



Marathon Resources Ltd

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Friday, 29 April 2005

QUARTERLY REPORT

1 January – 31 March 2005



Since listing on 15 March 2005 Marathon has accelerated the evaluation of its Mt Gee uranium deposit. The Company has also continued evaluation of its Gawler Craton and Flinders Ranges properties and is about to commence drilling in Western Victoria.

The Company has relocated its head office operations from Adelaide city to 10 George Street Stepney South Australia 5069 with telephone and facsimile details as given above. The Company has also established a field office in Coober Pedy, which is now operational.

Technical staff have commenced field operations at the Company's uranium-rich polymetallic deposit at Mt Gee in the Northern Flinders Ranges and at its Gawler Craton tenements near Coober Pedy and Glendambo. This Mt Gee field trip was for orientation purposes and to accumulate drill hole location information to assist in the integration of drill hole data sets previously generated by Exoil, CRAE and Goldstream.

Marathon is pleased to announce the appointment of Mr Allan Younger as Chief Geologist. Allan Younger has several decade's experience as an exploration geologist and has consulted to many of the major mining companies in Australia. He will lead Marathon's field activities, under the direction of Executive Director Dr Vic Bogacz.

At Mt Gee (EL 3258), Marathon has engaged European consultants to remodel the extensive drill hole data from previous exploration at Mt Gee following which the Company will be in a position to produce a comprehensive conceptual model of the Mt Gee system. Drilling of the system will become feasible with modelling complete and geophysical surveys conducted to fine tune the model. Analysis of 636 metres of drill core from MTG001, drilled by Marathon's subsidiary in 2002 and as yet not subject to full analysis, is in progress.

In the Gawler Craton, Marathon has conducted geochemical orientation traverses to follow up on earlier work. At Coober Pedy (Els 2730 and 3324, Woorong Creek and Mabel Creek), this work has concentrated on the primary target MC5. Various geochemical methods are being assessed for use in prioritising targets and quotations have been requested to complete the gravity coverage of the tenements.

At Glendambo (Els 2819 and 3211, Coondambo and Mulga Well), similar geochemical traverses have been conducted to follow up on previous gravity surveys. Further geophysical surveys will be carried out in the next quarter.

In Western Victoria (Els 2621 and 4626, Kalymna and Glenlyle), both IP survey and drilling are about to commence.

No field work was undertaken at Mongolata (EL 3164) or Pinda Springs (EL 3159) during the quarter.

Dr John Santich
Chief Executive Officer

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MARATHON RESOURCES LIMITED

ABN

31 107 531 822

Quarter ended ("current quarter")

31 MARCH 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	NIL	NIL
1.2 Payments for		
(a) exploration and evaluation	(28913)	(28913)
(b) development	NIL	NIL
(c) production	NIL	NIL
(d) administration	(80607)	(102175)
1.3 Dividends received	NIL	NIL
1.4 Interest and other items of a similar nature received	32239	32239
1.5 Interest and other costs of finance paid	NIL	NIL
1.6 Income taxes paid	NIL	NIL
1.7 Other (provide details if material)	NIL	NIL
	(77281)	(98849)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(8698)	(28621)
(b)equity investments	NIL	
(c)other fixed assets	(78385)	(78385)
1.9 Proceeds from sale of:		
(a)prospects	NIL	NIL
(b)equity investments	NIL	NIL
(c)other fixed assets	NIL	NIL
1.10 Loans to other entities	NIL	NIL
1.11 Loans repaid by other entities	NIL	NIL
1.12 Other (provide details if material)	NIL	NIL
	(87083)	(107006)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(164364)	(205855)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(164364)	(205855)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4642067	4917067
1.15	Proceeds from sale of forfeited shares	NIL	NIL
1.16	Proceeds from borrowings	NIL	NIL
1.17	Repayment of borrowings	NIL	NIL
1.18	Dividends paid	NIL	NIL
1.19	Other (provide details if material) Prospectus Costs	(208807)	(412543)
Net financing cash flows		4433260	4504524
Net increase (decrease) in cash held		4268896	4298669
1.20	Cash at beginning of quarter/year to date	48561	18788
1.21	Exchange rate adjustments to item 1.20		NIL
1.22	Cash at end of quarter	4317457	4317457

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	107074
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Payments to Directors of Associated Entities were paid in this Quarter in accordance with disclosures made in the Prospectus dated 20 October 2004.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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Appendix 5B
Mining exploration entity quarterly report

3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400,000
4.2 Development	NIL
Total	400,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4317457	48561
5.2 Deposits at call	NIL	NIL
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details)	NIL	NIL
Total: cash at end of quarter (item 1.22)	4317457	48561

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No changes		
6.2	Interests in mining tenements acquired or increased	No changes		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3 +Ordinary securities	37810395	29067895	20c	20c
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25210395 NIL	N/A		
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,500,00	NIL	<i>Exercise price</i> 20c	<i>Expiry date</i> 30.6.2009
7.8 Issued during quarter	NIL	NIL		
7.9 Exercised during quarter	NIL	NIL		
7.10 Expired during quarter	NIL	NIL		
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: John Santich Date: 29/04/2005
(Director/Company secretary)

Print name: John Santich

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.