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MARATHON

Mr Justin Nelson
Australian Stock Exchange Ltd
91 King William St
Adelaide SA 5001

Dear Mr Nelson

Announcement - Paralana Ore System - simplified

Our announcement of Tuesday 16 August 2005 contained information of market capitalisation of other companies, in proximity to a table comparing uranium deposits of those other companies.

Each of the companies referred to (including Marathon) have other tenements in their respective portfolios.

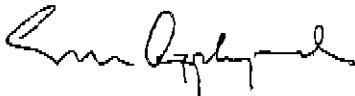
It was not Marathon's intention to relate market capitalisation to the comparable uranium deposits, as there are clearly other considerations in any such evaluations.

Our intention was merely to indicate that companies with potentially similar resources vary significantly in market capitalisation.

Any inference that market value is related to the size of the respective deposits nominated in the table is misconceived.

Please release this letter to the market if you so wish.

Yours faithfully



S M Appleyard
Director / Company Secretary