



Marathon Resources Ltd
235 Port Road, Hindmarsh SA 5007
PO Box 566, Hindmarsh SA 5007

T +61 (0)8 8348 3500
F +61 (0)8 8346 8111
www.marathonresources.com.au

ABN 31 107 531 822

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Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

By e-mail: ASX On-Line

Dear Sir/Madam

ASX Code: MTN
Mt Gee Project Update

Please find attached an update on operations at Marathon's Mt Gee Project.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sam Appleyard', written over a light grey circular stamp.

Sam Appleyard
Company Secretary

February 12, 2008

ASX STATEMENT

MARATHON RESOURCES – MT GEE PROJECT UPDATE

Marathon Resources Limited (ASX: MTN) provides the following update on operations at its Mt Gee uranium project in the northern Flinders Ranges, South Australia.

Marathon Chairman, Mr Peter Williams, said the Company had essentially completed currently authorised drilling activity at Mt Gee, and following discussions with the South Australian Government, had decided to demobilise the four rigs currently at the project.

Two of the rigs have already completed operations and had been released from the site.

“With our normal exploration cut-off looming, we have completed sufficient drilling to enable us to conduct the next exploration phase, including environmental and other studies, and we have assembled the required technical details for continued mine planning work,” Mr Williams said.

Marathon also announced that it would commission an independent report into the Company’s environmental practices and use the findings of the report to improve its operations, where necessary, in the Mount Gee area, and report back to Government.

As part of the process, the independent expert will be asked to liaise with all project stakeholders, including the Aboriginal community, pastoralists, owners of the Arkaroola Tourist Village, industry representatives and State and Federal government, and to identify all issues and address means to resolve them.

Mr Williams said Marathon recognised the concerns expressed by the State Government and others into the manner in which the Company disposed of exploration materials at Mt Gee, and would suspend drilling operations until the matter was clarified.

The South Australian Government has undertaken its own investigation into the matter, and is expected to release its findings to State Parliament this week.

“Marathon has a strong focus on sustainable exploration, and seeks to limit any adverse environmental impact,” Mr Williams said.

“Whether it is Marathon or any other mining company, it is critically important to uphold the State’s reputation as welcoming of investment and exploration in a sustainable manner,” Mr Williams added.

“Marathon recognises that the community and the Federal and State Governments expect us to consistently achieve the highest levels of environmental excellence”.

“Accordingly, to reinforce and honour the Company’s commitment to the environment, the Company has taken the steps announced today.”

Mr Williams said that, as announced late last year, Marathon would continue with a raft of data acquisition and pre-feasibility study activities on the Mt Gee uranium project, including:

- Geotechnical assessment of the resource.
- Base line environmental surveys.
- Plant and infrastructure location studies.
- Logistics studies.
- Native title negotiations.

As part of the strengthening of its Mt Gee project team, Marathon last month announced the appointment of Mr. W Ian McRae as Mt Gee Project Executive, with overall responsibility for overseeing the Company's feasibility studies.

Mr McRae's background includes extensive mining industry experience, firstly in mining operations management and then in executive roles in project development funding and technical services.

Mr Williams said that part of Mr McRae's job would be to ensure that Marathon's environmental credentials were restored to the highest levels, consistent with policies set down by the Board.

MEDIA CONTACTS:

Belinda Yates
Manager Corporate Affairs
Marathon Resources
(07) 3002 4928
(0439) 795 521

Sean Whittington
Field Public Relations
(08) 8234 9555
(0412) 591 520

Notes to Editor

Marathon is a minerals exploration company focused on the development of Mt Gee, one of Australia's largest undeveloped uranium deposits.

The Mt Gee project is located within the Paralana Mineral System of South Australia, a uranium-rich state which is home to the world's largest uranium deposit at Olympic Dam.

Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia.

The Company has gold and copper-gold projects in other parts of South Australia and western Victoria, including first class copper-gold and base metal (silver-lead-zinc) projects in the Adelaide Geosyncline in South Australia and a prospective copper-gold project in the Moyston Fault Zone in Victoria.

Marathon also has a joint venture with listed uranium explorer UraniumSA Ltd (ASX: USA), in which the company holds a 7% stake; and with Primary Resources Ltd (ASX: PRZ) in the Warburton Project in Western Australia.

Marathon listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

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