

Tuesday, 3 April 2007

By E-mail: ASX On-line

Manager Companies  
Company Announcements Office  
Australian Stock Exchange Limited



Dear Sir/Madam

**ASX Code MTN**  
**Mt Gee Uranium Project Update**  
**Interim Scoping Report**

Attached<sup>1</sup> please find Marathon's comments on the interim scoping report received from Coffey Mining.

Yours faithfully

A handwritten signature in black ink, appearing to read "Sam Appleyard". The signature is written in a cursive, flowing style.

**Sam Appleyard**  
Company Secretary

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<sup>1</sup> ASX Release

Tuesday, 3 April 2007

COMPANY ANNOUNCEMENTS OFFICE  
AUSTRALIAN STOCK EXCHANGE

ASX CODE MTN



**MT GEE SCOPING POINTS TO MINING**

**LONG TERM COMMITMENT TO ENVIRONMENT**

Marathon Resources is pleased to announce that the interim scoping report received from Coffey Mining reinforced its view on the mining potential of the Mt Gee uranium project. The report examines a number of mining (both surface and underground) and processing options.

“Based on the interim scoping report, the most advantageous approach from both technical and environmental points of view appears to be underground mining,” said Dr John Santich, Marathon’s Chief Executive Officer.

“Given the spot price and encouraging uranium grades, a tank leach processing plant sited on the flat near the eastern edge of the present tenement, is likely to give the best returns,” he said.

Dr Santich said that block model developed by Coffey Mining for the interim scoping report (Figure 1) indicated that a cut-off grade of 400ppm  $U_3O_8$  was viable for an underground operation targeting a production rate of over 1,000 tonnes of  $U_3O_8$  per year.

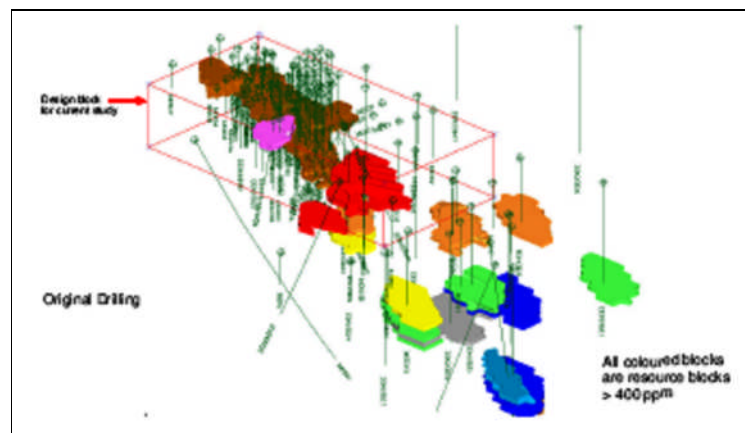


Figure 1: Mt Gee deposit, block model

Dr Santich emphasised that the interim scoping report was based on the Company’s August 2006 inferred resource estimate of 45.5 million tonnes of uranium mineralisation averaging 0.068%  $U_3O_8$ , or 69 million pounds of contained  $U_3O_8$ , and would be further updated when the results of the recent Mt Gee drilling program (comprising 71 holes for 15,390 metres drilled) had been assessed and incorporated in a new resource estimate and when additional analytical and planning information becomes available.

Uranium resource experts Hellman & Schofield had been retained to complete the new resource estimate, which is expected to upgrade resource grade, tonnage and confidence. The new resource estimate will be released to the market in approximately three months, following the progressive release of the results of the Mt Gee drilling program.

In February and March of this year Marathon began to progressively announce results from its drilling program which indicated both increased mineralised thickness and higher grades than anticipated. The

Mt Gee deposit is part of the 11-12 km NE extending uranium-rich Paralana Mineral System within Marathon's 100% owned EL 3258 (Figure 2).

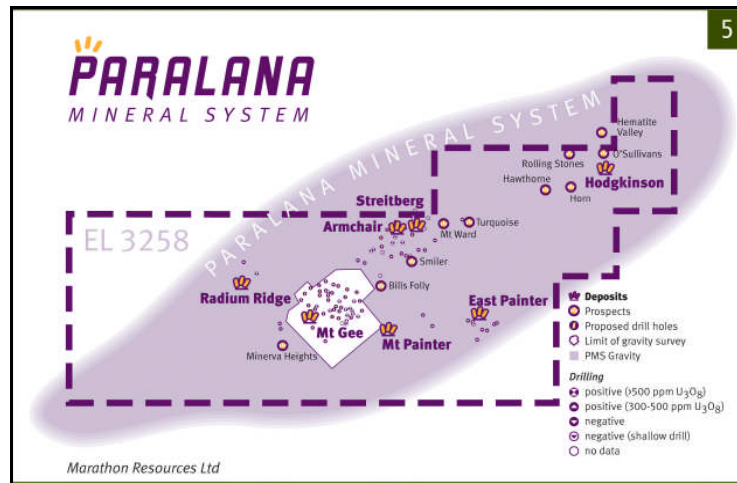


Figure 2: Paralana Mineral System, Mt Gee deposit, EL 3258, Flinders Ranges

Marathon noted that analysis of the new drilling data showed the increased thickness and higher grade zones to be focused approximately 150 m north-west of the area identified by Exoil, CRA (Rio Tinto) and Goldstream Resources in their earlier exploration drilling. The Company also said that drilling had clearly demonstrated extension of the Mt Gee mineralization to the south and east of the already defined resource.

Dr Santich said that the Company was committed to environmentally sustainable mining at Mt Gee and to thorough exploration of the Paralana Mineral System. “Indications are that we already have a viable mine,” he said, “but we believe that we have only scratched the surface.”

“We consider the Paralana Mineral System has the potential to be one of the great uranium systems in Australia,” said Dr Santich. “We are committed to both the environment in the Flinders Ranges and to adding shareholder value through best practice mining,” he said.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Allan Younger, full time Chief Geologist of Marathon Resources Ltd and a Member of the Australian Institute of Mining and Metallurgy. Mr Younger 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. Mr Younger consents to inclusion in the report of these matters based on their information in the form and context in which it appears.*

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