



ASX ANNOUNCEMENT

10 July 2020

Marmota granted over \$1.1 million in JMEI Tax Credits to distribute to MEU investors

Marmota Limited ('Marmota' ASX:MEU) is pleased to advise that it has been successful in its application to participate in the Federal Government's **Junior Minerals Exploration Incentive (JMEI)** program for the new 2020/21 financial year.

- The Commissioner of Taxation has allocated **\$1,172,860 in JMEI tax credits** to Marmota for the 2020/2021 financial year.
- The JMEI tax credits may be distributed by Marmota to eligible investors as a tax offset. The JMEI tax credits serve to reduce an eligible investor's 2020/2021 tax liability (for individual shareholders or superannuation funds) or as franking credits (for companies).
- In the event that there is no tax liability to offset (for individuals and super funds), then the tax credits are issued as a tax refund by the Tax Office.
- The JMEI tax credits attach to **new ordinary shares** issued by Marmota between 9 July 2020 and 30 June 2021.

Importantly:

Marmota is currently in a trading halt as it implements a capital raising via placement to sophisticated and professional investors. As a result of the notification from the Commissioner of Taxation just received, Marmota is very pleased to advise that:

All successful eligible participants in Marmota's current July 2020 placement will receive BONUS attaching JMEI tax credits, courtesy of the Federal Government, for their 2020-2021 financial year.

More detail: 2020-2021 JMEI Tax Credits

The JMEI program is an initiative of the Australian Federal Government to encourage investment in greenfields exploration companies. Eligible investors must be Australian resident shareholders (irrespective of whether they are individuals, super funds, companies etc) who have applied for and are issued new shares in any Marmota capital raising of ordinary shares between 9 July 2020 and 30 June 2021. The JMEI tax credits will be distributed to eligible investors on a pro-rata basis.

Maximum Benefit

The maximum tax credit that can be issued to an investor is the amount paid by the investor to acquire the newly issued shares x Marmota's Corporate Tax rate (26%). Investors should be aware that Marmota cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available, as the actual number of JMEI Credits received will be dependent on a number of factors including the amount of allowable exploration incurred by Marmota during the 2020/21 year, the amount raised, and other factors.

For full details on the benefits and operation of the JMEI program, please visit:

www.ato.gov.au/JMEI

Marmota has been very fortunate to have been able to participate in all 4 years that the JMEI program has operated, and the program has proven to be very popular with MEU investors. The allocation of tax credits to Marmota in the 2020/21 financial year is the largest that Marmota has received. Marmota would like to express its gratitude to the Australian Federal Government for their on-going support of the junior mineral exploration space.

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

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