

30 July 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 30 June 2008.

Yours faithfully



Sam Appleyard
Company Secretary

30 July 2008

**COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE**

ASX CODE MTN

**QUARTERLY ACTIVITY REPORT
1 April 2008 – 30 June 2008**

Marathon Resources Limited (ASX: MTN) is pleased to present its activity report for the three months ending 30 June 2008. Highlights of the past quarter included:

- Board changes signifying a new direction for the company.
- An upgraded resource calculation of its Mt Gee uranium deposit.
- Submission of a rectification plan for Mt Gee.
- Continued exploration on Marathon's other tenements (Figure 1), including at its Warburton Joint Venture in Western Australia.

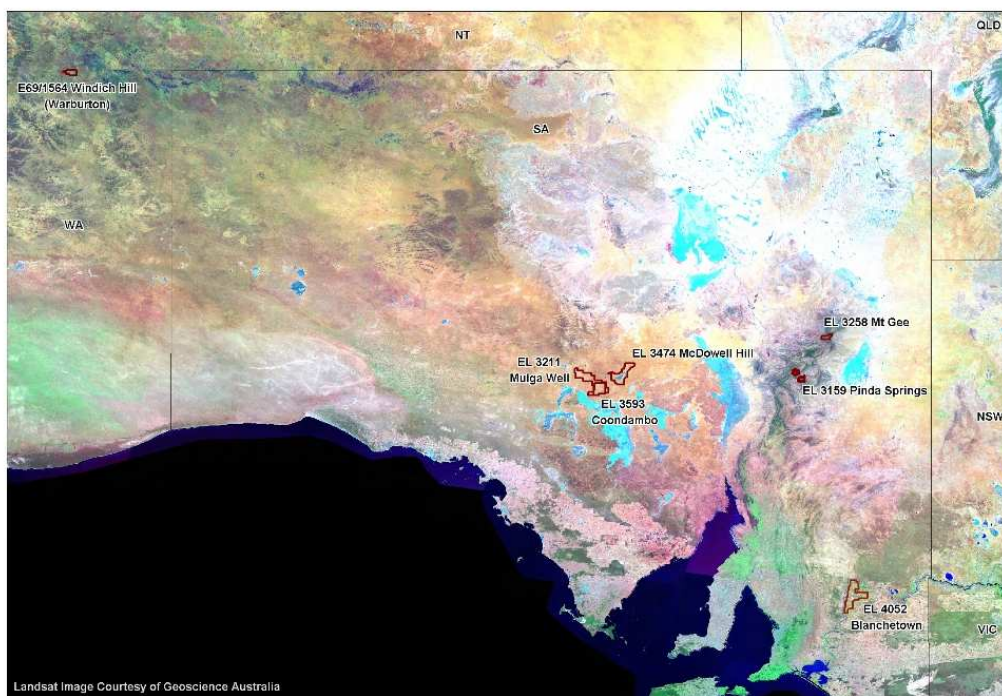


Figure 1 – Marathon Tenements



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Board changes

On 30 June 2008, Marathon announced the appointment of Dr John G (Shad) Linley as Non-Executive Director.

Dr Linley's extensive corporate and resources industry expertise includes his most recent position as Chief Executive Officer of major zinc refinery group, Sun Metals Corporation, the world's most efficient and environmentally sensitive zinc refinery successfully built and operated on the edge of the Great Barrier Reef.

Marathon also announced the retirement from the Board of Dr Vic Bogacz and Dr John Santich, both founding Directors of the company. Dr Bogacz and Dr Santich have joined Primary Resources Ltd (ASX: PRZ) as Directors, to develop its existing exploration and resource portfolio.

EL3258 Mt Gee

A resource update was announced on 10 June 2008, with highlights including:

- Significant improvements in the understanding of the mineralisation.
- Increase of contained U₃O₈ from 26.9 thousand tonnes (Kt) to 30.0Kt.
- Increase of resource tonnes from 42.8 million tonnes (Mt) to 46.1Mt.
- Improved grade from 629ppm to 651ppm.
- Increase of resource in the 'indicated' category from 3.1Mt to 3.8Mt.
- Potential for further mineralisation in the north east quadrant of Mt Gee.

Marathon's Mt Gee project is one of the largest undeveloped uranium deposits in Australia.

Rectification Plan

On 30 May Marathon submitted a draft Rectification Plan to PIRSA for the retrieval and disposal of drill cuttings buried at Mt Gee. In the period to 30 June 2008 Marathon has provided further clarification to PIRSA and the EPA following their review. Once the Plan has been approved by PIRSA, the company will commence implementation of this process as soon as possible under the supervision of PIRSA.

EL 3593 Coondambo

Follow up soil sampling was completed over a fault structure centred at 576500E 6568250N. A total of 549 soil samples were collected at 100m sample spacing. Five check calcrete samples were collected over a possible sulphur anomaly identified from an earlier phase of sampling. Two rock chip samples were collected to see if they may contribute to the calcrete anomaly identified to the north and down slope. Results are awaited.

EL 3211 Mulga Well

Marathon is planning to drill three holes to test a combined geochemical/EM target. All approvals have been received and drilling will commence after drilling at our Warburton JV is complete.

EL 3159 Pinda Springs

A total of 249 (-2mm) samples were collected over the northern portion of the Pinda Springs tenement. Sampling focussed along and around the diapiric breccia, and excluded most of the Adelaidean quartzite ridges. Results were received and assessed during the Quarter. Anomalous Pb and Zn responses occur along the margin of the diapiric breccia, while anomalous Cu and Au responses occur within the diapiric breccia. The anomalous responses from the sampling are significant, but generally from single point values with no clustering, suggesting the sources are unlikely to be large. Three sample sites will be examined in the field with some limited in-fill sampling planned.

EL 4052 Blanchetown

Reconnaissance sampling at 500 metre sample spacing, completed earlier in the Quarter along selected public roads, following approval by the local government authority, highlighted several anomalous sites. A second phase of limited infill sampling at 100 metre sample spacing was completed. Results were received at the end of the Quarter and are being assessed.

E69/1564 Warburton

In December 2007, a helicopter-supported reconnaissance sampling programme was completed over all the tenements of the Warburton JV. The programme was designed to collect orientation samples for possible selective calcrete sampling and to determine access to the various tenements. A total of 60 samples were collected. Assay results were received in early June and a preliminary assessment received. The sample material collected represented either “residual” or “transported” regime. Two residual samples were highlighted, with one having anomalous Cu and Co, while the other showed pegmatitic affinities. Two transported samples were anomalous in Cu, Zn, Bi and U respectively. The reconnaissance also confirmed the difficulty of access for a large part of the tenements, and the problem of gaining the relevant approvals from the traditional landowners to conduct ground-based activities. Consequently Marathon is pursuing an initial assessment of the rest of the tenements using airborne geophysics. This will allow the Company to identify smaller areas to concentrate its exploration efforts.

Approximately 30 anomalous sites were identified from an assessment of available remote sensing data. Checking of anomalous sites north and south of E69/1564 was hampered because of disagreements between requirements of the traditional landowners and their anthropologists.

Drilling commenced on drill hole WA01 on 8th of June and was completed at 654.5 metres on 27th June. The drilling was initially slow due to mechanical problems with the compressor leading to delays in drilling the RC pre-collar. Eventually the pre-collar was drilled to 178m and coring commenced.

The hole intersected variably brecciated mafics consisting of gabbro norite and gabbro. A sulphur event is clearly evident with much of the core containing pyrite and pyrrhotite, with an overprint of calcite veining.

EL 3474 McDowell Hill

Our Joint Venture partner, UraniumSA, has been advised by the Royal Australian Air Force Aerospace Operational Support Group, which administers the Woomera Prohibited Area, that it has declined a request to enter onto the ground to conduct drilling. UraniumSA has notified Marathon of a *force majeure* with respect to its JV obligations and is contacting PIRSA and SACOME to follow up the issue. Marathon is supporting the actions of UraniumSA.

The information in this report that relates to Exploration Results has been compiled by Mr Brenton Newell, a part-time employee of Marathon Resources Ltd and a Member of the Australian Institute of Geoscientists. He 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 Brenton Newell 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 AusIMM. 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.

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.



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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")

30 JUNE 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 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	(872)	(7718)
1.3 Dividends received	(800)	(2812)
1.4 Interest and other items of a similar nature received	219	395
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Takeover defence – Capital raising costs	- (47)	(1943) (129)
Net Operating Cash Flows	(1500)	(12207)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(99)	(482)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	1	1
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(98)	(481)
1.13 Total operating and investing cash flows (carried forward)	(1598)	(12688)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1598)	(12688)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	45	16083
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	45	16083
	Net increase (decrease) in cash held	(1553)	(3395)
1.20	Cash at beginning of quarter/year to date	6932	1984
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5379	5379

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	103
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

In consideration for disposal of a tenement interest to a listed entity, company received 750,000 20 cents fully paid shares

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	1089
4.2	Development	-
Total		1089

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	80	187
5.2	Deposits at call	5299	6745
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		5379	6932

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	Interests in mining tenements relinquished, reduced or lapsed	EL 3497 Talaringa	Relinquished 17/01/08	100%	0
		EL 3562 Paragon Bore	Relinquished 17/01/08	100%	0
6.2	Interests in mining tenements acquired or increased	No new grants			

+ 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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3 +Ordinary securities	60,690,287	60,690,287		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000	100,000 (03/07/08)	0.45 cents	0.45 cents
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 45,000 3,000,000 500,000	- - - - -	0.20 cents 0.20 cents 0.45 cents 1.18 4.36	30/06/09 30.6.2010 30.6.2010 30.6.2011 30.6.2010
7.8 Issued during quarter	-			
7.9 Exercised during quarter	100,000		0.45 cents	
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	N/A	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	N/A	-
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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: _____ Date: 30 July 2008.....
 (~~Director~~/Company Secretary)
 Print name: Stuart M (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.