

Thursday, 7 December 2006

**COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE**

ASX CODE MTN

NEXT PHASE DRILLING COMMENCED – PARALANA MINERAL SYSTEM

In the release of the Chairman's address of 16 November 2006 to ASX, Marathon advised the next phase of the drilling program at Mt Gee was to commence in that week with a 93 hole drill program to upgrade the current inferred resource.

Drilling commenced 23 November 2006 and seven holes have been completed to date, with the eighth in progress.

Core has been processed by Marathon for the completed holes, and approximately 1,000 samples have been sent to the laboratory for assay.

Interim gamma logging of holes is subject to assay, but presently corresponds with prior work conducted by the Company.

Results are not expected until well after the Christmas period and will be advised following receipt and review by the Company.

As further drilling of target holes is completed samples will be sent progressively for assay with results released after receipt and consideration by the Company's Technical Director and Chief Geologist.

S M Appleyard
Company Secretary

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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