



SOUTH AUSTRALIAN RESOURCES & ENERGY
INVESTMENT CONFERENCE 2005

RESOURCES AND ENERGY FOR THE FUTURE

Dr John Santich

Outline

- ➡ Marathon in current investment climate
- ➡ Marathon business approach and potential
- ➡ Marathon properties
- ➡ Summary



What is the investment climate in South Australia?

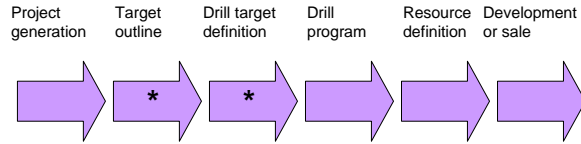


Source: PIRSA St Barbara's Day Conference (P Heithersay), PIRSA & Fraser Institute 2003/04 Mining Survey

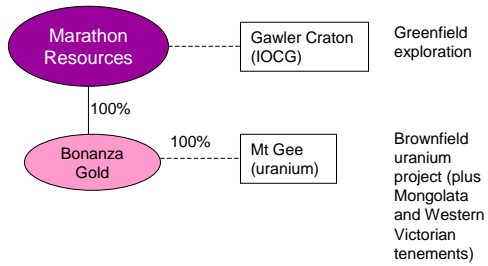
Positioning Marathon

- South Australian company
- Searching for uranium-rich polymetallic deposits
- In the Northern Flinders Ranges and Gawler Craton
- With brownfield and greenfield projects
- And other metaliferous interests

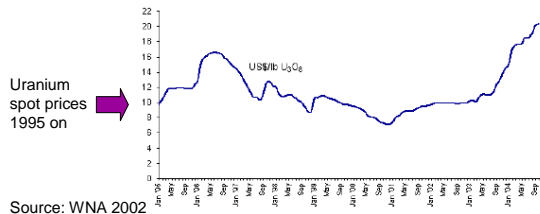
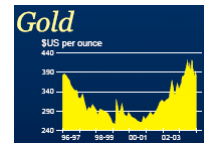
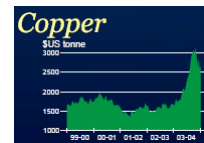
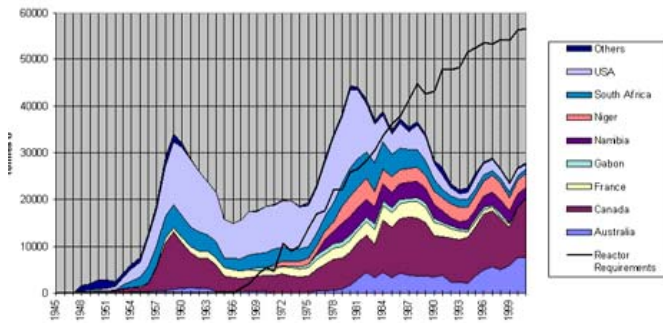
Business cycle



Business structure



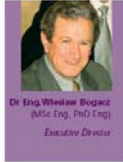
Western World Production Against Reactor Requirements 1945-2001



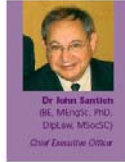
Source: WNA 2002

Uranium supply and demand are out of sync

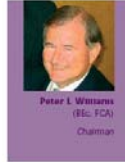
Executive team



Highly qualified geologist
Successful orebody exploration and development



Engineer and lawyer
Founder and director of successful exploration and mining companies



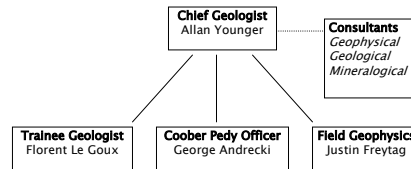
Chartered accountant with corporate experience
Managing director and chairman of public companies

Management and technical staff

Allan Younger
Chief Geologist



Technical Structure



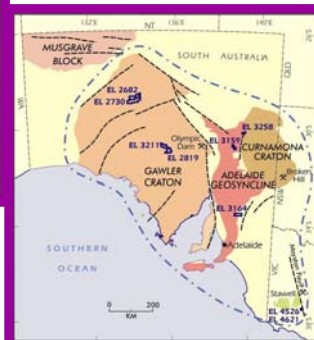
Area of Focus

Northern Flinders Ranges Gawler Craton



↑ Tenements on satellite image

Marathon focus over generalised geology ↓

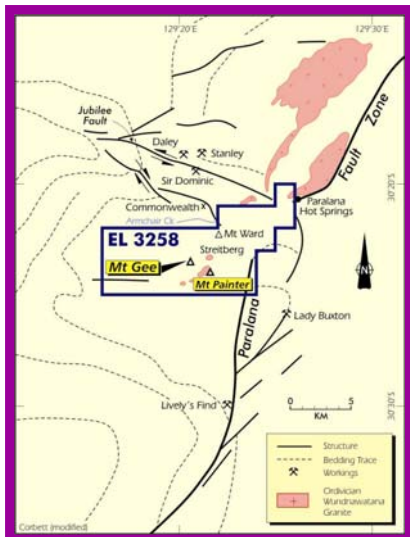
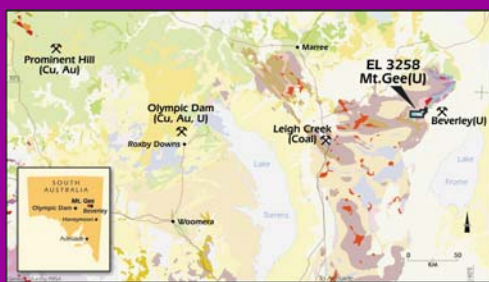




Adelaide Geosyncline
Flinders Ranges
Mt Gee, EL 2634
Pinda Springs, EL 3159
Mongolata, EL 3164

← Adelaide Geosyncline

Mt Gee location with nearby mines/discoveries ↓



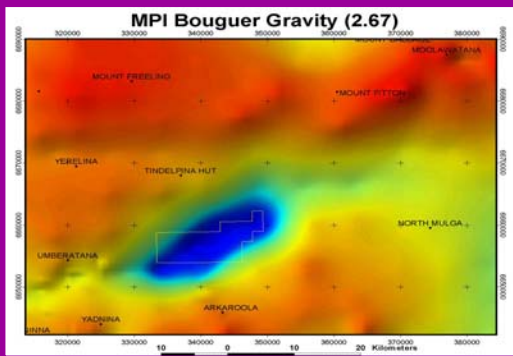
Mt Gee tenement
Northern Flinders Ranges
Inlier of Basement of Curnomona Craton

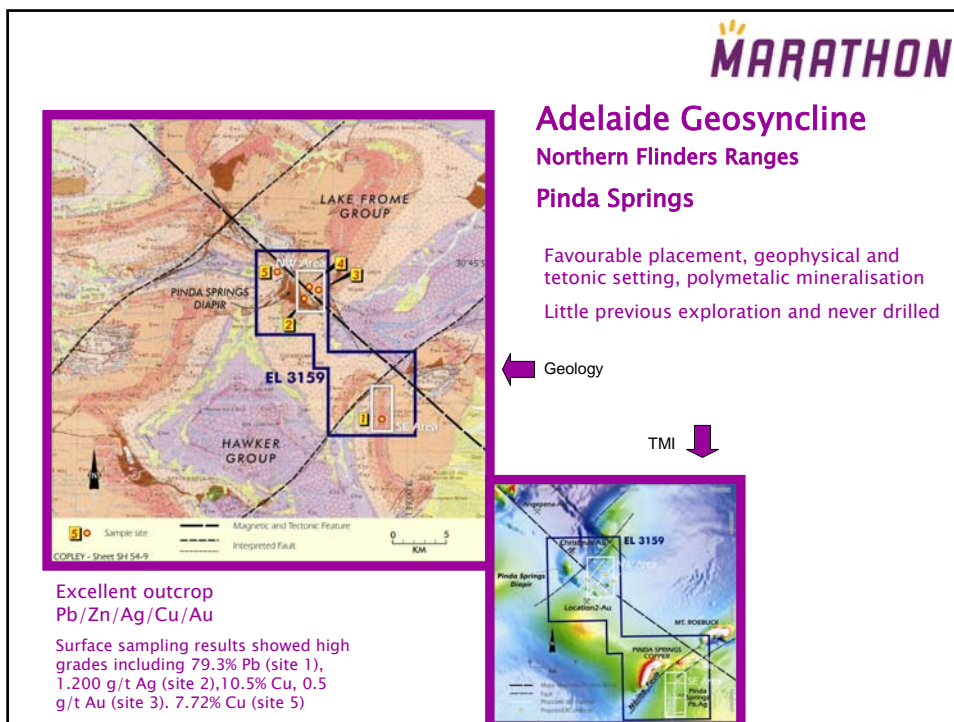
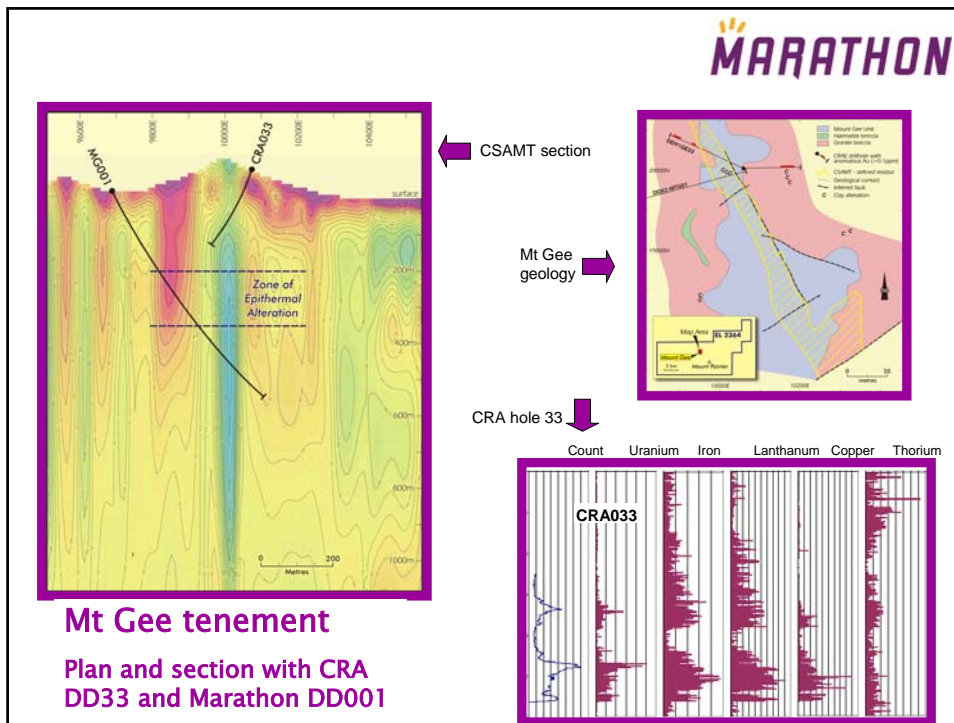
Proven uranium mineralisation

Established tonnage range 3.9–5.3 Mt @ 1.0–1.3

↑ Tenement outline

Bouguer Gravity →

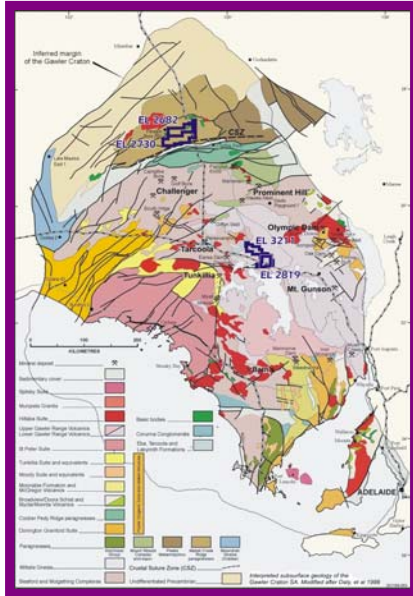




Gawler Craton

Coondambo/Mulga Well Els 2819, 3211

Mabel/Woorong Creek Els 2682, 2730



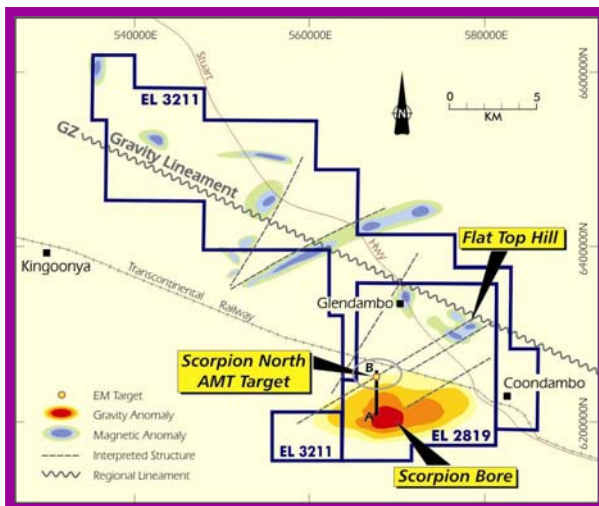
Potential very large IOCC discoveries – uranium, copper, gold

Under-explored and highly prospective Region of major mines/deposits

- Olympic Dam, WMC
- Prominent Hill, Minotaur
- Challenger, Dominion

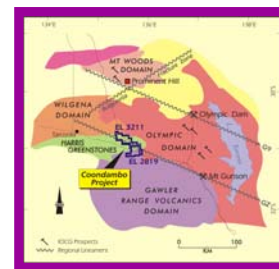
Region of advanced projects, eg

- Tunkillia, Helix–Minotaur
- Barn’s, Adelaide Resources



Central Gawler Craton

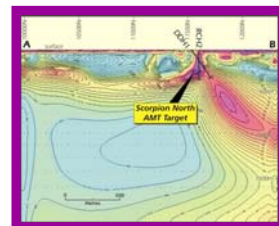
Coondambo & Mulga Well

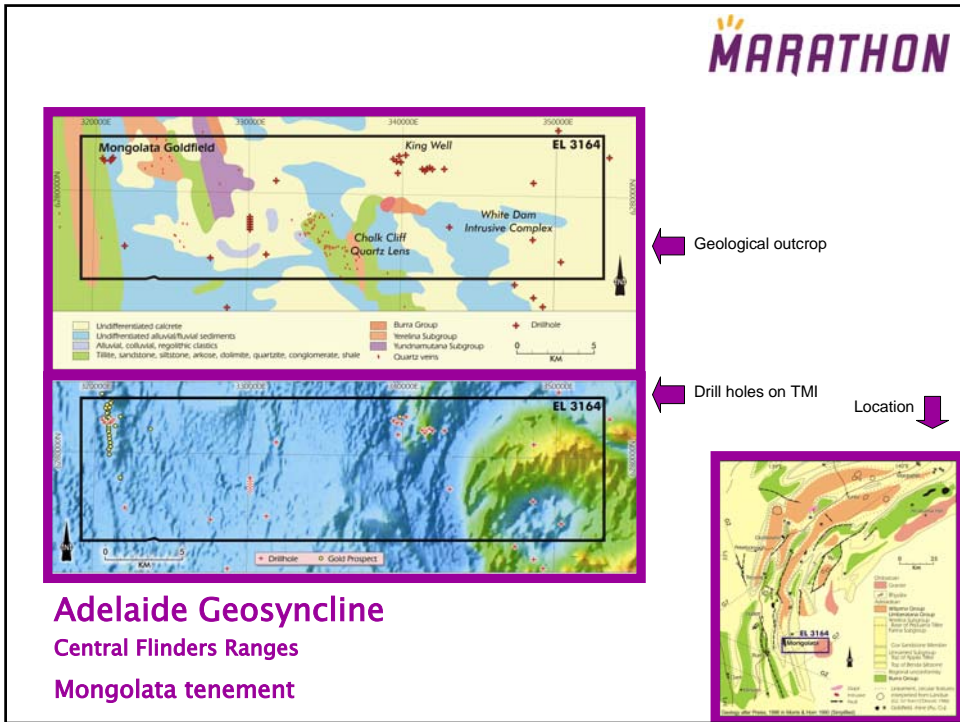
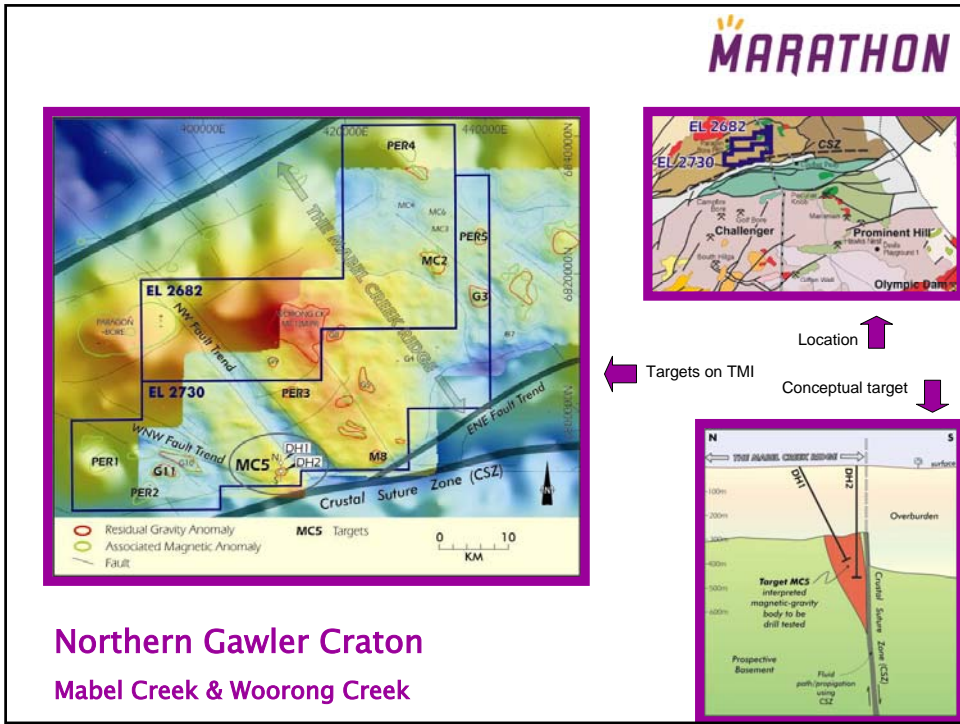


Location ↑

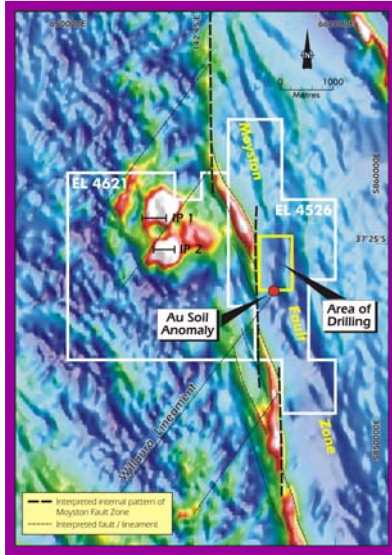
Gravity & TMI ←

AMT section ↓

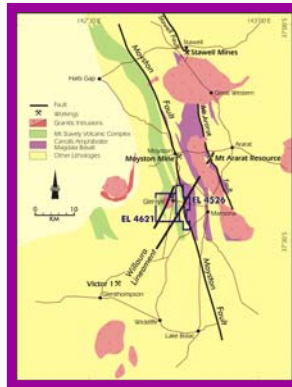




**Kalymna and Glenlyle
Western Victoria**

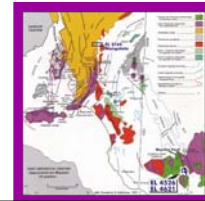


← Target areas on TMI



← Geology, tectonic setting

Location ↓

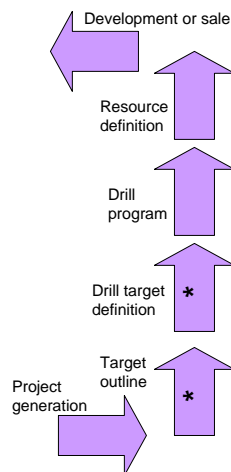


Summary

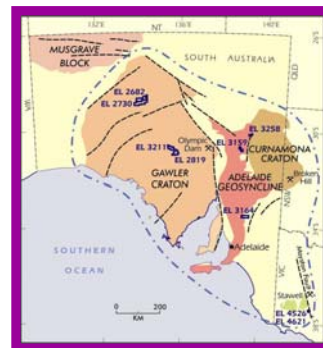
Positioning

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Business



Properties





Acknowledgement

Marathon's technical team including Dr Vic Bogacz and Allan Younger.

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Notes to Marathon Presentation at the South Australian Resources & Energy Investment Conference 2005

- 1 Title: Resources and Energy for the Future: South Australian Resources & Energy Investment Conference 2005
 - 2 Outline: Marathon's current investment climate, its business approach and potential, and its properties. The international perception of South Australia for mineral development is favourable for government policy and geological information, less so in for investment generally and least favourable in terms of mineral potential.
 - 3 Positioning: Marathon believes that there is excellent mineral potential in South Australia and that it can capitalise on the slowness of international companies to realise that fact. Marathon sees itself as a South Australian company, searching for uranium-rich polymetallic deposits, in the Northern Flinders Ranges and Gawler Craton, with brownfield and greenfield projects, as well as other metalliferous interests. In terms of its exploration business cycle, Marathon is in target definition and drill target definition mode, about to commence drilling. The Company's business structure is such as to allow separation of its more advanced uranium project if necessary.
 - 4 Uranium supply/demand: These are out of sync, with supply (not only from mines) well below reactor requirements now and in the future. Prices have increased as it becomes generally perceived that nuclear power is perhaps the best solution around for clean energy and as utilities and governments have realized that there is likely to be a large imbalance in supply and demand. Uranium becomes therefore a commodity with some pricing stability (low down side) for the foreseeable future.
 - 5 Executive and Management: Executive comprises John Santich (CEO) and Vic Bogacz (ED), both highly experienced in the mining industry. The Chairman is Peter Williams, with the remaining board members Sam Appleyard and Bill Latimer. Technical staff, at present Justin Freytag, George Andrecki and Florent Le Goux, are led by Allan Younger, Chief Geologist.
 - 6 Focus: Marathon's focus is on the Northern Flinders Ranges and the Gawler Craton, where it believes it has the best chance of a large discovery. In its area of interest, which includes the Cummonoma Craton, the company has nine tenements, of which seven in South Australia and two in Western Victoria.
 - 7 Northern Flinders Ranges: Marathon's most advanced project is Mt Gee, a brownfield uranium deposit in the Northern Flinders Ranges. Tenement is near Arkaroola, favourably placed within the Pariana Fault Zone, near the Beverly ISL mine, at about the same latitude as Olympic Dam. Other Flinders tenements are Pinda Springs (near Leigh Creek) and Mongolata (near Burra).
 - 8 Mt Gee: The Mt Gee tenement covers the Mt Painter Inlier of the Basement of the Cummonoma Craton, and has been well known as a host to uranium mineralisation for many years. The tenement is sited over a significant gravity low. Exoil explored the region for many years and commissioned a feasibility study which in 1970 indicated that mining was feasible subject to the delineation of further mineralisation. With further exploration, by 1972 the tonnage range was 3.9-5.3 Mt with a grade range of 1.0-1.3 kg/tonne.
 - 9 Mt Gee: In 2002 the company's subsidiary Bonanza Gold drilled a 636 metre hole to test the gold potential of the Mt Gee deposit, siting the hole to investigate a strong CSAMT resistor. The hole was sited not far from a CRA hole, #033, drilled during CRA's tenure between 1990 and 1994, which returned some excellent uranium intersections. The Bonanza drill hole core, of which few samples were assayed (and which proved negative for gold) has recently been cut and is presently being assayed for a suite of minerals including uranium.
 - 10 Pinda Springs: Favourable placement in terms of geophysical and tectonic setting with polymetallic mineralisation, adjacent to historical mines (Blirman, copper, and Beltana, zinc). Recent Perliya exploration nearby at Beltana including eg 19m @41.2% Zn and an estimated 941,000 tonnes @ 31% Zn. Major surface structural features are conducive for mineralisation. Little previous exploration has been carried out and the tenement has never been drilled. Surface sampling by the previous holder yielded excellent grades of lead, zinc, silver, copper and gold.
 - 11 Gawler Craton: A Marathon focus, with potential for very large IOCG discoveries, host to world class Olympic Dam deposit, yet still under-explored and highly prospective. A region of continuing discoveries, Challenger (>500,000 oz Au), Prominent Hill (97 Mt @ 1.5% Cu, 1.6 M oz Au), Tunkilla (730,000 oz Au, 1.5 M oz Ag) and Barn's (no reserve available).
 - 12 Glendambo: Highly prospective copper-gold, IOCG and other metals (eg nickel), appropriate regional tectonic setting on GZ gravity lineament, eastern end of highly prospective Harris Greenstones. Under-explored prospective basement at shallow level, with significant Scorpion Bore (Coondambe tenement) gravity anomaly coincident with magnetic anomalies, and with tightly defined Scorpion North AMT target at shallow depth (<50m). Other magnetic anomalies to the north (in the Mulga Well tenement) along the GZ gravity lineament
 - 13 Coober Pedy: Highly prospective copper-gold, IOCG and other metals, vicinity of major crustal fracture (CSZ), with favourable geophysical and tectonic setting of Mabel Creek Ridge. Several existing Minotaur/Perliya defined targets (including MC5 and MC2, Woorong and Mabel Creek) to be followed up and upgraded through geophysics and tectogenetic analysis prior to drilling.
 - 14 Mongolata: Favourable placement and local geophysical setting in Nackara Arc, with well developed underlying features confirmed by magnetic survey. Includes existing Mongolata Goldfield (avg 44 g/t Au on record) and on structural trend from nearby Burra Copper Mine. Adjacent gold-copper anomalies at King Well and Chalk Cliff, with strong White Dam Granite signature with indications of copper.
 - 15 Western Victoria: Covers Moyston Fault Zone forming western edge of Victorian goldfields, a major fault separating two regional geological domains, with favourable internal complexity. Prospective for gold, located in the vicinity of Moyston Goldfield (100,000 oz). Neighbouring area of proven mineralisation, and North of Victor 1 copper prospect (includes intersection of 229 m @ 0.22% Cu), tenements also cover geological styles similar to Victor 1, and show strong geophysical drill targets (IP anomalies) about to be followed up and drilled.
 - 16 Summary: Marathon is a South Australian explorer with both grass roots and advanced uranium-copper-projects including the Mt Gee project which comprises a known uranium deposit awaiting further evaluation. Its focus is on discovering uranium resources presently in the Northern Flinders Ranges and in the Gawler Craton. Marathon's business cycle commences with project generation, moves through target location and drill target definition to drilling, and then on the resource evaluation and development or sale. Marathon has nine mineral tenements in its area of interest of which seven in South Australia and two in Western Victoria.
- To go forward we need to get more out of our geophysical data by finding new applications and improving the processing of what we have. We need to improve our knowledge of surface geochemistry and integrate geochemistry rather than rely on it as the primary exploration tool. We need a better understanding of mineralisation styles.
- 17 Disclaimer: This document is not a disclosure document nor does it constitute the provision of financial product advice. Neither Marathon Resources Ltd nor any of its officers, employees or advisors makes or gives any representation, warranty or guarantee in relation to this document to any person. The information is provided expressly on the basis that recipient will carry out their own independent inquiries into the matters contained herein and make their own independent decisions about the affairs, financial position or prospects of the Company which reserves the right to update, amend or supplement any information at any time in its absolute discretion.
- Acknowledgement: Marathon's technical team including Dr Vic Bogacz and Allan Younger.