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**PARALANA MINERAL SYSTEM DRILLING (EL3258)**

**HODGKINSON URANIUM DEPOSIT - 23 METRE DRILL INTERSECTION  
OF HIGH GRADE URANIUM MINERALISATION IN DD05MN07 DRILL HOLE**

Marathon advises significant assay results have been obtained from the last diamond drill hole of the drilling program at the Hodgkinson deposit in the Paralana Mineral System (Figure 1). The Hodgkinson deposit is in the north-eastern part of the north-easterly trending Paralana Mineral System located within the 100% Marathon owned South Australian EL3258 (Figure 1).

This phase of drilling was carried out between 17 December 2005 and 1 February 2006, and included diamond drill holes DD05MN05, DD06MN06 and DD06MN07 (Figure 2). Drill hole DD06MN07 contains significant radioactive responses and has been preferentially assayed. The uranium mineralisation >500ppm (0.05%)  $U_3O_8$  is structurally controlled and hosted by brecciated and fractured zones within granite.

**The highest grade intersection in drill hole DD05MN07, a 23m wide zone of strong uranium mineralisation, between 55m and 78m, averaged 0.15%  $U_3O_8$ , (1.5 kg/tonne). This zone included:**

- **1m @ 1.15%  $U_3O_8$  (11.5 kg/t  $U_3O_8$  from 58 – 59m depth), and**
- **2m @ 0.41%  $U_3O_8$  (about 4 kg/t  $U_3O_8$  from 65 – 67m depth).**

The above intersection is contained within a strongly mineralised zone of 30m averaging 0.115%  $U_3O_8$  (0.5 kg per tonne  $U_3O_8$  cut-off) between 52m and 82m. The high grade zone between 55m to 78m in drill hole DD06MN07 correlates with the high grade zone outlined in drill hole DD05MN04 between 51m and 63m. In drill hole DD06MN07, aside from the 23m intersection referred to above, strongly mineralised zones were present between 37m and 39m, including 1m averaging 0.3%  $U_3O_8$  between 37m and 38m.

The drilling at Hodgkinson has provided information on the nature of and controls on mineralisation and on the distribution of mineralised zones, and has confirmed Marathon's conceptual tectonic model of the Hodgkinson deposit and its correlation with the tectogenetic model of the Paralana Mineral System. It has also validated the reported higher grade intersections of earlier explorers of the tenement.

Drilling at Hodgkinson has now been completed for the time being and the UDR650 crawler mounted rig has been moved to and is presently drilling at Mt Gee, with a view to testing the limits of the estimated resource and refining the Mt Gee deposit model. Final assay results from Hodgkinson will be released as they come to hand.

Assay results for diamond drill hole DD05MN07 is presented below in Tables 1. Collar locations for drill holes for the first six diamond holes of the Hodgkinson program are given in Table 2.

**Table 1: Assay results diamond drill hole DD05MN04**

Hole	Sample No	From (m)	To (m)	Interval (m)	CPS	U <sub>3</sub> O <sub>8</sub> (ppm)
<b>DD06MN07</b>	<b>156206</b>	<b>37</b>	<b>38</b>	<b>1</b>	<b>3000</b>	<b>3007.0</b>
DD06MN07	156207	38	39	1	3500	448.1
DD06MN07	156221	52	53	1	6000	648.6
DD06MN07	156222	53	54	1	5000	648.6
DD06MN07	156223	54	55	1	5000	766.5
DD06MN07	156224	55	56	1	4000	1356.1
DD06MN07	156225	56	57	1	4000	589.6
<b>DD06MN07</b>	<b>156226</b>	<b>57</b>	<b>58</b>	<b>1</b>	<b>4500</b>	<b>247.6</b>
<b>DD06MN07</b>	<b>156227</b>	<b>58</b>	<b>59</b>	<b>1</b>	<b>5000</b>	<b>11497.2</b>
DD06MN07	156228	59	60	1	5000	1179.2
DD06MN07	156229	60	61	1	3000	1356.1
DD06MN07	156230	61	62	1	3500	1474.0
DD06MN07	156231	62	63	1	3500	577.8
DD06MN07	156232	63	64	1	4500	766.5
DD06MN07	156233	64	65	1	5000	1120.2
<b>DD06MN07</b>	<b>156234</b>	<b>65</b>	<b>66</b>	<b>1</b>	<b>7000</b>	<b>4481.0</b>
<b>DD06MN07</b>	<b>156235</b>	<b>66</b>	<b>67</b>	<b>1</b>	<b>4000</b>	<b>3714.5</b>
DD06MN07	156236	67	68	1	3000	459.9
DD06MN07	156237	68	69	1	3000	1002.3
DD06MN07	156238	69	70	1	2500	589.6
DD06MN07	156239	70	71	1	3000	1002.3
DD06MN07	156240	71	72	1	2700	147.4
DD06MN07	156241	72	73	1	3000	1179.2
DD06MN07	156242	73	74	1	3300	224.0
DD06MN07	156243	74	75	1	3500	1415.0
DD06MN07	156244	75	76	1	2400	141.5
DD06MN07	156245	76	77	1	2300	294.8
DD06MN07	156246	77	78	1	2500	1238.2
DD06MN07	156247	78	79	1	2500	648.6
DD06MN07	156248	79	80	1	2400	648.6
DD06MN07	156249	80	81	1	1600	365.6
DD06MN07	156250	81	82	1	1700	648.6

**Table 2: Hodgkinson Drilling – Collar Locations (MGA/GDA)**

Hole	Easting	Northing	RL	Mag Brg	Inclination	Depth (m)
RC05MN01	347727	6659421	214	-	-90	57.0
DD05MN02	347941	6659565	235	180	-60	203.0
DD05MN03	347953	6659570	243	174	-60	200.4
DD05MN04	347955	6659576	243	155	-60	207.0
DD05MN05	347960	6659466	225	25	-55	147.0
DD06MN06	347920	6659485	217	20	-60	318.8
DD06MN07	347946	6659580	243	131	-60	129.4

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr W Bogacz, a full time Executive Director of Marathon Resources Ltd and a Member of the Australian Institute of Geoscientists. Dr Bogacz has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person for the purposes of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bogacz consents to the inclusion in the report of these matters based on their information in the form and context in which it appears.*

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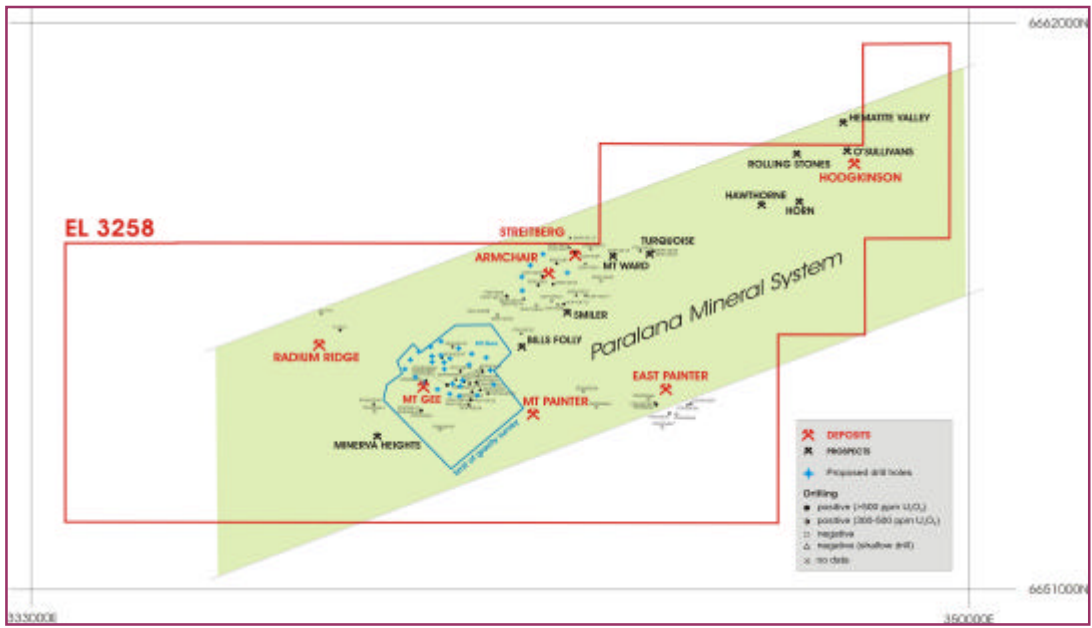


Figure 1: The Paralana Mineral System within EL 3258

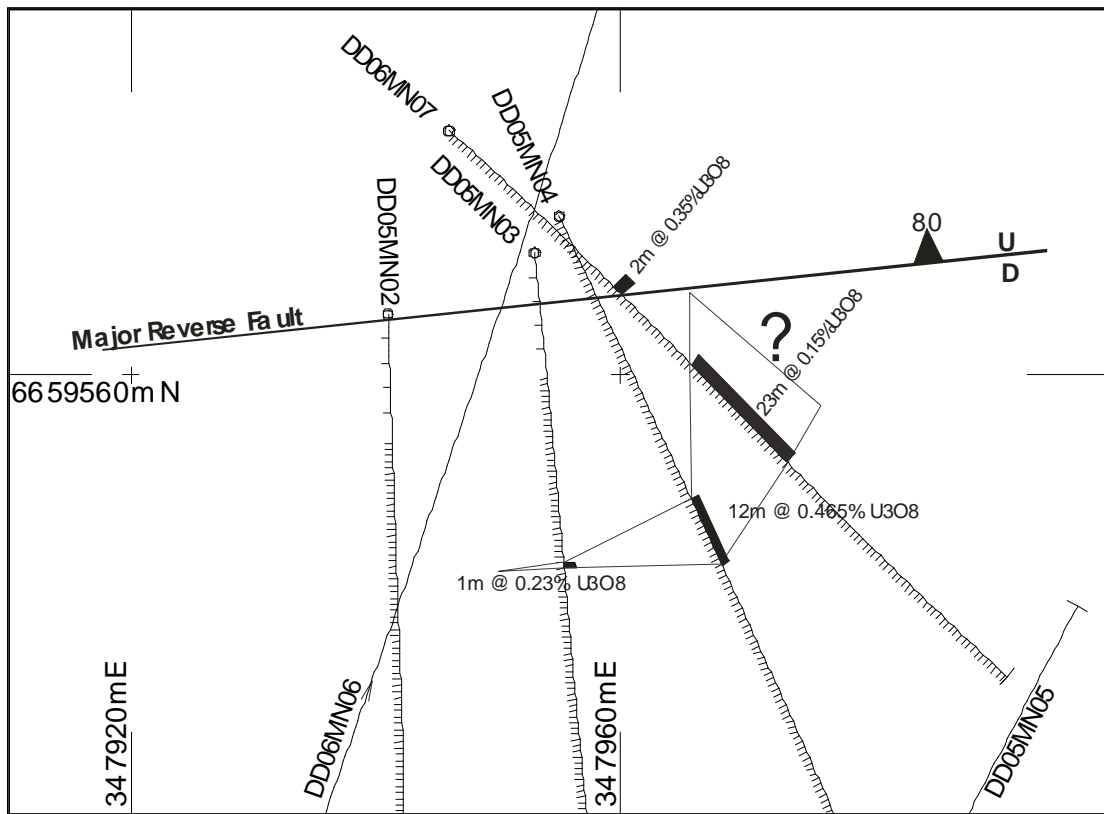


Figure 2: Drill hole locations and selected U<sub>3</sub>O<sub>8</sub> intersections at Hodgkinson