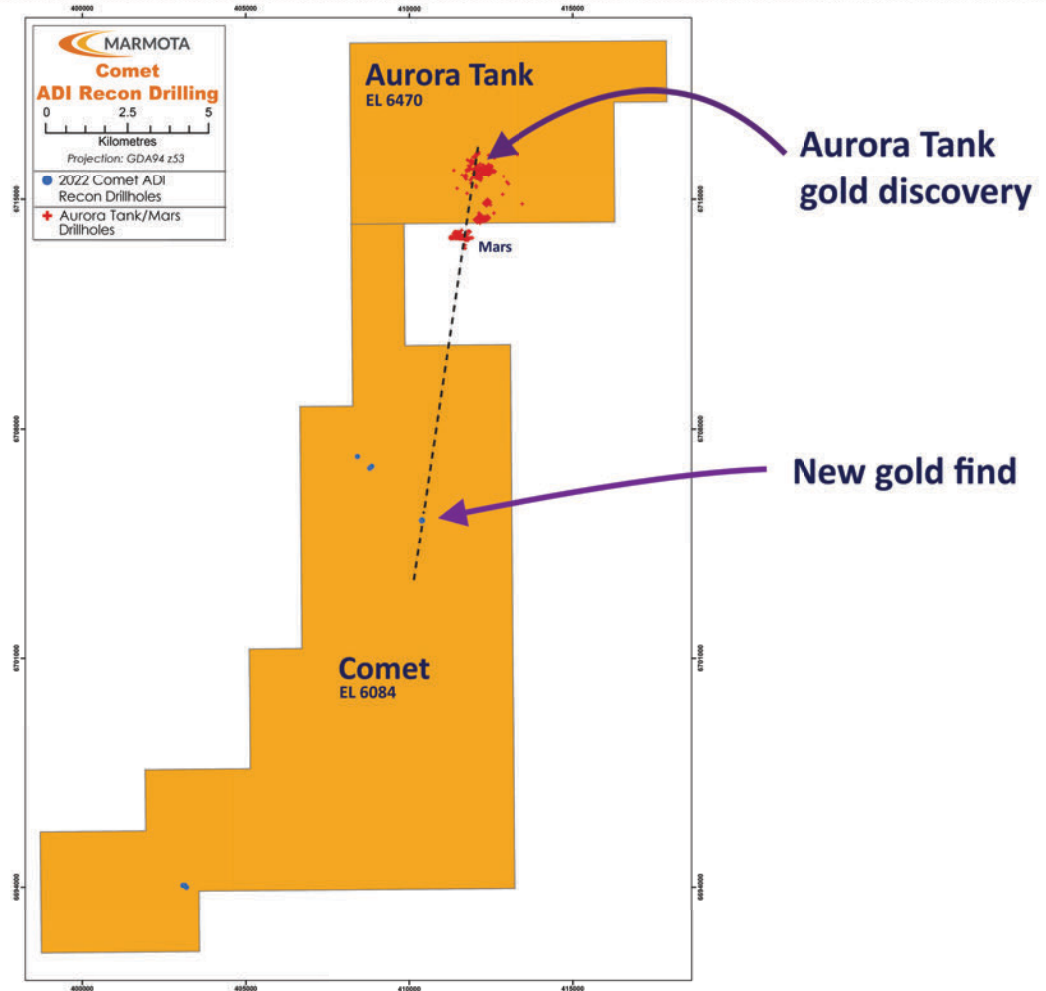


Figure 9: New gold find in line with Aurora Tank gold discovery and Mars deposit

Follow-up drilling is planned for November 2022.

For further detail, see ASX:MEU [14 Oct 2022](#).

Rare Earth discovery along MEU tenement boundary

Marmota was delighted at the announcement [see ASX:MEU 26 April 2022], of a major high-value **Rare Earth Element (REE)** discovery in the Gawler Craton by Petratherm [ASX:PTR 20 April 2022], directly on the border with MEU tenements.

Highlights

- the Rare Earth discovery is directly on the border with Marmota tenements
- geologically, the hosting ionic clay systems are regional
- the largest and most exceptional of the **high-value magnet REE results (1015 ppm: Hole 590)** attained is located on the Marmota tenement boundary [see Fig. 10]

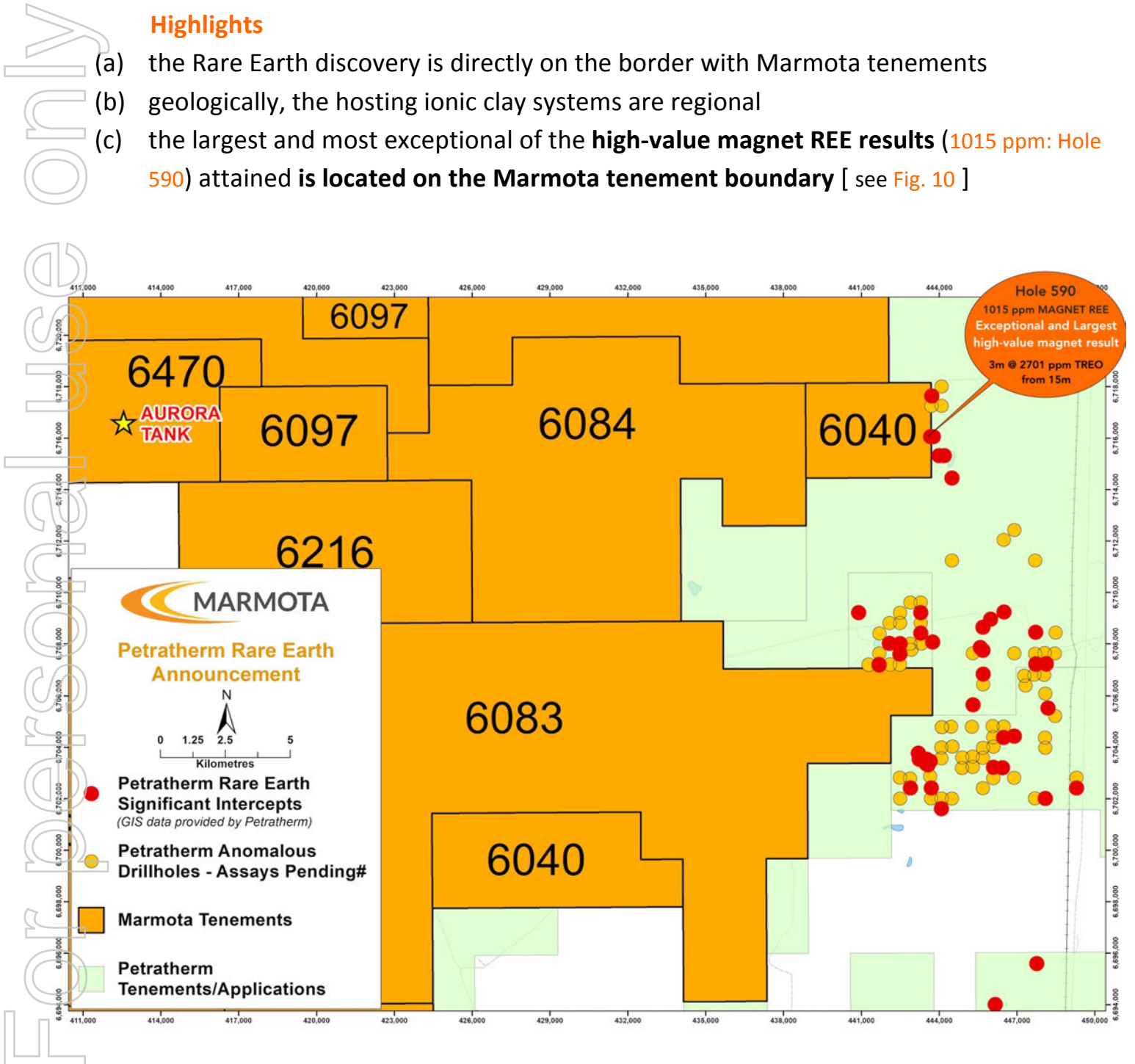


Figure 10: New Petratherm Rare Earth significant assays adjacent to Marmota tenements

Location and Extent

- Petratherm carried out a program of 993 shallow RAB holes (typically only 15m deep), of which 44 were subjected to full-suite REE analysis returning highly anomalous values.
- The discovery is 'regionally extensive extending several kilometres': drill holes are generally on a wide 400m grid, over a mineralised area at least 20 km long and 7 km wide.
- The discovery lies immediately adjacent to Marmota tenements. Sampling stopped at the tenement boundary. Some of the highest rare earth intersections occur *on the* Marmota tenement boundary (e.g. Hole 590: 3m @ 2701 ppm TREO¹⁰: see Fig. 10). This hole on the boundary also yielded the highest of the exceptional high-value magnet REE results.

Highly prospective

- The significant rare earth intersections are remarkably close to surface, just 12m from surface in ionic clays. This means that exploration costs are low, that large areas of ground can be tested quickly, and any deposits defined would potentially have low mining costs.
- Petratherm note that the discovery redefines the mineral prospectivity of the Northern Gawler Craton.
- They further note that the newly defined rare earth areas have been shown to be regionally extensive, extending several kilometres, and that "there is substantial upside potential for additional new REE discoveries to be made in the surrounding un-explored tenure".
- Petratherm samples returned exceptional high-value magnet Rare Earth Element grades, and the largest of them is located on the Marmota tenement boundary.
- Marmota is by far the largest tenure holder in the Northern Gawler Craton.

Broader Implications

- This is the first time that significant Rare Earth Elements have been discovered in the Northern Gawler Craton. Petratherm state that the "results provide strong evidence that the Northern Gawler Craton of South Australia is fertile for ionic clay hosted rare earth mineralisation".
- The newly defined mineralisation has been shown by Petratherm to be regionally extensive.
- Examination of the Petratherm results show that all the anomalism and mineralisation to date is hosted by the Archaean to early Paleoproterozoic Mulgathing Complex which is also the host to the most significant gold mineralisation in the region.
- Marmota is fortunate to hold tenure for the majority of the large area of the Mulgathing Complex metamorphic rocks that extends to the west of the new discoveries.

¹⁰ TREO is an index that measures Total Rare Earth Oxides.

URANIUM

Junction Dam

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

During FY22, Marmota **acquired the Junction Dam uranium tenement EL6530** in South Australia immediately adjacent to the Boss Energy Ltd (ASX:BOE) tenement featuring the Honeymoon in-situ recovery (ISR) uranium mine [ASX:MEU 6 Oct 2021].

Boss Energy (ASX:BOE), the owners of the adjacent Honeymoon in-situ recovery (ISR) uranium mine, recently made their Final Investment Decision to restart Honeymoon [ASX:BOE 1 June 2022] and has commenced ramping up construction [ASX:BOE 25 July 2022].

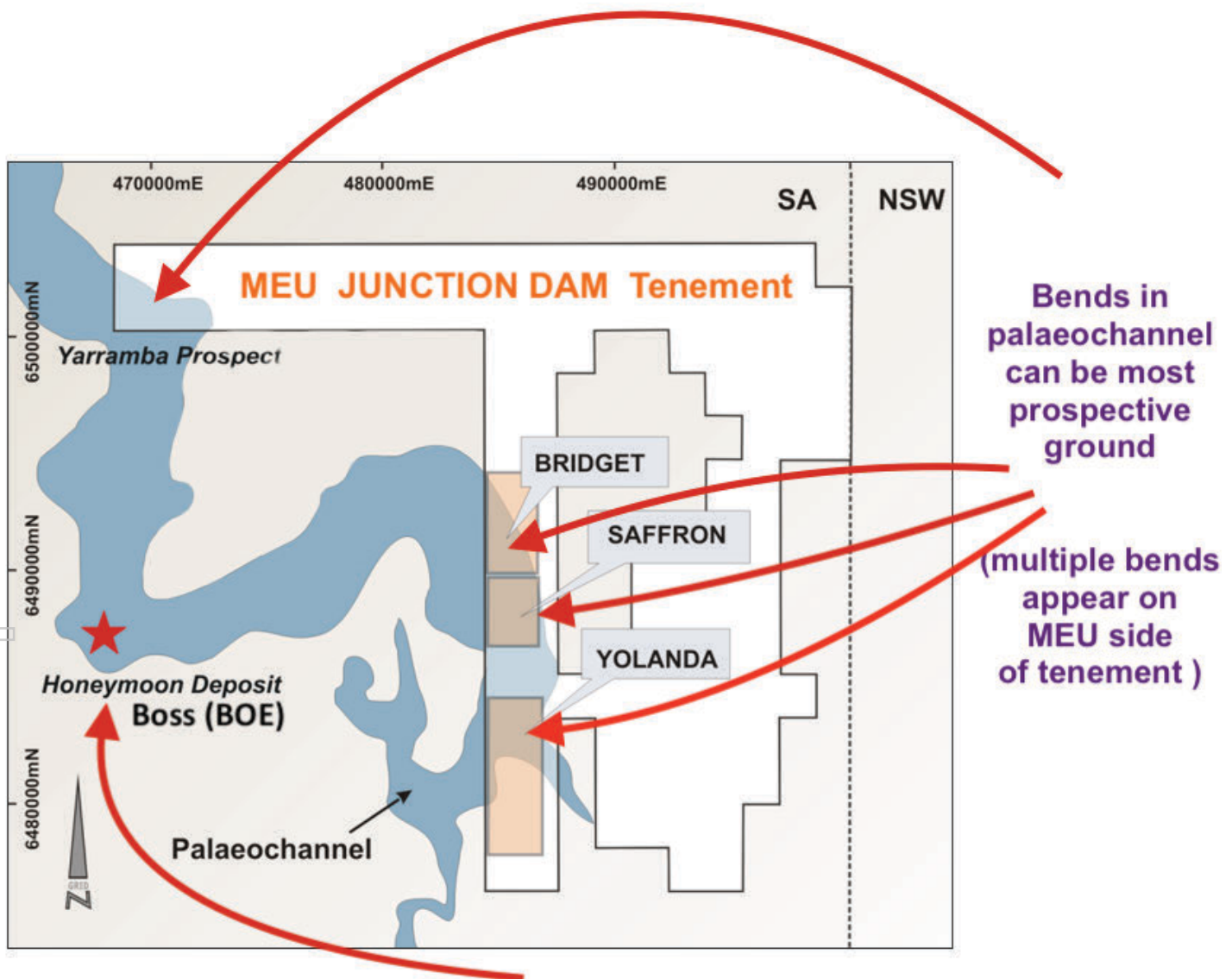


Fig. 11: The Junction Dam uranium tenement (now 100% MEU) bookends both sides of the palaeochannel of the Boss Energy Ltd (ASX:BOE market cap ~ \$950m) Honeymoon uranium plant

Marmota has:

- JORC Inferred Resource of **5.4 million pounds** U_3O_8 with average grade of 557 ppm U_3O_8 [ASX:MEU 18 Nov 2011, 20 Feb 2012, 17 July 2013]
- Overall Exploration Target¹¹ of **22–33 million pounds** U_3O_8 at approx. 400 to 700 ppm U_3O_8
- Assay grades of up to 8,143 ppm U_3O_8 at the Saffron deposit

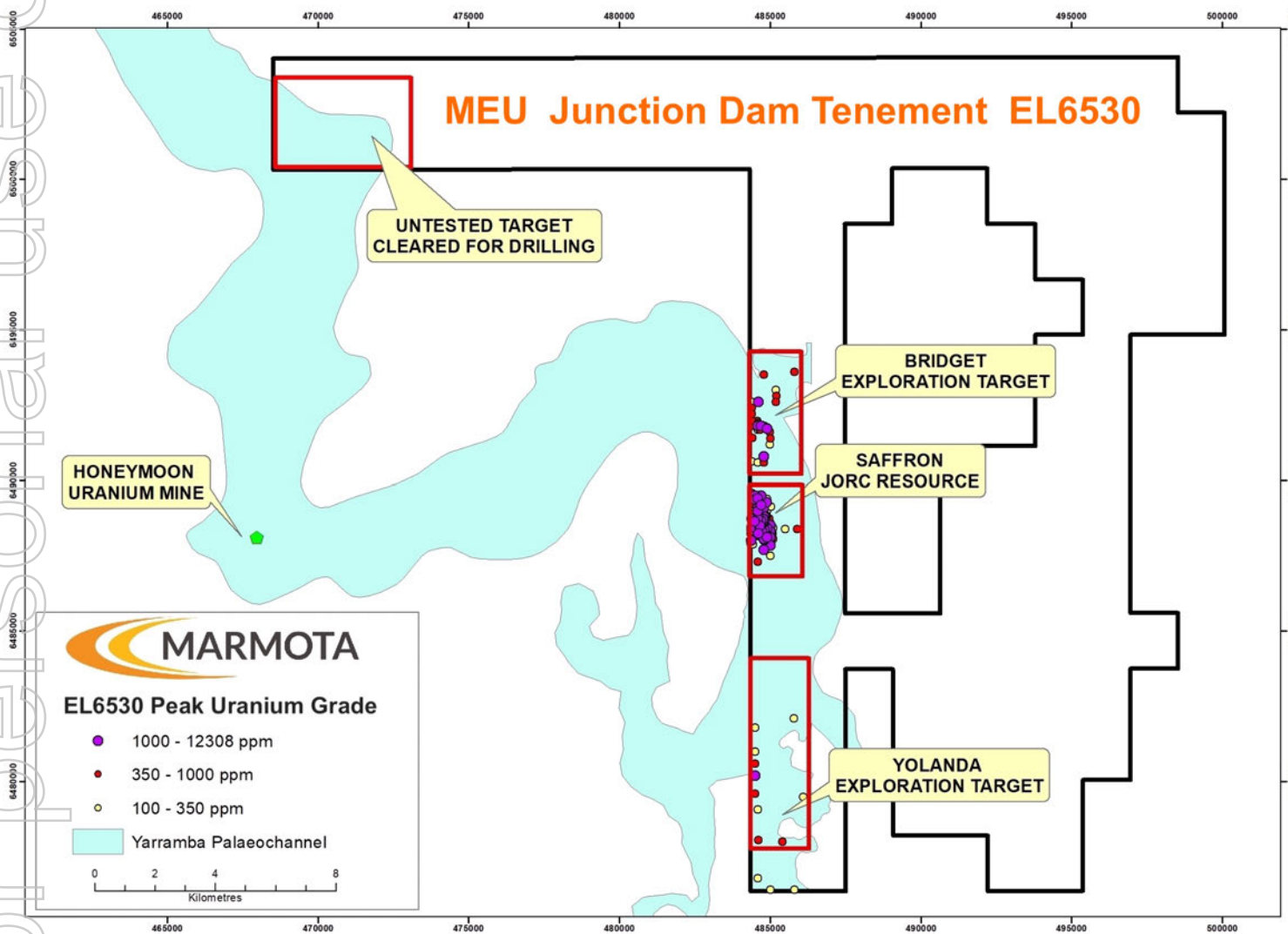


Figure 12: Junction Dam tenement – Peak Uranium Grades
– highlighting work so far on Bridget, Saffron and Yolanda areas

11

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.

Background

1. Marmota started life as a successful uranium explorer. By the end of 2014, Marmota had spent over A\$8 million developing the Junction Dam uranium project, and had earned 100% of the uranium rights on the Junction Dam tenement [ASX:MEU 29 Sept 2014].
2. The Junction Dam tenement is strategically situated immediately adjacent to the Boss Energy (ASX:BOE) Honeymoon uranium tenement and mine – one of just 4 permitted uranium mines in Australia (three of which are in South Australia).
3. The Junction Dam tenement book-ends BOTH sides of the palaeochannel that runs through the Boss Honeymoon uranium project:
 - to the east, **Marmota already has a substantial uranium JORC resource** (see below at Saffron)
 - to the north (adjacent to the Boss Jason’s uranium resource), Marmota has an untested **obvious high-priority target** (previously cleared for drilling).
4. In the aftermath of Fukushima, work stopped on the Junction Dam tenement in 2014.
5. Over the last few months, there has been a dramatic upturn in both uranium prices and sentiment.
6. Boss Energy (ASX:BOE) – owners of the Honeymoon plant (market cap: ~ \$950m as at 27 Oct 2022) on the immediately adjacent tenement – appear to be making solid progress towards bringing the Honeymoon plant back into operation. According to their own feasibility studies, BOE need a larger resource to achieve economies of scale to lower cost of production and to extend mine life through development of satellite resources [cf. ASX:BOE 21 June 2021, 4 Aug 2021 (p.6), 2 Sept 2021].



Figure 13: Uranium spot prices have increased significantly

Marmota Chairman, Dr Colin Rose, said:

“ Marmota is particularly well-placed for the 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 acquisition of the Junction Dam tenement during FY22 makes Marmota, for the first time, masters of our own destiny in the uranium space. It is the first and critical step for the company to grow value for our shareholders from this outstanding asset. ”



**2022
FINANCIAL
REPORT**

Marmota Ltd
Consolidated Entity

ABN 38 119 270 816

Consolidated Financial Statements for the year ended 30 June 2022

The Directors present their report on Marmota Limited and controlled entities ('Group') for the financial year ended 30 June 2022 and the auditor's report thereon.

Directors

The Directors of Marmota Limited ('the Company') at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows:

Dr Colin Rose Executive Chairman
PhD (Economics)

Experience and expertise

Dr Rose has been non-executive Chairman of Marmota since 1 May 2015 and Executive Chairman since 5 June 2017. Dr Rose holds a PhD in Economics from the University of Sydney. He is a long-term fundamentals investor in the mining and exploration sector, with particular exposure to gold and copper. He has extensive business experience as the founder and director of a technology company whose software is used in over 55 countries. He has been invited to speak to the Reserve Bank of Australia, the Bank of England, the National Bureau of Economic Research (USA), and the London School of Economics (Financial Markets Group).

Responsibilities

Special responsibilities include Chairman of the Board of Directors, and Chairman of the Audit, Governance and Remuneration Committee.

Interests in Shares and Options (as at 12 August 2022):

- 99,571,042 ordinary shares

Mr Neville Bergin Non-executive Director – Production
BSc Mining, First Class Mine Managers Certificate, MAusIMM, MAICD

Experience and expertise

Mr Bergin 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. Mr Bergin 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. Mr Bergin most recently managed the Definitive Feasibility Study for Capricorn Metals Karlawinda Gold Project which poured its first gold in the June quarter 2021. He has a BSc from the Camborne School of Mines in the UK.

Responsibilities

Mr Bergin is a member of the Audit, Governance and Remuneration Committee.

Current and former directorships in the last 3 years

Mr Bergin is a Director of Metal Tiger PLC.

Interests in Shares and Options (as at 12 August 2022):

- 330,000 ordinary shares
- 2,000,000 unlisted 8.6 cent Options expiring 20 December 2024 issued under the Director & Employee Share Option Plan (DESOP).

Mr Aaron Brown Executive Director – Exploration
BSc (Hons), Geology

Experience and expertise

Mr Brown 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 Western Australia. Aaron joined Marmota in January 2018 as Senior Geologist, and has been working together with Dr Kevin Wills in driving the development of the Aurora Tank gold discovery. Mr Brown 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.

Responsibilities

Mr Brown acts as Head of Exploration and as a competent person on JORC resource reporting matters.

Interests in Shares and Options (as at 12 August 2022):

- 500,000 ordinary shares
- 1,500,000 unlisted 10 cent Options expiring 23 August 2023 issued under the Director & Employee Share Option Plan (DESOP).

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

	Directors' Meetings		Audit, Governance and Remuneration Committee Meetings	
	Number Eligible		Number Eligible	
	<i>to attend</i>	<i>Number attended</i>	<i>to attend</i>	<i>Number attended</i>
Director				
Dr Colin Rose	6	6	2	2
Neville Bergin	6	6	2	2
Aaron Brown	6	6	-	-

Company Secretary

Lisa Askham-Levy (CGMA, FGIA) was appointed Company Secretary, effective 18 January 2018. Ms Askham-Levy is a Member of the Chartered Institute of Management Accountants and Fellow of Governance Institute of Australia and has completed a Graduate Diploma of Applied Corporate Governance and Risk Management. She has over 15 years of accounting experience, including accounting positions in a number of listed companies. Lisa has worked within the healthcare, finance and not-for-profit industries.

Principal activities

The Group's principal activity is minerals exploration.

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Review and results of operations

During the Financial Year, Marmota focused its exploration efforts on its highly prospective gold tenements in the Gawler Craton that are yielding excellent results.

Gold exploration update: Aurora Tank 100% ownership

Aurora Tank Drilling

During the year, Marmota carried out its largest diamond drilling program to date. The diamond program [ASX:MEU 12 Oct 2021] is primarily a production-focused program, designed to provide the necessary detail to advance Aurora Tank to production. In May and June 2022, Marmota completed a 12,000m extensional RC drilling program at Aurora Tank [ASX:MEU 12 April 2022, 23 June 2022] that has yielded multiple new high-grade extensions [ASX:MEU 18 Aug 2022] .

The first Bulk Leach Extractable Gold (BLEG) analysis of gold samples from Aurora Tank yielded grades **over 200 g/t gold** [ASX:MEU 22 Feb 2022]. The high-precision BLEG method has (a) confirmed bonanza results at Aurora Tank, and (b) yielded even higher average grades over the same intervals, including the **highest ever gold assays at Aurora Tank of 235 g/t gold over 1m**.

In July 2022, shortly after the end of the financial year, Marmota received the first pit wall parameters to be used in the design of an open pit at Aurora Tank.

MEU acquires Jumbuck Gold Project

In November 2021, Marmota completed its acquisition of the rights, title and interest of the **Jumbuck Gold Project** from Tyranna Resources Limited ('Tyranna' ASX:TYX), releasing final cash payment of \$2.2m and issuing \$500,000 in shares to Tyranna (at an issue price of 5.237 cents per share) [ASX:MEU 13 Oct 2021, 15 Nov 2021] .

Western Gawler Craton Joint Venture (WGCJV)

Marmota is the new manager and majority partner in the Western Gawler Craton Joint Venture (WGCJV) by virtue of its 100% acquisition of Half Moon Pty Ltd (the latter acquired as part of the Jumbuck gold transaction). Within the Joint Venture area, there is an existing JORC Resource of 319,000 ounces gold [ASX:MEU 15 Nov 2021] .

More than 40 untested gold anomalies

Marmota has carried out a search of archives and historical results – the search has already yielded more than 40 untested gold-in-calcrete anomalies on the tenements adjacent/near to the Challenger gold mine (which produced 1.2 million ounces) and Marmota's Aurora Tank discovery [ASX:MEU 23 Nov 2021] .

Junction Dam Uranium: Marmota acquires ownership of tenement

Marmota 100% acquired the Junction Dam uranium tenement EL6530 immediately adjacent to the BOSS Honeymoon in-situ recovery (ISR) uranium mine which is one of only 4 permitted uranium mines in Australia. Marmota holds a substantial uranium JORC resource on the Junction Dam tenement [ASX:MEU 6 Oct 2021, 29 July 2022] . The uranium price has doubled over the financial year; Boss Energy raised more than \$125m and made the Final Investment Decision to re-start the Honeymoon plant; their market cap is currently ~ \$900 million (prior to even being in production) and which has obvious implications for the value of Marmota's adjacent uranium JORC resource.

Major Rare Earth discovery along MEU tenement boundary

Marmota was delighted at the announcement [ASX:MEU 26 April 2022] of a major high-value **Rare Earth Element** (REE) discovery in the Gawler Craton by Petratherm [ASX:PTR 20 April 2022], directly on the border with MEU tenements.

Of particular relevance to Marmota shareholders:

- (a) the Rare Earth discovery is directly on the border with Marmota tenements
- (b) geologically, the hosting clay systems are regional
- (c) the largest and most exceptional of the **high-value magnet REE results** (Hole 590) attained so far is **located on the Marmota tenement boundary**

Marmota is awaiting the release of drilling results on the Petratherm side of the boundary, and relevant clearances on the Marmota side of the boundary (including Native Title) to commence a new exploration program for Rare Earth Mineralisation with immediate targets.

Corporate

Subsequent to the end of the financial year, the Company recently raised \$3.96 million (before costs) via placement to sophisticated investors at 5.3c per share, replenishing the Company's cash position. The Company is very grateful for the support of our shareholders.

In summary, in the last year, the Company has recorded its best gold assay results ever (more than 200g/t over 1m), discovered multiple new high-grade extensions at Aurora Tank, at the same time that underlying fundamentals are showing considerable upside, including the resurgence of uranium, so placing the Company in a very strong position to maximise value for our shareholders. The discovery of high-value magnet Rare Earths on and along our tenement boundary adds a third dimension to growth.

We look forward to the year ahead!

Competent person statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Aaron Brown who is a Member of The Australian Institute of Geoscientists. 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown consents to the inclusion in the report of the matters based on his information in the form and context in which they appear. 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.

Results

During the year, total cash expenditure on exploration and evaluation activities totalled \$1,410,966.

The net loss of the Group after income tax was \$422,245 (2021: loss \$298,290).

The net assets of the Group have increased by \$132,467 during the financial year from \$14,968,228 at 30 June 2021 to \$15,100,695 at 30 June 2022.

Dividends

No dividends have been paid or provided by the Group since the end of the previous financial year (2021: nil).

Junior Mineral Exploration Incentive (JMEI) Credits

Marmota distributed \$439,459 of JMEI Taxation Credits back to eligible shareholders in December 2021, relating to new investments made by those eligible shareholders in Marmota during the year to 30 June 2021.

State of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Events subsequent to reporting date

In the period July to September 2022, subsequent to the end of the financial year, Marmota raised \$3,960,122 (before costs) via placement to professional and sophisticated investors at 5.3c per share.

Likely developments

The Group's strategy is to explore for gold, base metals and uranium within the Company's highly prospective portfolio of projects. The Board of Marmota Limited is pursuing a balance of direct self-funded exploration and exploration via strategic partnerships and funding arrangements. The primary focus of exploration is directed at progressing the Company's Gawler Craton gold project which is yielding excellent results.

Environmental regulation and performance statement

The Group's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Group on any of its tenements. To date, the Group has only carried out exploration activities and there have been no known breaches of any environmental obligations.

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other Officers of the Company against any liabilities incurred by the Directors and Officers that may arise from their position as Directors and Officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Options

At the reporting date, unissued ordinary shares of Marmota Limited under option are:

Expiry date*	Exercise price	Number of Options	Vested	Unvested	Amount paid/payable by recipient (\$)
22/07/2022	\$0.10	68,820,755	68,820,755	-	-
23/08/2023	\$0.10	3,000,000	3,000,000	-	-
08/12/2023	\$0.10	2,000,000	2,000,000	-	-
20/12/2024	\$0.086	3,500,000	3,500,000	-	-

* All options may be exercised at any time before expiry subject to escrow restrictions. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year, 2,000,000 ordinary shares were issued by the Company as a result of the exercise of employee options at 3c per share (2021: 500,000). There were no amounts unpaid on shares issued.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2022 may be accessed from the Company's website at: www.marmota.com.au/corporate/policies

Non-audit services

There were no non-audit services provided by the external auditors of the Parent or its related entities during the year ended 30 June 2022.

Auditor of the Company

The auditor of the Company for the financial year was BDO Audit Pty Ltd.

Auditor's independence declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2022 is set out immediately following the end of the Directors' report.

Remuneration Report

Remuneration policy

The remuneration policy of Marmota Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Marmota Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of Board members and other key management personnel of the Company is as follows.

Remuneration and Nomination

The Audit, Governance and Remuneration Committee oversees remuneration matters and makes recommendations to the Board on remuneration policy, fees and remuneration packages for non-executive directors and senior executives. Details of the committee's members and its responsibilities are set out in the Corporate Governance Statement.

Non-executive Remuneration Policies

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of board committees. The fees are set by the Audit, Governance and Remuneration Committee which consults independent advice from time to time.

Non-executive Directors do not receive bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Executive Chairman is determined by the Audit, Governance and Remuneration Committee and approved by the Board as part of the terms and conditions of his/her employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Executive Chairman subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Audit, Governance and Remuneration Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The remuneration structure and packages offered to executives are summarised below:

- Short-term incentive - The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota Limited given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



- Long-term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention rights as considered appropriate by the Audit, Governance and Remuneration Committee and the Board, as a long-term incentive for key management personnel. These rights are subject to shareholder approval at the Annual General Meeting in the year of grant. The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.

The Company also has a Director & Employee Share Option Plan approved by shareholders that will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long-term performance of the Company. Options issued under the DESOP are generally issued with an exercise price that is significantly higher than the current share price, which implicitly requires that the ultimate performance target of maximising shareholder value is achieved.

At this time, the remuneration that is paid to Key Management Personnel is not otherwise related to the Company's financial performance over the last five years.

Remuneration Consultants

The company did not use any remuneration consultants during the year.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the consolidated entity and for the executives receiving the highest remuneration.

(a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the consolidated entity during the whole of the financial year are:

Directors	Position		
Dr C Rose	Chairman	Executive	from 5 June 2017
Mr N Bergin	Director (Production)	Non-executive	from 11 May 2021
Mr A Brown	Director (Exploration)	Executive	from 11 May 2021
Key Management Personnel			
Ms L Askham-Levy	Company Secretary and CFO		from 18 January 2018

**Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited**



(b) Directors' remuneration

	Short Term Employee Benefits		Post-Employee Benefits		Long Term Employee Benefits	Share-based payments		Total
	Directors' fees	Fixed Remuneration	Non-Monetary Benefits	Super contributions	Change in LSL Provision	Option based benefits	Share based payments	
2022 primary benefits	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Dr C Rose	1	72,999	-	12,000	-	-	-	85,000
Mr N Bergin	36,000	-	-	-	-	579	-	36,579
Mr A Brown ⁽¹⁾	-	112,373	-	11,237	-	-	-	123,610
	36,001	185,372	-	23,237	-	579	-	245,189

⁽¹⁾Mr Brown's FY22 remuneration includes salary of \$110,000 including superannuation guarantee and an annual leave payout of \$13,610 including superannuation guarantee.

	Short Term Employee Benefits		Post-Employee Benefits		Long Term Employee Benefits	Share-based payments		Total
	Directors' fees	Fixed Remuneration	Non-Monetary Benefits	Super contributions	Change in LSL Provision	Option based benefits	Share based payments	
2021 primary benefits	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Dr C Rose	1	72,999	-	12,000	-	-	-	85,000
Mr N Bergin	5,040	-	-	-	-	-	-	5,040
Mr A Brown	-	14,042	-	1,334	-	2,103	-	17,479
Dr K Wills*	-	63,023	-	-	-	2,804	-	65,827
Mr S Barker**	-	13,539	-	-	-	2,804	-	16,343
	5,041	163,603	-	13,334	-	7,711	-	189,689

There were no cash bonuses paid in 2022 or 2021.

* Director's fees for Dr Wills are paid to a related entity of the Director.

** Director's fees for Mr Barker are paid to a related entity of the Director.

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**Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited**



(c) Key management personnel remuneration

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits		Total	Proportion of remuneration related to performance
	Invoiced	Fixed Remuneration	Super contributions	Option based benefits	Share based payments		
	\$	\$	\$	\$	\$		
2022 primary benefits							
Key management personnel excluding Directors							
Ms L Askham-Levy	-	56,506	5,651	-	-	62,157	-
	-	56,506	5,651	-	-	62,157	-

	Short Term Employee Benefits		Post-Employee Benefits	Long Term Employee Benefits		Total	Proportion of remuneration related to performance
	Invoiced	Fixed Remuneration	Super contributions	Option based benefits	Share based payments		
	\$	\$	\$	\$	\$		
2021 primary benefits							
Key management personnel excluding Directors							
Ms L Askham-Levy	-	40,639	3,861	2,103	-	46,603	-
	-	40,639	3,861	2,103	-	46,603	-

There were no cash bonuses paid in 2022 or 2021.

(d) Share based payments

Share-based payments are in line with the Marmota Limited Director & Employee Share Option Plan, and approved under ASX Listing Rule 10.14. Listed below are summaries of options granted:

(i) Options issued to directors and key management personnel

3,000,000 unlisted 10 cent Options expiring 23 August 2023 issued under the Director & Employee Share Option Plan (DESOP).

2,000,000 unlisted 10 cent Options expiring 8 December 2023 issued under the Director & Employee Share Option Plan (DESOP).

3,500,000 unlisted 8.6 cent Options expiring 20 December 2024 issued under the Director & Employee Share Option Plan (DESOP).

*(ii) Share based payments to key management personnel
Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant Date ¹	Expiry date	Exercise price	Fair value per option at grant date
Dr C Rose	-	-	-	-	-
Mr N Bergin	2,000,000	21/12/2021	20/12/2024	8.6 cents	0.029 cents
Mr A Brown	1,500,000	24/08/2020	23/08/2023	10 cents	0.140 cents
Ms L Askham-Levy	1,500,000	24/08/2020	23/08/2023	10 cents	0.140 cents

¹ Also the Vesting date and Exercisable date

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company, with no performance conditions attached. The objective of the issue of these options is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long-term performance of the Company. Options issued under the DESOP are generally issued with an exercise price that is significantly higher than the current share price, which implicitly requires that the ultimate performance target of maximising shareholder value is achieved. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Dr C Rose	-	-	-	-
Mr N Bergin	579	-	-	1.6%
Mr A Brown	-	-	-	-
Ms L Askham-Levy	-	-	-	-

(e) Service agreements

Dr Rose moved from the role of non-executive Chairman to Executive Chairman on 5 June 2017. The salary under the terms of his employment was set at \$85,000 per annum inclusive of superannuation guarantee contributions and included a one-month notice period.

Mr Brown was appointed Executive Director (Exploration) on 11 May 2021. The salary under the terms of his employment was set at \$110,000 including superannuation guarantee contributions and includes a one month notice period.

There were no post-employment, retirement or termination benefits previously approved by members of the Company in a general meeting, nor any such benefits paid to Directors of the Company.

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(f) Director related entities

Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

There are no amounts recognised during the year or the prior year (excluding remuneration and reimbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities.

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	Consolidated	
	2022	2021
	\$	\$
Current payables		
Amounts payable to directors ⁽¹⁾	3,000	3,000
Accrued directors fees ⁽¹⁾	7,083	7,083
	<u>10,083</u>	<u>10,083</u>

(1) FY22 amount is amount payable to Directors:

- Dr C Rose \$7,083 (FY21 \$7,083); and
- Mr N Bergin \$3,000 (FY21 \$3,000)

(g) Post-employment/retirement and termination benefits

Other than superannuation contributions, there were no post-employment retirement and termination benefits paid or payable to directors and key management personnel.

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Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(h) Directors and key management personnel equity remuneration, holdings and transactions

(i) Share holdings

The number of shares in the company held during the financial year by each director of Marmota Limited and other key management personnel of the group, including their personal related parties, are set out below. There were no shares granted to directors or key management personnel during the financial year.

Shares	Balance 1/07/21	Received as remuneration	Options exercised	Net change Other ⁽¹⁾	Balance 30/06/22	Total held in escrow 30/06/22
Held by Directors in own name						
Dr C Rose	95,997,504	-	-	2,722,222	98,719,726	-
Mr N Bergin	-	-	-	-	-	-
Mr A Brown	500,000	-	-	-	500,000	-
Held by Directors' personally related entities						
Dr C Rose	851,316	-	-	-	851,316	-
Mr N Bergin	330,000	-	-	-	330,000	-
Mr A Brown	-	-	-	-	-	-
Total held by Directors	97,678,820	-	-	2,722,222	100,401,042	-

(1) Net changes represent securities purchased by directors' on-market during the financial year.

Shares	Balance 1/07/21	Received as remuneration	Options exercised	Net change Other	Balance 30/06/22	Total held in escrow 30/06/22
Held by Key Management Personnel in own name						
Ms Lisa Askham-Levy	250,000	-	-	-	250,000	-
Held by Key Management Personnel in personally related entities						
Ms Lisa Askham-Levy	-	-	-	-	-	-
Total held by Key Management Personnel	250,000	-	-	-	250,000	-

Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited



(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Marmota Limited and any other key management personnel of the group, including their personal related parties, are set out below.

Options	Balance 1/07/21	Received as remuneration	Options exercised	Lapsed	Balance 30/06/22	Total vested 30/06/22	Total exercisable 30/06/22
Held by Directors in own name							
Dr C Rose	-	-	-	-	-	-	-
Mr N Bergin	-	-	-	-	-	-	-
Mr A Brown	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000
Directors' personally related entities							
Dr C Rose	-	-	-	-	-	-	-
Mr N Bergin	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Mr A Brown	-	-	-	-	-	-	-
Total held by Director	1,500,000	2,000,000	-	-	3,500,000	3,500,000	3,500,000

Options	Balance 1/07/21	Received as remuneration	Options exercised	Lapsed	Balance 30/06/22	Total vested 30/06/22	Total exercisable 30/06/22
Held by Key Management Personnel in own name							
Ms Lisa Askham-Levy	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000
Held by Key Management Personnel in personally related entities							
Ms Lisa Askham-Levy	-	-	-	-	-	-	-
Total held by Key Management Personnel	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000

(iii) Share rights holdings

No rights over ordinary shares in the company were held during the financial year by any director of Marmota Limited or by any other key management personnel of the group, including their personal related parties. No share rights were granted to directors or key management personnel during the financial year.

End of Remuneration Report

**Marmota Limited and Controlled Entities
Directors' Report (continued)
Remuneration Report – Audited**



The Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read "Colin Rose".

Dr Colin Rose
Chairman

Dated at Sydney this 21st day of September 2022

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**DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF MARMOTA LIMITED**

As lead auditor of Marmota Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Marmota Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 21 September 2022

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Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	Consolidated	
		2022	2021
		\$	\$
Interest revenue		4,175	33,738
Other income	2	12,289	43,060
Total revenue		16,464	76,798
Administration expenses	3	144,379	140,565
Consulting expenses	3	94,611	39,147
Depreciation expense	3	30,983	27,821
Employment expenses	3	168,736	156,301
Impairment of assets	3	-	11,254
(Loss) before income tax expense		(422,245)	(298,290)
Income tax (expense)	4	-	-
(Loss) for the year		(422,245)	(298,290)
Loss attributable to members of the parent entity		(422,245)	(298,290)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Fair value movement on other financial assets		(2,000)	(1,000)
Total comprehensive income for the year net of tax		(424,245)	(299,290)
Basic earnings per share (cents)	6	(0.043 cents)	(0.031 cents)
Diluted earnings per share (cents)	6	(0.043 cents)	(0.031 cents)

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2022



	Note	Consolidated	
		2022	2021
		\$	\$
Current assets			
Cash and cash equivalents	7	2,118,448	4,088,589
Short term investments		37,500	37,500
Trade and other receivables	8	91,425	40,707
Other assets	10	36,668	28,910
Total current assets		2,284,041	4,195,706
Non-current assets			
Trade and other receivables	8	99,000	30,000
Plant and equipment	11	231,594	208,124
Right of use assets	9	86,799	67,889
Jumbuck Project Consideration	13	-	2,500,000
Other financial assets	12	2,000	4,000
Exploration and evaluation assets	15	13,298,906	8,450,918
Total non-current assets		13,718,299	11,260,931
Total assets		16,002,340	15,456,637
Current liabilities			
Trade and other payables	16	776,484	375,777
Provisions	17	15,315	29,454
Lease liabilities	18	36,769	32,529
Total current liabilities		828,568	437,760
Non-current liabilities			
Provisions	17	21,183	14,578
Lease liabilities	18	51,894	36,071
Total non-current liabilities		73,077	50,649
Total liabilities		901,645	488,409
Net assets		15,100,695	14,968,228
Equity			
Issued capital	19	47,825,059	47,269,360
Reserves	27	(5,477)	4,771
Retained losses		(32,718,887)	(32,305,903)
Total equity		15,100,695	14,968,228

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022



	Issued capital (Note 19) \$	Share option reserve (Note 27) \$	FVOCI reserve (Note 27) \$	Retained Earnings \$	Total \$
Balance at 1 July 2020	41,120,619	7,769	(10,500)	(32,011,027)	9,106,861
Loss attributable to the members of the parent entity	-	-	-	(298,290)	(298,290)
Other comprehensive income	-	-	(1,000)	-	(1,000)
Total comprehensive income	-	-	(1,000)	(298,290)	(299,290)
Transactions with owners in their capacity as owners:					
Shares issued during the year	6,515,000	-	-	-	6,515,000
Options issued during the year	-	11,916	-	-	11,916
Options expired or exercised	-	(3,414)	-	3,414	-
Transaction costs associated with the issue of shares net of tax	(366,259)	-	-	-	(366,259)
	6,148,741	8,502	-	3,414	6,160,657
Balance at 30 June 2021	47,269,360	16,271	(11,500)	(32,305,903)	14,968,228
Balance at 1 July 2021	47,269,360	16,271	(11,500)	(32,305,903)	14,968,228
Loss attributable to the members of the parent entity	-	-	-	(422,245)	(422,245)
Other comprehensive income	-	-	(2,000)	-	(2,000)
Total comprehensive income	-	-	(2,000)	(422,245)	(424,245)
Transactions with owners in their capacity as owners:					
Shares issued during the year	60,000	-	-	-	60,000
Shares issued for Jumbuck acquisition	500,000	-	-	-	500,000
Options issued during the year	-	1,013	-	-	1,013
Options expired or exercised	-	(9,261)	-	9,261	-
Transaction costs associated with the issue of shares net of tax	(4,301)	-	-	-	(4,301)
	555,699	(8,248)	-	9,261	556,712
Balance at 30 June 2022	47,825,059	8,023	(13,500)	(32,718,887)	15,100,695

The accompanying notes form part of these financial statements.

Marmota Limited and Controlled Entities

Consolidated Statement of Cash Flows
For the year ended 30 June 2022

		Consolidated	
	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		10,371	5,238
Cash payments in the course of operations		(519,234)	(279,104)
Interest received		4,175	33,738
Net cash (used in) operating activities	23(b)	<u>(504,688)</u>	<u>(240,128)</u>
Cash flows from investing activities			
Payments for plant and equipment		(76,278)	(202,040)
Payments for exploration and evaluation assets		(1,410,966)	(1,489,691)
Payments for short term investments		-	-
Payments for acquisition of tenements/ Jumbuck acquisition		-	(2,500,000)
Cash receipts from sale of assets		-	-
Net cash (used in) investing activities		<u>(1,487,244)</u>	<u>(4,191,731)</u>
Cash flows from financing activities			
Proceeds from issue of shares		60,000	6,515,000
Payment of transaction costs associated with capital raisings		(4,301)	(367,239)
Repayment of leasing liabilities		(33,908)	(39,030)
Net cash provided by financing activities		<u>21,791</u>	<u>6,108,731</u>
Net increase/ (decrease) in cash held		(1,970,141)	1,676,872
Cash at the beginning of the financial year		<u>4,088,589</u>	<u>2,411,717</u>
Cash at the end of the financial year	23(a)	<u><u>2,118,448</u></u>	<u><u>4,088,589</u></u>

The accompanying notes form part of these financial statements.

1 Statement of significant accounting policies

The financial report includes the consolidated financial statements and notes of Marmota Limited and controlled entities ('consolidated group' or 'Group').

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for the purposes of preparing financial statements.

The following report covers the consolidated entity, Marmota Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) New accounting standards and interpretations

Accounting standards issued but not yet effective and not adopted early by the Company

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022.

New Standards and Interpretations

The Directors reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies. All new Standards and Interpretations were adopted with no material impact to the financial statements.

(c) Principles of consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries as of 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the financial statements

For the year ended 30 June 2022

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(d) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred income tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Plant and equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All fixed assets are depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	5% – 33%

The depreciation rates have not changed during the year ending 30 June 2022.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the

consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(i) Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments that the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(j) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Equity settled compensation

The Group operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions. The fair value of retention rights is ascertained using the Binomial valuation model.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(n) Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of goods and services tax (GST).

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Statement of Financial Position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Interests in joint arrangements

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

(q) Investments in associates

Associate companies are companies in which the group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the initial investment at cost and adjusted thereafter for the Group's share of post-acquisition reserves and profits/ (losses) of its associates.

(r) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(s) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements - exploration and evaluation expenditure

The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been

extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(v) Parent entity financial information

The financial information for the parent entity, Marmota Limited, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements.

(w) Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is Marmota Limited's functional and presentational currency.

(x) Authorisation for issue of financial statements

The financial statements were authorised for issue by the Board of Directors on 21 September 2022.

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Notes to the financial statements

For the year ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
2 Other income		
Other income:		
From operating activities		
Joint venture administration fees	1,918	-
ATO cash boost payment	-	37,822
Other	10,371	5,238
Total revenues	12,289	43,060
3 Profit/ (Loss) before income tax expense has been determined after		
Expenses		
Administration expenses		
ASX fees	44,921	45,109
Share registry fees	21,790	18,073
Insurance	10,330	10,594
Audit and other services	31,500	30,000
Travel	627	-
Marketing	30,508	15,458
Software licences and IT services	3,704	3,863
Other	999	17,468
	144,379	140,565
Consulting expenses		
Legal fees	92,881	33,967
Accounting and secretarial services	-	-
Other	1,730	5,180
	94,611	39,147
Depreciation expense		
Plant and equipment	52,809	28,111
Reallocation to exploration costs	(46,862)	(24,727)
Right of use assets	36,429	32,912
Reallocation to exploration costs	(11,393)	(8,475)
	30,983	27,821
Employment expenses		
Salaries and wages	415,408	357,395
Directors fees	36,000	5,040
Superannuation	44,058	35,636
Provisions	(7,535)	15,014
Share-based payments	1,013	11,916
Other	7,689	8,114
Reallocation to exploration costs	(327,897)	(276,814)
	168,736	156,301
Impairment expenses		
Impairment of exploration assets	-	11,254

4 Income tax

	Consolidated	
	2022	2021
	\$	\$
The components of tax expense comprise:		
Current income tax	-	-
Deferred tax	-	-
Tax portion of capital raising costs	-	-
Income tax (expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie income tax (expense) calculated at 25% on loss (2021: 26%)	(105,561)	(77,555)
Tax effect of:		
Deferred tax asset in respect of tax losses not brought to account	1,322,290	608,685
Exploration expenditure s40-730	(461,997)	(445,889)
Capital acquisition of tenement	(750,000)	
Tax effect in amounts not deductible	(4,732)	(88,167)
Impairment expense previously brought to account	-	2,926
Income tax (expense) attributable to loss	-	-
Income tax losses		
Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria		
- tax losses at 25%	8,081,323	7,239,723
- tax losses distributed as JMEI credits	(439,459)	(272,687)
Total deferred tax asset	7,641,864	6,967,036
Temporary differences	(3,134)	(7,061)

The consolidated entity has tax losses arising in Australia of \$30,567,456 (2021: \$28,719,549) that may be available and may be offset against future taxable profits. In addition, these losses can only be utilised in the future if the continuity of ownership test is passed, or if failing that, the same business test is passed.

The Group had nil franking credits in its franking account at 30 June 2022 (2021: nil)

No deferred tax liability has been recognised for expenditure pertaining to exploration and evaluation. The deferred tax amount of \$3,324,727 (2021: \$2,112,730) is fully offset by available deferred tax assets.

No deferred tax asset has been recognised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

	Consolidated	
	2022	2021
	\$	\$
5 Auditors' remuneration		
Audit services:		
Auditors of the Group – BDO Audit Pty Ltd		
Audit and review of the financial reports	31,500	30,000
	<u>31,500</u>	<u>30,000</u>

No non-audit services are provided.

6 Earnings per share

(a) Classification of securities

All ordinary shares have been included in basic earnings per share.

(b) Classification of securities as potential ordinary shares

- 0 unlisted options exercisable at \$0.03 by 9/11/2021 (2021: 2,000,000)
- 68,820,755 unlisted options exercisable at \$0.10 by 22/7/2022 (2021: 68,820,755)
- 3,000,000 unlisted options exercisable at \$0.10 by 23/8/2023 (2021: 3,000,000)
- 2,000,000 unlisted options exercisable at \$0.10 by 8/12/2023 (2021: 4,000,000)
- 3,500,000 unlisted options exercisable as \$0.086 by 20/12/2024 (2021: -)

Options granted to employees under the Marmota Limited Director & Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	Consolidated	
	2022	2021
	\$	\$

(c) Earnings used in the calculation of earnings per share

(Loss) after income tax expense	<u>(422,245)</u>	<u>(298,290)</u>
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Weighted average number of shares outstanding during the year in calculating earnings per share

Number for basic and diluted earnings per share

Ordinary shares	<u>975,768,061</u>	<u>961,325,548</u>
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Notes to the financial statements

For the year ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
7 Cash and cash equivalents		
Cash at bank	2,118,448	4,088,589
Deposits at call	-	-
	<u>2,118,448</u>	<u>4,088,589</u>
8 Trade and other receivables		
Current		
Other receivables	91,425	40,707
	<u>91,425</u>	<u>40,707</u>
Non-Current		
Other receivables	99,000	30,000
	<u>99,000</u>	<u>30,000</u>
Other receivables represent accrued interest receivable, bond deposits, and GST refunds. Receivables are not considered past due and/or impaired.		
9 Right of use assets		
Right of use assets (Property)		
At cost	110,403	105,382
Accumulated depreciation	(23,604)	(37,493)
	<u>86,799</u>	<u>67,889</u>
Net book value		
	<u>86,799</u>	<u>67,889</u>
Reconciliations		
Reconciliations of the carrying amounts for each Right of use asset are set out below:		
<i>Right of use assets</i>		
Carrying amount at beginning of year	67,889	107,630
Additions	55,339	-
Disposals		(2,248)
Depreciation	(36,429)	(37,493)
	<u>86,799</u>	<u>67,889</u>
Carrying amount at end of year		
	<u>86,799</u>	<u>67,889</u>
10 Other current assets		
Prepayments	36,668	28,910
	<u>36,668</u>	<u>28,910</u>
11 Plant and equipment		
Plant and equipment		
At cost	1,035,610	959,331
Accumulated depreciation	(804,016)	(751,207)
	<u>231,594</u>	<u>208,124</u>
Net book value		
	<u>231,594</u>	<u>208,124</u>

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

Plant and equipment

Carrying amount at beginning of year	208,124	34,193
Additions	76,279	202,042
Disposals	-	-
Depreciation	(52,809)	(28,111)
	<hr/>	<hr/>
Carrying amount at end of year	231,594	208,124

12 Financial Assets

	Consolidated	
	2022	2021
	\$	\$
Equity investments at fair value through other comprehensive income – shares in listed companies	2,000	4,000

13 Jumbuck Gold Project

In November 2021, Marmota completed its acquisition of the rights, title and interest of the **Jumbuck Gold Project** from Tyranna Resources Limited ('Tyranna' ASX:TYX), releasing final cash payment of \$2.2m and issuing \$500,000 in shares to Tyranna (at an issue price of 5.237 cents per share) [see ASX:MEU [13 Oct 2021](#), [15 Nov 2021](#)] .

As a result of the completion of the acquisition, consideration of \$2,500,000 in non-current assets at 30 June 2021 has been reclassified to exploration and evaluation assets, along with \$500,000 in shares issued (note 15).

14 Controlled entities**(a) Controlled entities consolidated**

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity in accordance with the accounting policy described in Note 1(c):

	Country of incorporation	Percentage owned (%)	
		2022	2021
Parent entity:			
Marmota Limited	Australia		
Subsidiary entity:			
Marmosa Pty Ltd	Australia	100	100
Half Moon Pty Ltd	Australia	100	-
Unincorporated entity:			
Western Gawler Craton Joint Venture	Australia	78.84	-

15 Exploration and evaluation assets

	Consolidated	
	2022	2021
	\$	\$
Movement:		
Carrying amount at beginning of year	8,450,918	6,735,962
Additional costs capitalised during the year	1,847,988	1,726,210
Jumbuck acquisition	3,000,000	
Impairment ⁽¹⁾	-	(11,254)
Carrying amount at end of year	13,298,906	8,450,918

- (1) The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas. If during the year, any tenements expired or were not renewed, then all of the associated costs with such tenements were written off during the year.

16 Trade and other payables

Trade payables	445,118	256,127
Other payables and accruals	321,283	109,567
Amounts payable to Directors	10,083	10,083
	<u>776,484</u>	<u>375,777</u>

17 Provisions**Current**

Employee benefits	<u>15,315</u>	<u>29,454</u>
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Non-current

Employee benefits	<u>21,183</u>	<u>14,578</u>
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Provision for long service leave

A provision for long service leave has been recognised for employee benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(k) to this report.

18 Lease liabilities**Current**

Lease liabilities	<u>36,769</u>	<u>32,529</u>
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Non-current

Lease liabilities	<u>51,894</u>	<u>36,071</u>
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	Consolidated	
	2022	2021
	\$	\$
19 Issued capital		
Issued and paid-up share capital		
980,081,316 (2021: 968,533,690) ordinary shares, fully paid	47,825,059	47,269,360
(a) Ordinary shares		
Balance at the beginning of year	47,269,360	41,120,619
Shares issued during the year:		
9,547,626 shares:	500,000	-
--- acquisition of Jumbuck Gold Project (15 Nov 2021) at \$0.052369		
2,000,000 shares: exercise of employee options (9 Nov 2021) at \$0.03	60,000	-
Shares issued during the prior year		
122,641,510 shares: pursuant to placement (22 Jul 2020) at \$0.053	-	6,500,000
500,000 shares: exercise of employee options (20 Oct 2020) at \$0.03	-	15,000
Less transaction costs arising from issue of shares net of tax	(4,301)	(366,259)
Balance at end of year	47,825,059	47,269,360

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

In the event of winding up of the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

(b) Options/rights

There were 3,500,000 share options issued under the Director and Employee Share Option Plan during the financial year.

For information relating to the Marmota Limited Director & Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 20.

At 30 June 2022, there were 77,320,755 unissued shares for which the following options were outstanding.

- 68,820,755 unlisted options exercisable at \$0.10 by 22/07/2022
- 3,000,000 unlisted options exercisable at \$0.10 by 23/08/2023
- 2,000,000 unlisted options exercisable at \$0.10 by 08/12/2023
- 3,500,000 unlisted options exercisable at \$0.086 by 20/12/2024

At 30 June 2021, there were 77,820,755 unissued shares for which the following options were outstanding:

- 2,000,000 unlisted options exercisable at \$0.03 by 09/11/2021
- 68,820,755 unlisted options exercisable at \$0.10 by 22/07/2022
- 3,000,000 unlisted options exercisable at \$0.10 by 23/08/2023
- 4,000,000 unlisted options exercisable at \$0.10 by 08/12/2023

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(c) Capital Management

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure accordingly. These responses include share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The Group's capital is shown as issued capital in the Statement of Financial Position.

20 Share-based payments

Share-based payments are in line with the Marmota Limited Employee Share Option Plan, details of which are outlined in the Directors' Report. Listed below are summaries of options granted:

(i) Options

Marmota Limited	2022			2021		
	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
Outstanding at the beginning of the year	9,000,000	\$0.084		2,500,000	\$0.030	
Granted	3,500,000	\$0.086		8,500,000	\$0.10	
Forfeited/Lapsed	(2,000,000)	\$0.10		(1,500,000)	\$0.10	
Exercised	(2,000,000)	\$0.03		(500,000)	\$0.03	
Expired	-	-		-	-	
Outstanding at year-end	<u>8,500,000</u>	\$0.094	644 days	<u>9,000,000</u>	\$0.084	687 days
Exercisable at year-end	<u>8,500,000</u>			<u>9,000,000</u>		

On 9 November 2016, 5,000,000 share options were granted to directors and employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.03 each. During the 2020 year, 1,000,000 options were exercised and 2,000,000 lapsed. The remaining 2,000,000 options were exercised during the year ending 30 June 2022.

On 24 August 2020, 4,500,000 share options were granted to employees under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.10 each. During the 2021 year, 1,500,000 options lapsed. 3,000,000 options remain at 30 June 2022; these options are exercisable on or before 23 August 2023.

On 9 December 2020, 4,000,000 share options were granted to directors under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.10 each. During the 2022 year, 2,000,000 options lapsed. 2,000,000 options remain at 30 June 2022; these options are exercisable on or before 8 December 2023.

On 21 December 2021, 3,500,000 share options were granted to directors under the Marmota Limited Director & Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.086 each. 3,500,000 options remain at 30 June 2022; these options are exercisable on or before 20 December 2024.

Notes to the financial statements

For the year ended 30 June 2022

The options are non-transferable except as allowed under the Director & Employee Share Option Plan and are not quoted securities. At the reporting date, other than as disclosed in the table above, no share options had been exercised. All options granted to key management personnel are over ordinary shares in Marmota Limited, which confer a right of one ordinary share for every option held.

21 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries and related entities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents	2,118,448	4,088,589
Short term investments	37,500	37,500
Loans and receivables	190,425	70,707
Equity investments at FVOCI	2,000	4,000
	<u>2,348,373</u>	<u>4,200,796</u>
Financial liabilities		
Trade and other payables	776,484	375,777
Lease liabilities	88,663	68,600
	<u>865,147</u>	<u>444,377</u>

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the group.

Specific financial risk exposures and management

The main financial risks the group is exposed to include liquidity risk, credit risk and interest rate risk.

(a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the consolidated group in managing its cash flows.

Financial liabilities are expected to be settled within 12 months, except for lease liabilities for which the longest expected maturity is for the year ending 30 June 2026.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at reporting date.

The consolidated entity holds its cash and cash equivalents with one financial institution who hold credit ratings of A+.

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset. Interest rate risk is managed with a mixture of fixed and floating rate cash deposits.

(d) Sensitivity analysis*Interest rate*

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the Group does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

Interest rate sensitivity analysis

At reporting date, the effect on profit/ (loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2022	2021
	\$	\$
Change in loss		
Increase in interest rates by 2%	43,119	82,522
Decrease in interest rates by 2%	(43,119)	(82,522)
Change in equity		
Increase in interest rates by 2%	43,119	82,522
Decrease in interest rates by 2%	(43,119)	(82,522)

22 Commitments & contingent liabilities**(a) Exploration expenditure commitments**

There is no fixed commitment required by the group in order to maintain current rights of tenure to exploration tenements, as the obligations are subject to renegotiation on renewal.

(b) Guarantees

The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is \$37,500 (2021: \$37,500). These bank guarantees are fully secured by cash on term deposit.

(c) Contingent liabilities

As at 30 June 2022, there was a contingent liability of \$66,434:

- \$47,915 for the Groundhog Services Partnership alleged assessment attributed to Marmota received from Revenue SA for payroll tax relating to 2010 – 2015 financial years in respect of a disputed change in grouping.
- \$18,519 for Marmota Ltd's alleged assessment from Revenue SA for payroll tax relating to 2013-2015 financial years in respect of the disputed change in grouping.

These alleged assessments are currently being disputed. (2021: \$66,434).

		Consolidated	
	Note	2022	2021
		\$	\$

23 Notes to the statements of cash flows**(a) Cash at the end of the financial year consists of the following:**

Cash at bank and at call	7	2,118,488	4,088,589
		<u>2,118,488</u>	<u>4,088,589</u>

(b) Reconciliation of (loss) after income tax to net cash outflow from operating activities

(Loss) after income tax		(422,245)	(298,290)
Add/(less) non-cash items			
Depreciation		35,061	27,821
Gain on sale of plant and equipment		-	-
Share based payments		1,013	11,916
Impairment of assets		-	11,254
Changes in operating assets and liabilities			
(Increase)/decrease in other assets		911	(11,889)
(Increase)/decrease in trade and other receivables		(119,718)	(29,144)
(Decrease)/increase in trade and other payables		7,824	32,157
(Decrease)/increase in provisions		(7,534)	16,047
Net cash (used in) operating activities		<u>(504,688)</u>	<u>(240,128)</u>

24 Related parties**Directors' transactions with the Company**

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis. There are no amounts recognised during the year or the prior year (excluding remuneration and re-imbursment of expenses incurred on behalf of the Company) relating to Directors and their Director related entities.

Amounts receivable from and payable to Directors and their Director related entities at reporting date arising from these transactions were as follows:

	Consolidated	
	2022	2021
	\$	\$
Current payables		
Amounts payable to directors ⁽¹⁾	3,000	3,000
Accrued directors fees ⁽¹⁾	7,083	7,083
	<u>10,083</u>	<u>10,083</u>

(1) FY22 amount is amount payable to Directors:

- Dr C Rose \$7,083 (FY21 \$7,083); and
- Mr N Bergin \$3,000 (FY21 \$3,000)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2022.

The totals of remuneration paid to executive and non-executive directors and key management personnel during the year are as follows:

	Consolidated	
	2022	2021
	\$	\$
Short term employee benefits	277,879	209,283
Post-employment benefit	28,888	17,195
Share-based payments	579	9,814
	<u>307,346</u>	<u>236,292</u>

25 Operating segments

The Directors have considered the requirements of AASB8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

26 Events subsequent to reporting date

In the period July to September 2022, subsequent to the end of the financial year, Marmota raised \$3,960,122 (before costs) via a placement to professional and sophisticated investors at 5.3c per share.

27 Reserves**Share options reserve**

The share options reserve records items recognised as expenses on valuation of employee share options and retention rights.

Fair Value through Other Comprehensive Income (FVOCI) reserve (previously available for sale reserve)

The FVOCI reserve comprises gains and losses relating to these types of financial instruments.

	Consolidated	
	2022	2021
	\$	\$
Reserves		
<i>Share option reserve</i>		
Opening balance at beginning of year	16,271	7,769
Fair value of options issued to employees	1,013	11,916
Options exercised, forfeited or expired	(9,261)	(3,414)
Balance at end of year	8,023	16,271
<i>FVOCI reserve</i>		
Opening balance at beginning of year	(11,500)	(10,500)
Fair value movement	(2,000)	(1,000)
Balance at end of year	(13,500)	(11,500)
Total Reserves	(5,477)	4,771

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28 Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
 Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as sales prices) or indirectly (i.e. derived from prices);
 Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group's financial asset and financial liabilities measured and recognised at fair value at

	Level 1	Level 2	Level 3	Total
30 June 2022	\$	\$	\$	\$

Financial assets at fair value

Equity instruments designated at FVOCI

Listed securities	2,000	-	-	2,000
Net fair value	2,000	-	-	2,000

	Level 1	Level 2	Level 3	Total
30 June 2021	\$	\$	\$	\$

Financial assets at fair value

Equity instruments classified as available for sale

Listed securities	4,000	-	-	4,000
Net fair value	4,000	-	-	4,000

30 June 2022 and 30 June 2021 on a recurring basis are as follows:

Measurement of fair value of financial instruments

The methods and fair valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Fair values of other financial assets and financial liabilities

The carrying amounts of other current and non-current receivables and payables are considered to be a reasonable approximation of their fair value.

29 Marmota Limited company information

	2022	2021
	\$	\$
Parent entity		
Assets		
Current assets	2,284,041	4,195,706
Non-current assets	13,718,299	11,260,931
Total assets	16,002,340	15,456,637
Liabilities		
Total liabilities	901,645	488,409
Equity		
Issued capital	47,825,059	47,269,360
Retained losses	(32,718,887)	(32,305,903)
Share option reserve	8,023	16,271
FVOCI reserve	(13,500)	(11,500)
Total equity	15,100,695	14,968,228
Financial performance		
(Loss) for the year	(408,974)	(479,046)
Other comprehensive income	-	-
Total comprehensive income	(408,974)	(479,046)
Guarantees in relation to the debts of subsidiaries:		
Bank guarantees – Government authorities	37,500	37,500
Contingent liabilities	66,434	66,434
Exploration expenditure commitments (Note 22)	-	-
Contractual commitments	-	-

30 Company details

The registered office and principal place of business of the Company is:

Marmota Limited
Unit 6, 79–81 Brighton Road
Glenelg SA 5045

Directors' declaration

The Directors of Marmota Limited declare that

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standards; and
 - (iii) Marmota Limited complies with International Financial Reporting Standards as disclosed in Note 1.
- (b) The person holding the Chief Executive Officer and the Chief Financial Officer functions has declared that:
 - (i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
 - (ii) The financial statements and notes for the financial year comply with the accounting standards; and
 - (iii) The financial statement and notes for the financial year give a true and fair view;
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Sydney this 21st day of September 2022



Dr Colin Rose
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Marmota Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Carrying value of exploration and evaluation assets

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>Refer to note 15 in the financial report.</p> <p>As at 30 June 2022, the Group has recognised significant exploration and evaluation assets.</p> <p>The carrying value of exploration and evaluation assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the total balance; and • The risk that these assets, comprising areas of interest, may be impaired due to the existence of impairment indicators that have not been sufficiently considered and require significant judgements by management. 	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Evaluating management’s assessment of whether impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources have been identified across the Group’s exploration projects. • Verifying current tenement licences to determine whether the Group has the rights to tenure and maintain the tenements in good standing. • Obtaining the exploration budget for the 2023 financial year to assess whether there is reasonable forecasted expenditure to confirm continued exploration spend for the projects. • Reviewing ASX announcements and Board meeting minutes for the year and subsequent to year end for exploration activity to identify any indicators of impairment.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2022, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Marmota Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



BDO Audit Pty Ltd



Andrew Tickle
Director

Adelaide, 21 September 2022



SHAREHOLDER INFORMATION

(as at 25 October 2022)

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The information is current at 25 October 2022.

Distribution of Equity Securities

Ordinary Share Capital

Fully paid ordinary shares are held by 3,228 individual shareholders.

Options

Unlisted options are held by 77 individual option holders.

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Substantial shareholder	Number of fully paid ordinary shares held
Dr Colin Rose	98,719,726

Voting rights

Fully paid ordinary shares

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Distribution of equity security holders

Category	Holders of Ordinary shares	Holders of 23/08/2023 \$0.10 Options	Holders of 8/12/2023 \$0.10 Options	Holders of 28/07/2024 \$0.10 Options	Holders of 20/12/2024 \$0.086 Options
1 – 1,000	245	-	-	-	-
1,001 – 5,000	120	-	-	-	-
5,001 – 10,000	328	-	-	-	-
10,001 – 100,000	1,643	-	-	4	-
100,001 and over	892	2	1	68	2
Total Number of security holders	3,228	2	1	72	2

The number of shareholders holding less than a marketable parcel of ordinary shares is 732.

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On market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Stock Exchange Limited including the number and percentage held by those holders at 25 October 2022 are as follows:

Name	Number of fully paid ordinary shares held	Percentage held
Dr Colin Rose	98,719,726	9.32
Cosell Pty Limited	37,700,000	3.56
Ms Jacqueline Rose	36,987,800	3.49
Mrs Bete Rose	25,052,803	2.37
HSBC Custody Nominees (Australia) Limited	23,717,384	2.24
N B T Pty Ltd	18,284,903	1.73
Mr Maxwell Alfred Kippe	17,600,000	1.66
Citicorp Nominees Pty Limited	15,311,730	1.45
Southern Cross Capital Pty Ltd	13,555,555	1.28
Mr Gregory Ross Plummer	13,000,000	1.23
SEP Investments Pty Limited	12,500,000	1.18
Robbie Hunt Pty Ltd	10,563,947	1.00
Pitt Superannuation Fund Pty Ltd	10,000,000	0.94
Mr Bradley Keith Moir	10,000,000	0.94
WFC Nominees Australia Pty Ltd	9,779,544	0.92
Mr Daniel Richard McGlade	9,433,962	0.89
Proco Pty Ltd	9,200,000	0.87
Tattersfield Securities Limited	7,544,670	0.71
Mr Peter James Holley	7,200,000	0.68
Mr Robert Jesse Hunt	6,621,091	0.63
	392,773,115	37.10

Unquoted equity securities

Options

Details of options on issue which are unquoted are as follows.

Expiry date	Exercise price	Number of Options	Number Unquoted	Number of holders
23/08/2023	\$0.10	3,000,000	3,000,000	2
08/12/2023	\$0.10	2,000,000	2,000,000	1
28/07/2024	\$0.10	39,359,643	39,359,643	72
20/12/2024	\$0.086	3,500,000	3,500,000	2



CORPORATE DIRECTORY

BUSINESS & REGISTERED OFFICE

Marmota Ltd
Unit 6
79–81 Brighton Road
GLENELG SA 5045

Telephone: (08) 8294 0899

Email: info@marmota.com.au

Web: www.marmota.com.au

POSTAL ADDRESS

Marmota Ltd
PO Box 117
GLENELG SA 5045

DIRECTORS

Dr COLIN ROSE

PhD (Economics)
Executive Chairman

AARON BROWN

BSc (Hons) Geology
Executive Director – Exploration

NEVILLE BERGIN

*BSc Mining, First Class Mine Managers
Certificate, MAusIMM, MAICD*
Non-executive Director – Production

COMPANY SECRETARY

LISA ASKHAM–LEVY

BA (Hons), *ACMA, CGMA, FGIA*

STOCK EXCHANGE CODE

ASX: **MEU**

AUDITORS

BDO Audit Pty Ltd
Level 7
420 King William St
ADELAIDE SA 5000

SHARE REGISTER

Location of Share Register

Link Market Services Ltd
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
Facsimile: (02) 9287 0303
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Web: www.linkmarketservices.com.au