

6 May 2008

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

By e-mail: ASX On-Line

Dear Sir/Madam

ASX Code: MTN
WARBURTON JOINT VENTURE: WESTERNAUSTRALIA

Please find attached Marathon's update on its Warburton Joint Venture.

Yours faithfully



Sam Appleyard
Company Secretary

Tuesday, 6 May 2008

MARATHON RESOURCES LTD (ASX – MTN)

ASX RELEASE

WARBURTON JOINT VENTURE: WESTERNAUSTRALIA

- **EXPLORATION TARGETS IDENTIFIED WITHIN E69/1564**
- **DRILLING TO COMMENCE THIS MONTH**

Highlights

Marathon Resources Ltd (Marathon - MTN) is to commence drilling at its highly prospective E69/1564 Warburton, this month. The tenement is a part of the Warburton Joint Venture, which comprises seven exploration licenses covering 1,047 km².

The Warburton tenements cover mostly unexplored ground held by Primary Resources Ltd (Primary - PRZ) and are located in Western Australia (Figure 1) about 150 kilometres west of the South Australia-Northern Territory border. Marathon can earn a 70% interest in the Joint Venture through exploration expenditure of \$3.25 million over 3.5 years.

Marathon's focus is on drilling targets recently defined within E69/1564 after a review of new geophysical, tectonic and petrologic evidence.

The new drilling program will initially be in the area drilled by Primary in 2006. This drilling generated local geological information within a regional magnetic anomaly but did not reach the source of the deeper anomaly.

There is potential for Nickel, Platinum Group Elements (PGE) and Iron Oxide Copper Gold (IOCG) mineralisation.

Drilling Program

Marathon aims to carry out a diamond and RC drilling program at E69/1564 commencing later this month. Primary's 2006 drilling included three diamond drill holes to depths ranging from 234 to 309m, and one shallower RC hole to 137m (Figure 2). Original

unaltered rock was only reached towards the bottom of drill hole MB106_2, at depth of about 300m. Deeper drilling is required to identify the potentially mineralised massive intrusive body, and Marathon will re-enter Primary's drill hole MB106_2 to drill an additional 500m to a final depth of about 800m. Depending on results, an additional drill hole located in the central part of the interpreted gravity/ magnetic anomaly may be drilled to a similar depth.

In addition to the diamond drill hole(s), Marathon will undertake shallower RC pre-collared diamond drilling, with two holes planned to a depth of 350m. This drilling will focus on two magnetic/gravity anomaly targets (M2 and M3) identified during the recent ground geophysical surveys. The locations of the proposed diamond and RC drill holes are shown in Figures 2 and 4.

Technical Summary

Geological and petrological assessment of Primary's diamond drill core has recently been completed. In addition detailed ground gravity and ground magnetic surveys, surface outcrop geological assessment, and soil/calcrete anomaly orientation sampling were completed within the tenements.

Geophysical and geochemical data as well as drill core and outcrop geology have been interpreted in a tectonic/tectogenetic context. Gravity over magnetic image interpretation shows the presence of a large circular domain within the Joint Venture area (Figure 3). Tectonic interpretation of gravity and magnetic data suggests that a major NE – SW oriented structural system and a less accentuated (second order) cross fault system with a SE-NW orientation are dominant in the area (Figure 3). The pattern of geophysical and tectonic structures suggests a highly extensional tectonic setting favorable for intrusive body emplacement.

Within the circular domain, a specific lower order oval-shaped gravity/magnetic anomaly is interpreted (Figure 4). This anomaly is one of the targets of the current drilling program. Primary diamond drill holes MB106_1 and MB106_2 were drilled towards this anomaly, intersecting highly altered alkali intrusive rocks containing various metal-bearing sulphides (Ni, PGE, Cu). The drill holes did not reach the depth of the interpreted geophysical anomaly and the drill core shows that rock alteration diminishes with depth. Petrology of drill core samples suggests the original rock might have been pyroxenite gabbro, and/or parent magma of peridotite gabbro composition.

The significant exploration potential of the Warburton Joint Venture area is highlighted by the presence of BHP Billiton's Nebo-Babel Prospect, a major Nickel-polymetallic mineral system related to mafic rocks.

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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.

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.

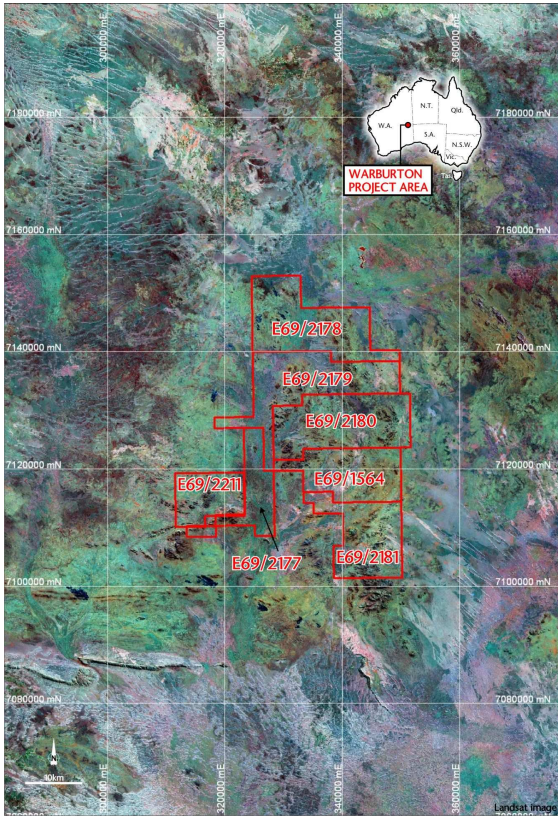


Figure 1: Landsat satellite image interpretation, Warburton JV area.

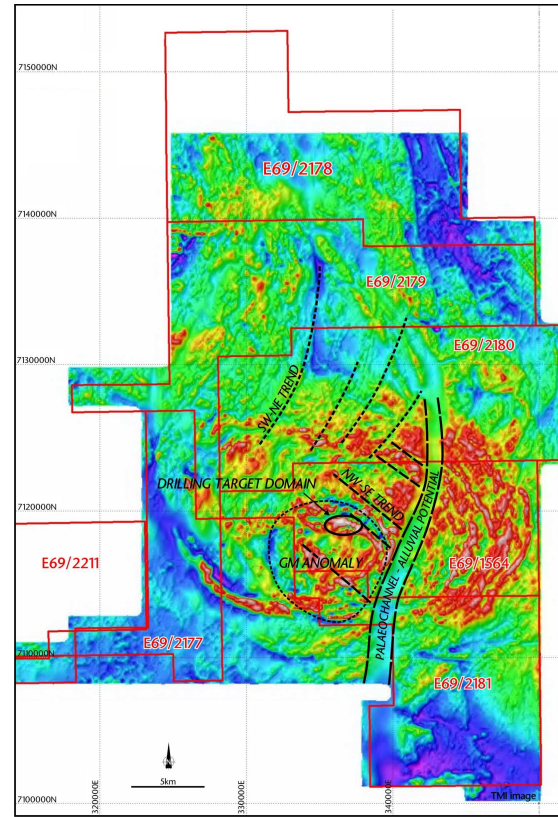


Figure 2: Regional magnetic image, circular feature and fault pattern interpretation. Location of Drilling Target Domain (DTD) and palaeochannel

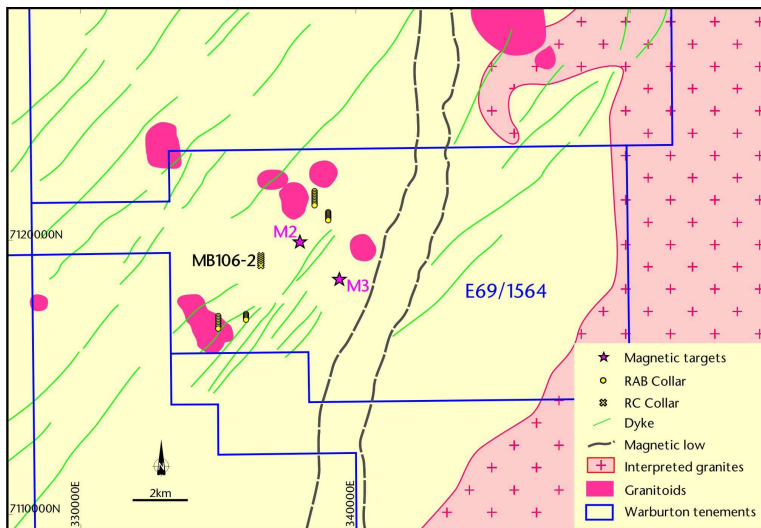


Figure 3: E69/1564. Location of existing and proposed drill holes, and magnetic drilling targets.

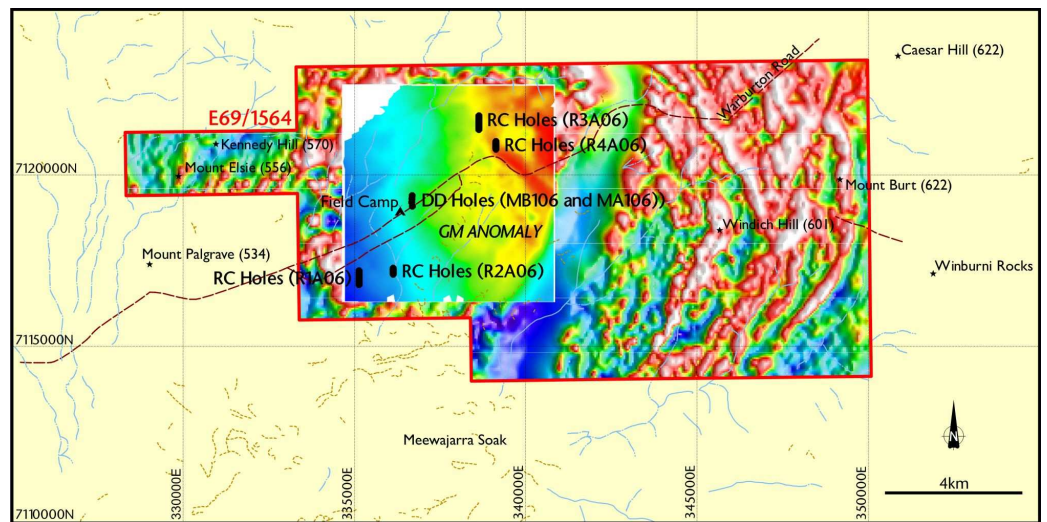


Figure 4: E69/1564. Rock density (gravity) image interpretation for the oval-shaped Extensional Domain (Drilling Target Domain). Warburton JV area.