

Thursday, 9 February 2006



COMPANY ANNOUNCEMENT OFFICE
AUSTRALIAN STOCK EXCHANGE

ASX CODE MTN

PARALANA MINERAL SYSTEM DRILLING COMMENCEMENT OF DRILLING AT MT GEE URANIUM DEPOSIT

Marathon is pleased to announce that the UDR650 crawler mounted rig drilling in the Paralana Mineral System at EL3258 has been remobilised to Mt Gee, drilling at Hodgkinson having been completed for the time being. Drilling at Mt Gee is expected to commence this week.

The Paralana Mineral System, containing a number of uranium deposits and prospects, trends some 12 km diagonally in a north-easterly direction across Marathon's 100% owned EL 3258 (Figure 1). The system includes the Mt Gee deposit with an Inferred Resource of 57 million tonnes of uranium mineralisation at an average grade of 0.06% U₃O₈ (see table below).

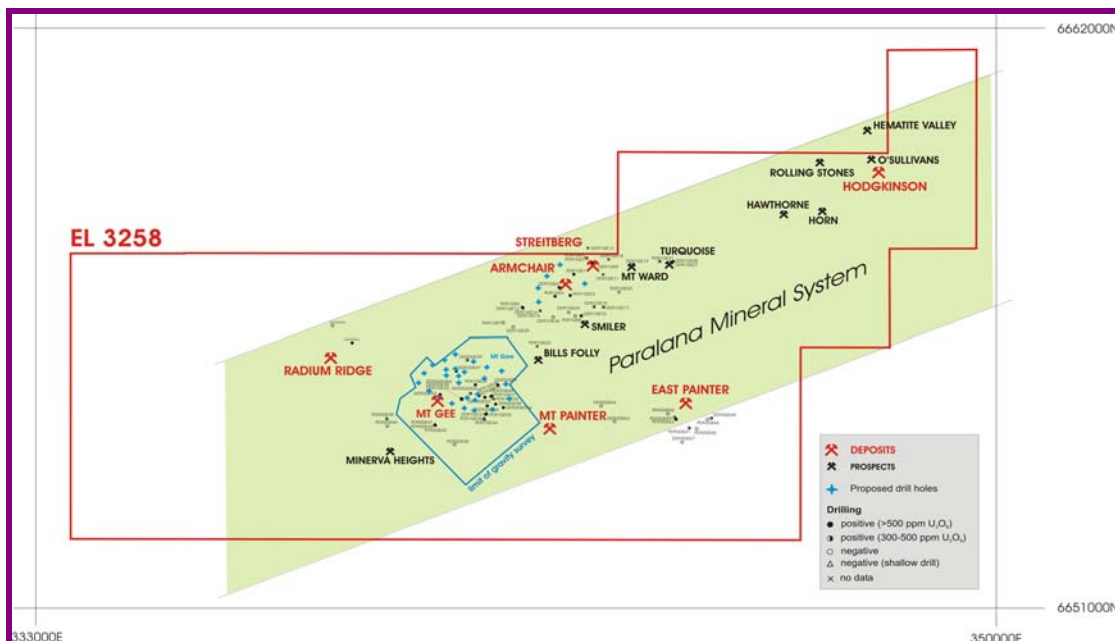


Figure 1: The Paralana Mineral System within EL 3258

Marathon's current drilling program is a three phase program to drill test the Hodgkinson, Mr Gee and Armchair-Streitberg deposits, shown in Figure 2. Drilling at Hodgkinson has been complete, with initial results announced on 19 January 2006. The balance of drilling results from Hodgkinson will be announced as soon as they have been received from the laboratories.

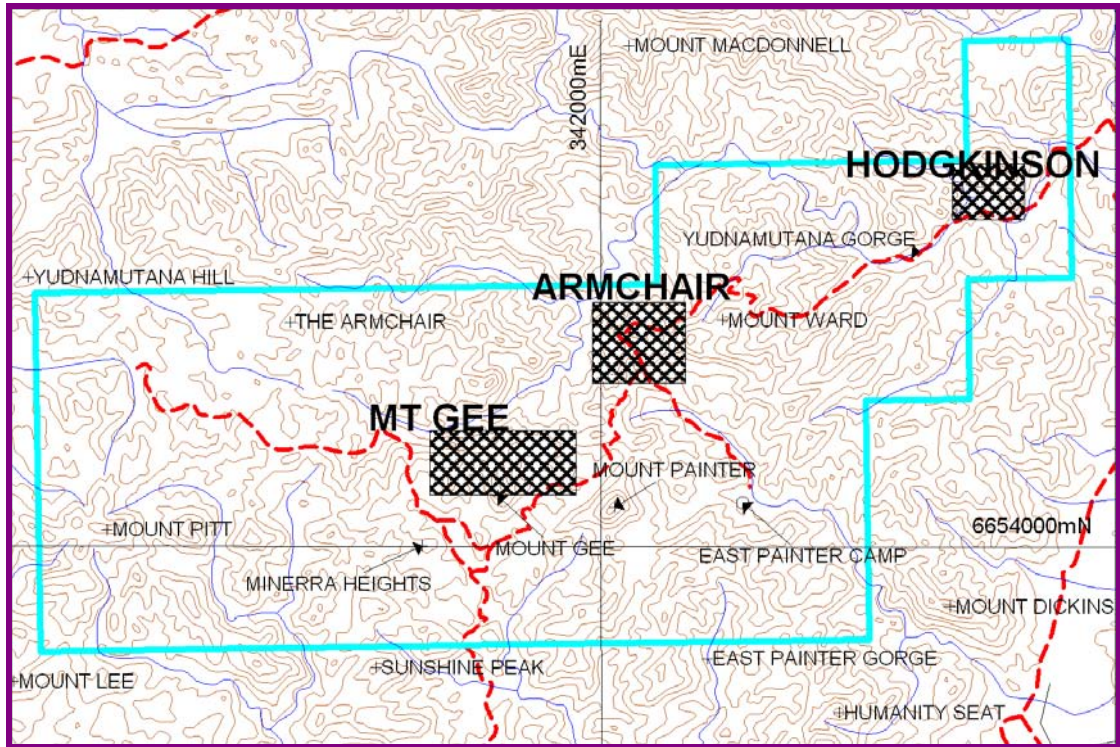


Figure 2: Areas of proposed drilling - Mt Gee, Armchair-Streitberg, Hodgkinson

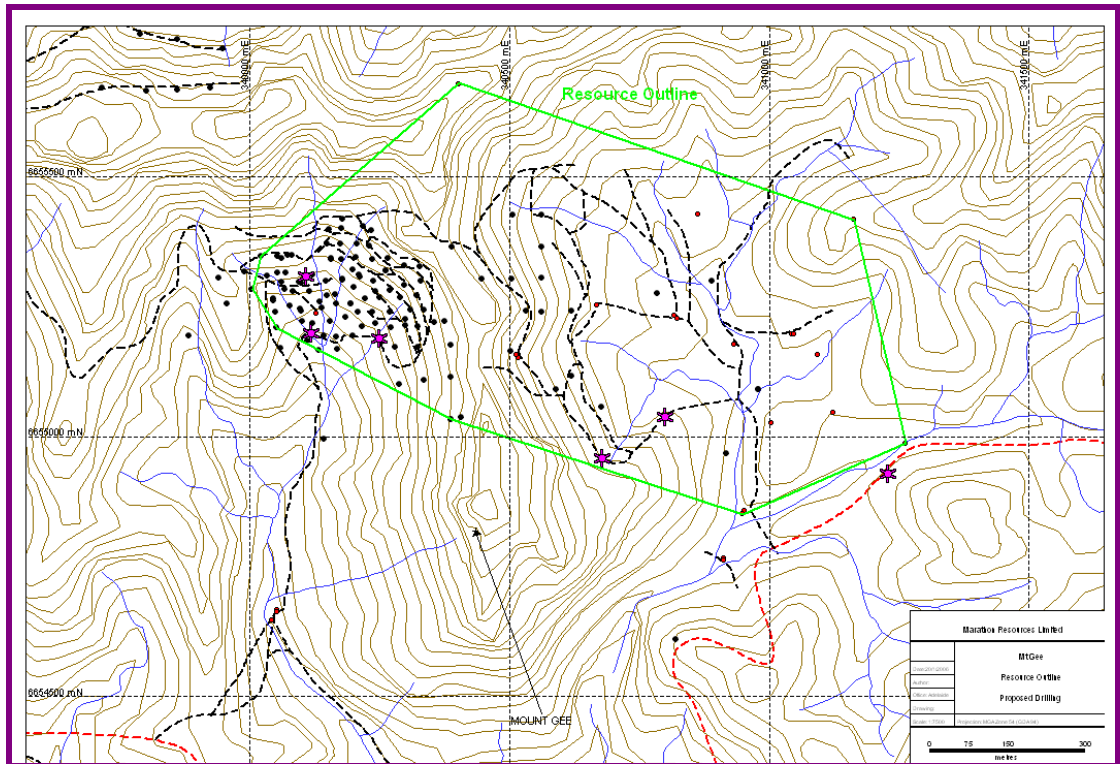


Figure 3: Proposed drill hole locations at Mt Gee

The drilling program at Mt Gee will comprise up to six diamond drill holes. The principal purpose of the program is to investigate extensions of the deposit as the current model suggests its further continuation in each direction. The drilling will also increase confidence in the results of drilling by previous explorers, and enhance the resource estimate through the provision of additional data.

The breakdown of Mt Gee tonnage and grade is set out in the table below.

JORC Classification	Cut-off grade	Tonnes Mineralisation	U ₃ O ₈ Avg Grade	Contained U ₃ O ₈ tonnes	
				tonnes	lbs
Indicated resource	500 ppm	4,013,000	0.09%	3,800	8,400,000
Inferred resource	500 ppm	29,960,000	0.07%	21,000	46,200,000
Inferred resource	300-500 ppm	22,703,000	0.04%	8,400	18,500,000
Total Indicated & Inferred		56,676,000	0.06%	33,200	73,100,000

The Mt Gee drilling program is expected to be complete mid March 2006. The results of the drilling will be released progressively as the program proceeds.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Vic W Bogacz, a full time Executive Director of Marathon Resources Ltd, who is a Member of the Australian Institute of Geoscientists. Dr Bogacz has sufficient experience which is 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. Dr Bogacz consents to the inclusion in the report of these matters based on their information in the form and context in which it appears.

Contact

Company

Dr John Santich
Chief Executive Officer
Telephone (08) 8366 2500

Investor Relations

David Waterhouse
Waterhouse IR
Telephone 0407 880 937