

30 April 2008

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

By e-mail: ASX On-Line

Dear Sir/Madam

ASX Code: MTN
Quarterly Activity Statement and Appendix 5B

Please find attached Marathon's Quarterly Activity Report and Appendix 5B
Quarterly Report for the period ending 31 March 2008.

Yours faithfully



Sam Appleyard
Company Secretary

30 April 2008

COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE

ASX CODE MTN

QUARTERLY ACTIVITY REPORT
1 JANUARY 2008 – 31 MARCH 2008

Marathon Resources Limited is pleased to present its activity report for the quarter ending 31 March 2008, covering a period of continuing good exploration results from our Mt Gee project in South Australia and continuing progress on Marathon's other tenements (Figure 1).

The ongoing exploration and appraisal progress was offset by a period of well-documented upheaval at our Mt Gee site involving the disposal of drilling waste material.

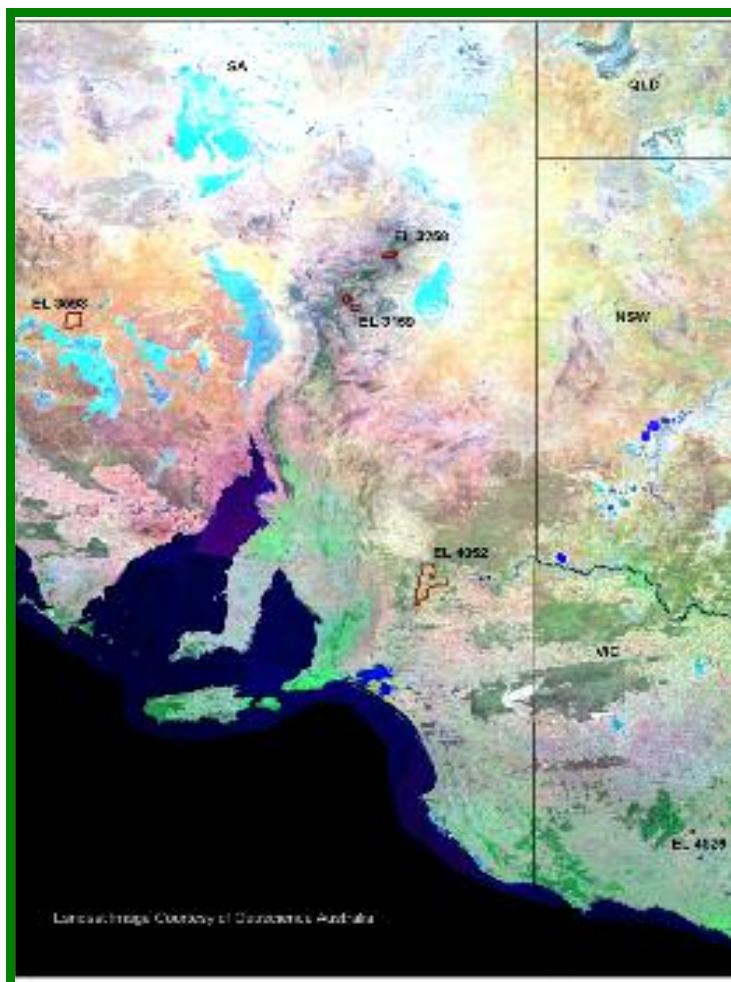


Figure 1 Tenement Location Map

EL 3258 Mt Gee (South Australia)

The results available to date from Marathon's exploration programs include new information which points to a significant extension of known mineralisation at Mt Gee and provide the potential for a major expansion of the uranium resource.

The Mt Gee project, in the northern Flinders Ranges of South Australia, is a part of the Paralana Mineral System, which is a significant uranium-bearing mineral system identified within Marathon's EL 3258 (Figure 1).

The Mt Gee Project remains one of the largest un-developed uranium deposits in Australia, with excellent exploration potential and good prospects for upgrades/additions to the current resource figure.

In September 2007 Marathon announced a revised resource estimate for the deposit giving an Inferred Resource of 42.8Mt of mineralisation with an average grade of 629ppm containing 26.9Kt uranium oxide. Within this Inferred Resource a proportion satisfies the Indicated Resource status, being 3.1Mt at an average grade of 717ppm containing 2.2 Kt uranium oxide.

As a result of the revised resource model, Marathon focused its drilling in specific areas of the deposit, with a view to developing an optimum plan to upgrade a significant portion of the Inferred Resource to Indicated Resource status. Additionally, drilling focused on investigation of the resource in a zone between Mt Gee West and Mt Gee East where limited past drilling/assay data are available. Location of the drill holes is shown in Figure 2.

New exploration assay results released during the latest March quarter from both Mt Gee East and Mt Gee West include:

MN091	188-193m,	5m @ 551ppm U ₃ O ₈ (0.05% U ₃ O ₈)
	209-215m,	6m @ 661ppm U ₃ O ₈ (0.07% U ₃ O ₈)
MN092	132-137m,	5m @ 619ppm U ₃ O ₈ (0.06% U ₃ O ₈)
	151-166m,	15m @ 663ppm U ₃ O ₈ (0.07% U ₃ O ₈)
	183-192m,	9m @ 822ppm U ₃ O ₈ (0.08% U ₃ O ₈)
MN093	181-186m,	5m @ 522ppm U ₃ O ₈ (0.05% U ₃ O ₈)
	206-213m,	7m @ 1380ppm U ₃ O ₈ (0.14% U ₃ O ₈)
MN106A	22-27m,	5m @ 816ppm U ₃ O ₈ (0.08% U ₃ O ₈).

*Minimum width 5m, >500ppm U₃O₈ with maximum 3m interval dilution.

As noted in the release of 31 March 2008 the results from Marathon holes MN091, MN092 and MN093 are especially significant as these holes are in an area not drilled in the past, and they infer the extension of the mineralisation approximately 100m to the ESE from the intersection in

CRAE drill hole DD92GE038. These new Marathon results also provide additional evidence to previous drill results indicating that the Mt Gee mineralised system is continuous from Mt Gee West to Mt Gee East (Figure 2).

Diamond drilling of eight holes totalling 1422 metres in the Mt Gee West area to obtain geotechnical data was completed during the period. The drilling including holes adjacent and parallel to previous reverse circulation (RC) drill holes to obtain metallurgical samples. Holes were logged geophysically and analytical results are pending. Samples were also sent for geotechnical test work. A comparison of the results from the diamond drilling and reverse circulation drilling is shown below:

Diamond Drill Hole

RC Drill Hole

MN095

26-31m, 5m @ 936ppm U₃O₈
39-44m, 5m @ 570ppm U₃O₈
69-76m, 7m @ 637ppm U₃O₈

MN037

42-45m, 3m 552ppm U₃O₈
74-81m, 7m @ 1081ppm U₃O₈

MN096

87-92m, 5m @ 631ppm U₃O₈

MN026

115-135m, 20m @ 787ppm U₃O₈

110-128m, 18m @ 1173ppm U₃O₈
135-140m, 5m @ 788ppm U₃O₈

MN097

140-146m, 6m @ 625ppm U₃O₈

MN022

168-207, 39m @ 774ppm U₃O₈

153-162m, 9m @ 906ppm U₃O₈
172-208m, 36m @ 997ppm U₃O₈

MN098

80-86m, 6m @ 522ppm
133-138m, 5m @ 859ppm

MN039

75-79m, 5m @ 965ppm U₃O₈

163-204m, 41m @ 968ppm

151-163, 12m @ 880ppm U₃O₈
167-208m, 41m @ 1068ppm U₃O₈

MN099

90-95m, 5m @ 620ppm U₃O₈
99-104m, 5m @ 503ppm U₃O₈

MN052

145-150m, 5m @ 581ppm U₃O₈
156-175m, 19m @ 727ppm U₃O₈

108-113m, 5m @ 588ppm U₃O₈
116-126m, 10m @ 949ppm U₃O₈
147-152m, 5m @ 673ppm U₃O₈
160-176m, 16m @ 662ppm U₃O₈

MN104

47-52m, 5m @ 952ppm U₃O₈

MN055

46-51m, 5m @ 557ppm U₃O₈

MN105

20-26m, 6m @ 801ppm U₃O₈
35-42m, 7m @ 894ppm U₃O₈

MN056

22-27m, 5m @ 558ppm U₃O₈
32-40m, 8m @ 997ppm U₃O₈

*Minimum width 5m maximum >500 ppm U₃O₈ with maximum 3m internal dilution.

Most major intersections correlate well given the automatic differences which will occur due to the high volume reverse circulation drill samples compared to the low volume accurately positioned diamond core samples. There are some clear differences between the two techniques which at this stage are unexplained. Theoretically a sample derived from a high volume of drill material should give a more accurate assay result.

Assay results from holes MN107 to MN117 are still awaited.

In the Mt Gee East area diamond drilling totalling 2837m in 13 holes was completed. The down hole gamma geophysical data have returned the following significant results:

MN109	104-109m;	5m @ 645 ppm eU ₃ O ₈ (0.06% eU ₃ O ₈)
	114-120m;	6m @ 531 ppm eU ₃ O ₈ (0.05% eU ₃ O ₈)
MN110	197-207m;	10m @ 862 ppm eU ₃ O ₈ (0.08% eU ₃ O ₈)
	211-217m;	6m @ 534 ppm eU ₃ O ₈ (0.05% eU ₃ O ₈)
MN112A	159-170m;	11m @ 465 ppm eU ₃ O ₈ (0.05% eU ₃ O ₈)
	263-270m;	7m @ 538 ppm eU ₃ O ₈ (0.05% eU ₃ O ₈)
MN115	169-176m;	7m @ 724 ppm eU ₃ O ₈ (0.07% eU ₃ O ₈)
	182-187m;	5m @ 720 ppm eU ₃ O ₈ (0.07% eU ₃ O ₈)
	196-201m;	5m @ 539 ppm eU ₃ O ₈ (0.05% eU ₃ O ₈)

*Minimum width 5m maximum >500 ppm U₃O₈ with maximum 3m internal dilution.

The results in drill hole MN115 are particularly significant as it is positioned within a 302m gap between previous drill holes RC07MN086 and DD92GE051, with the three holes forming the north-eastern reach of drilling, demonstrating that the Mt Gee East mineral system is open to the north and east with potential for major expansion of the resource.

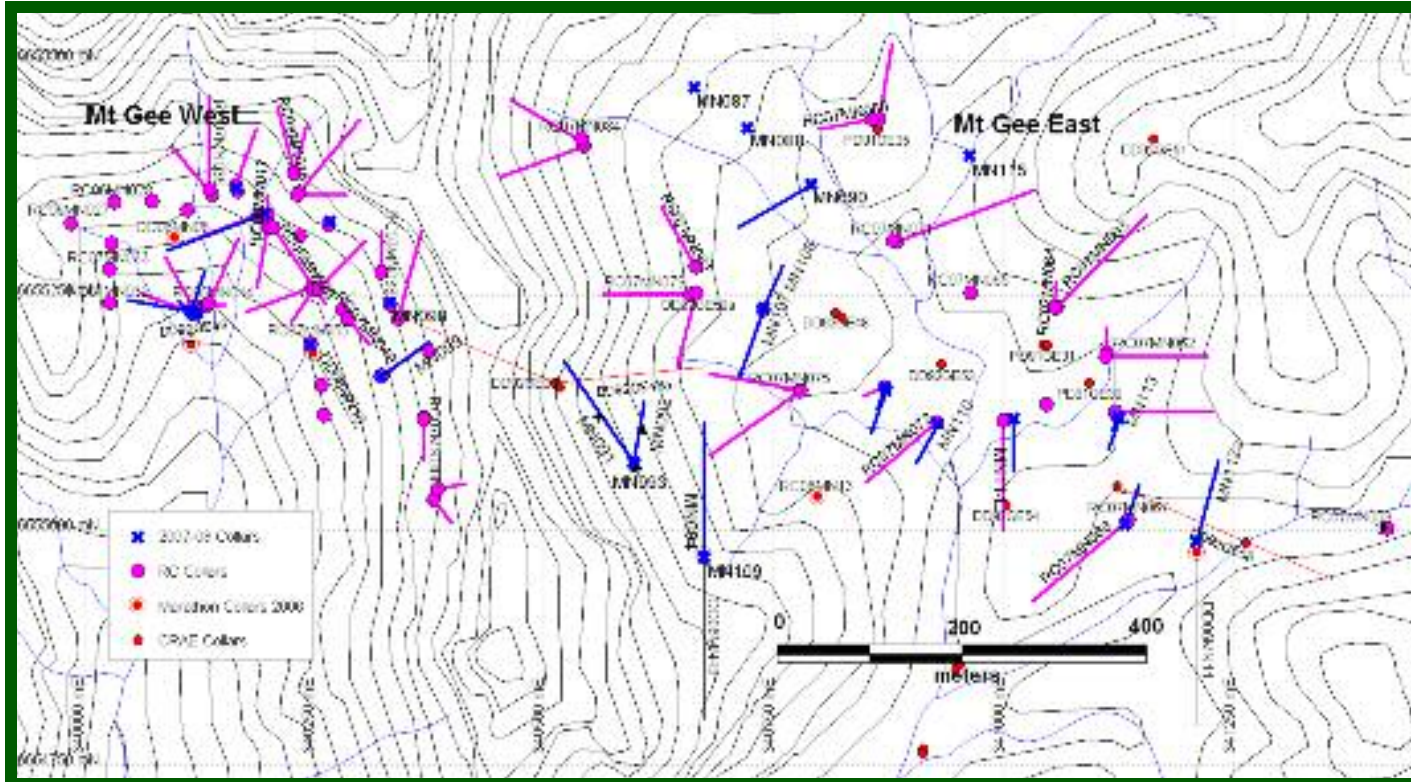


Figure 2 Mt Gee deposit. Drill hole locations

Other Updates on Mt Gee

The South Australian department of Primary Industry and Resources (PIRSA) will advise Marathon on a suitable resolution for the retrieval and disposal of drilling waste buried at Mt Gee. Until such time, the company's right to drill remains suspended. Marathon will then rehabilitate the site based on PIRSA's instructions. Irrespective of when Marathon has its right to drill restored, as directed by PIRSA, it will not return to drilling until after the tourist season is finished to minimise impact with the Arkaroola Wilderness Sanctuary and associated tourist facilities.

EL 4526 Kalymna (Western Victoria)

A programme of four diamond drill holes was completed during the Quarter to investigate the character and nature of mineralisation along the Moyston Fault zone, previously identified within the tenement. Only two holes successfully intersected the shear zone and showed quartz veining but with only minor sulphide content. Siderite alteration and quartz veining continued for about 20m downhole. The sideritic alteration is very similar to the style of alteration associated with mineralisation at Moyston, 15 kilometres to the north. The drilling also confirmed the Moyston Fault to have marked flexures in dip within the tenement.

Previous evidence indicated the Moyston Fault system to have a moderate east dip while Marathon's drilling identified a steep west dip in the area tested.

Best result was 2m @ 1.63g/t Au from 86-88m in KLYDDH01.

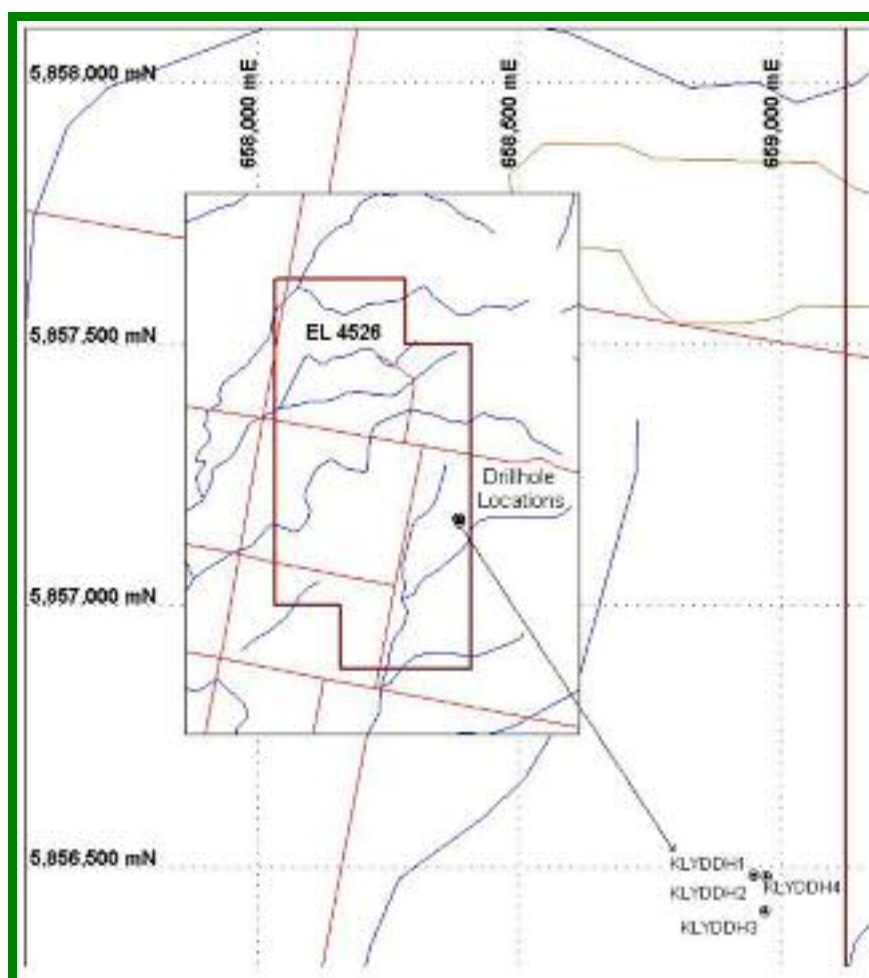


Figure 3 EL 4526 Kalymna. Drill hole locations

EL 3593 Coondambo (South Australia)

The first results of the regional calcrete sampling have been received and initial review completed. A small area containing strongly elevated Fe, U, V, Sb and As has been identified and re-sampling has confirmed the initial results. Detailed mapping and soil sampling will be completed over the area to define the source of anomalism.

EL 4052 Blanchetown

Initial reconnaissance calcrete sampling commenced during the Quarter. Samples are being collected at approximately 500 metre intervals along selected public roads, following approval by the local government authority. Approximately 250 samples are planned to be collected.

Management Update

Allan Younger has decided to leave his role as Chief Geologist with Marathon and return to Western Australia. He remains as a consultant to Marathon and the Company would like to thank Allan for his significant and much appreciated contributions over the last three years. Brenton Newell, Principal Geologist Marathon Resources is acting Chief Geologist following Mr. Younger's departure. Paul Lewis will be the supervising geologist at Mt Gee. Phung Nguyen will be responsible in Adelaide for collating all geological information on Mt Gee and work with Tony Marshall of SMG Consultants in Brisbane in the preparation of the Mt Gee resource.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Allan Younger, former Chief Geologist of Marathon Resources Ltd and a Member of the Australasian 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 which 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.

The Mt Gee Mineral Resource Estimate was based on information compiled on behalf of Marathon by Tony Marshall B.Sc (Hons) Uni.Melb. a Member of the Australasian Institute of Mining and Metallurgy. Tony Marshall is Principal Geologist with SMGC and a full-time employee of that company. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Tony Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Notes to Editor

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



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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.

www.marathonresources.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MARATHON RESOURCES LIMITED

ABN

31 107 531 822

Quarter ended ("current quarter")

31st March 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(3704) (641)	(6846) (2012)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	99	176
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Takeover defence – Capital Raising costs	- (23)	(1943) (82)
Net Operating Cash Flows	(4269)	(10707)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(184)	(383)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities	-	
1.11 Loans repaid by other entities	-	
1.12 Other (provide details if material)	-	
Net investing cash flows	(184)	(383)
1.13 Total operating and investing cash flows (carried forward)	(4453)	(11090)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(4453)	(11090)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	16038
1.15	Proceeds from sale of forfeited shares	-	
1.16	Proceeds from borrowings	-	
1.17	Repayment of borrowings	-	
1.18	Dividends paid	-	
1.19	Other –Prospectus & Supplementary Prospectus	-	
	Net financing cash flows	-	16038
	Net increase (decrease) in cash held	(4453)	(4948)
1.20	Cash at beginning of quarter/year to date	11385	1984
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6932	6932

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	-
3.2	Credit standby arrangements	Nil	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1250
4.2 Development	
Total	1250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	187	310
5.2 Deposits at call	6745	11075
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6932	11385

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	EL 3164	Mongalata tenement disposal to Pheonix Copper Ltd	100%	0%
6.2		No new tenements granted		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	60,590,287	60,590,287		
7.4 Changes during quarter (a) Increases through issues				
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,105,700 30,000 145,000 3,000,000 500,000	- - - -	0.20 cents 0.20 cents 0.45 cents \$1.18 \$4.36	30.6.2009 30.6.2010 30.6.2010 30.6.2011 6.8.2010
7.8 Issued during quarter				
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 30 April 2008

Print name: Sam Appleyard

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.