

Thursday, 2 March 2006

**MARATHON**

**COMPANY ANNOUNCEMENTS OFFICE  
AUSTRALIAN STOCK EXCHANGE**

**ASX CODE MTN**



## **GOLD/COPPER DRILLING UNDERWAY IN WESTERN VICTORIA GLENLYLE AND KALYMNA TENEMENTS**

Marathon is pleased to announce that a UDR1000 drill rig is on site and drilling its Glenlyle/Kalymna gold/copper project in western Victoria (Figure 1). The aim of the drilling is to test separate well defined anomalies identified by combined magnetic, IP (Induced Polarisation) and MMI (Mobile Metal Ion) geochemical surveys, which have potential for porphyry copper or gold/copper mineralisation.

*The present RC drilling program of 900 meters will ascertain the source of the anomaly. Up to date three of eight drill holes are completed with fourth in progress (Figure 2). The three holes returned highly encouraging data, which shows that beneath about 40 m cover at least about 80 m of disseminated sulphidic material in drill hole GRC01 and about 20m in drill hole KLRC01 have been intersected.*

*At this stage, the Company sees that the geophysical IP responses are probably due to this disseminated sulphide mineralization, which also has been found in the adjacent shallow air core drilling across the magnetic high in limited historical exploration. Samples have been dispatched for analysis and results will be released as they become available.*

### **Kalymna and Glenlyle Tenements**

The adjoining Kalymna (EL4526) and Glenlyle (EL4621) tenements cover approximately 55 sq. km of strategic ground surrounding the Moyston Fault Zone. The region is known to be highly prospective, the tenements being about 20 km southwest of Ararat and 45 km south of Stawell, both well known mining centers of western Victoria.

The Moyston Fault Zone is a major regional scale NNW striking tectonic feature controlling the development of gold and copper mineralization. This includes the Mt Ararat copper deposit (1Mt @ 2.7%Cu, including 0.6g/t Au and 10 g/t Ag), and Moyston gold deposit located immediately to the north of the Kalymna tenement along the strike of the fault. Historically, the Moyston deposit and operating mine formed the centerpiece of the Moyston Gold Field, which produced 100,000 oz gold from steeply plunging shoots between 1850 and 1900, indicating a highly prospective fault system.

More recently, about 25 km to the southwest of Glenlyle/Kalymna project, Newcrest defined a bulk porphyry type Victor 1 copper prospect, which is now being explored by Beaconsfield Gold NL with promising exploration results [see December 2005 Quarterly Report to ASX]. Evidence that it is a large scale intrusive related mineralised and alteration system is provided by Newcrest, who demonstrated intersection of 229m @ 0.22%Cu hosted in strongly altered dacitic porphyry. This system has been defined over an area of approximately 3.0 x 1.3km. The possibility that other similar mineralized zones are present in the region, geologically the Grampians-Stavelly Zone, remains very strong.

The Kalymna/Glenlyle project is a joint venture with interests associated with PS&GF Forwood and Chivelle Pty Ltd, with Marathon having the right to earn a 90% interest in each tenement through the expenditure of \$300,000 in each case.

### ***Kalymna - Moyston Fault Zone related exploration targets***

The Moyston Fault Zone is concealed within the tenement but is interpreted from aeromagnetic data to extend for 11km. Magnetic data show linear highs and broad areas of magnetic destruction suggesting a high level of structural complexity within the fault system. Recent soil sampling and air-core programs by Marathon combined with earlier explorers data have revealed low to moderate levels of anomalous gold geochemistry, warranting further investigation. North-east orientated Willaura Lineament cutting across the fault system is interpreted to create favorable, propagating metalliferous mineralization, environment (Figure 1). Marathon's shallow reconnaissance drilling in this area returned 1m @ 0.38g/t Au (MS3: 35-36m) that warrants explanation.

The present drilling program is designed to investigate the identified anomalism at depth and provide information about the potential of the mineralized system, particularly in the situation that the fault system has not been thoroughly explored.

### ***Glenlyle – targeting a porphyry style mineralization***

A circular magnetic feature at Glenlyle was defined following an exploration initiative by the Victorian Government (Figure 1). The anomaly was interpreted as an intrusive of nature. In 1991 regional reconnaissance drilling by Geopeko Exploration Ltd identified in the vicinity the potential for porphyry style mineralisation based on the anomalous gold and base metal geochemistry developed within the sericite altered sediment/volcanic sequences.

Marathon's geophysical survey included IP lines, which defined moderate strength anomalous zones (Figure 2). These are interpreted as steeply propagated porphyry intrusive bodies. The combination of overlying Tertiary basalt and thick 'sticky clay' cover sequences precludes effective surface sampling and exploration suggesting that significant zones of near surface mineralisation may remain undetected.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr W Bogacz, a full time Executive Director of Marathon Resources Ltd and a Member of the Australian Institute of Geoscientists. Dr Bogacz 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. 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.*

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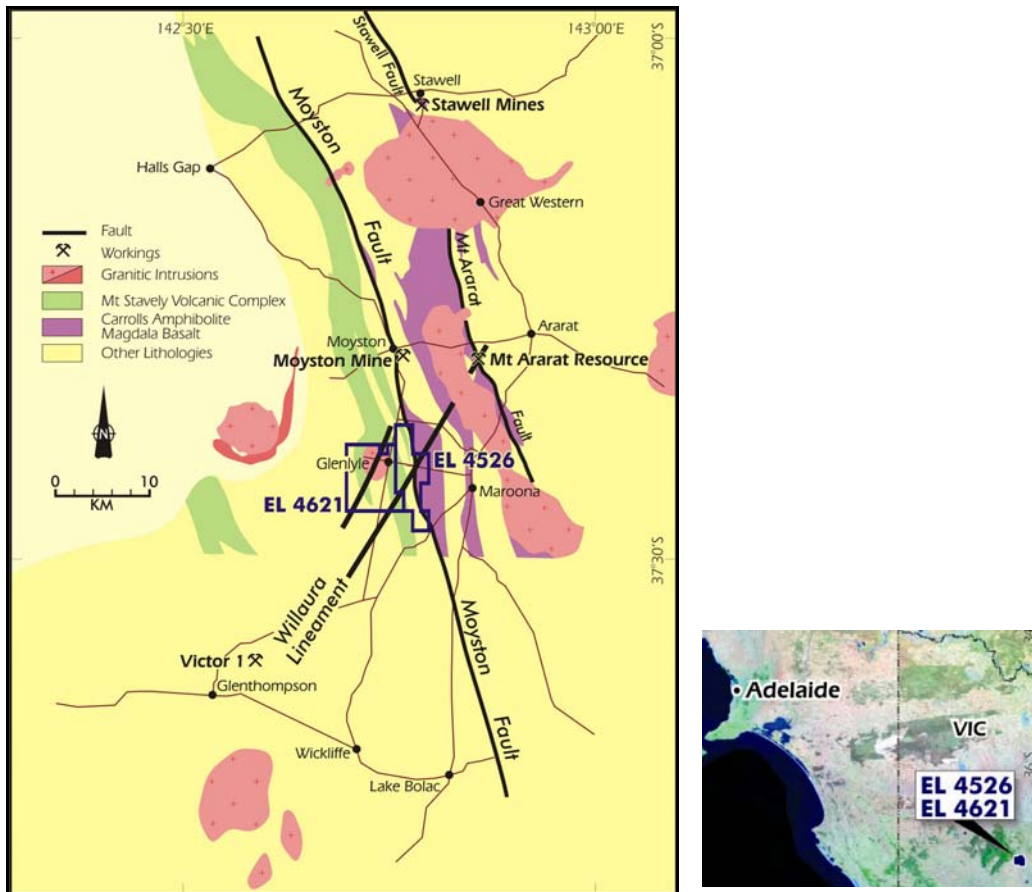


Figure 1: Kalymna (EL 4526) and Glenlyle (EL 4621) Tenements.

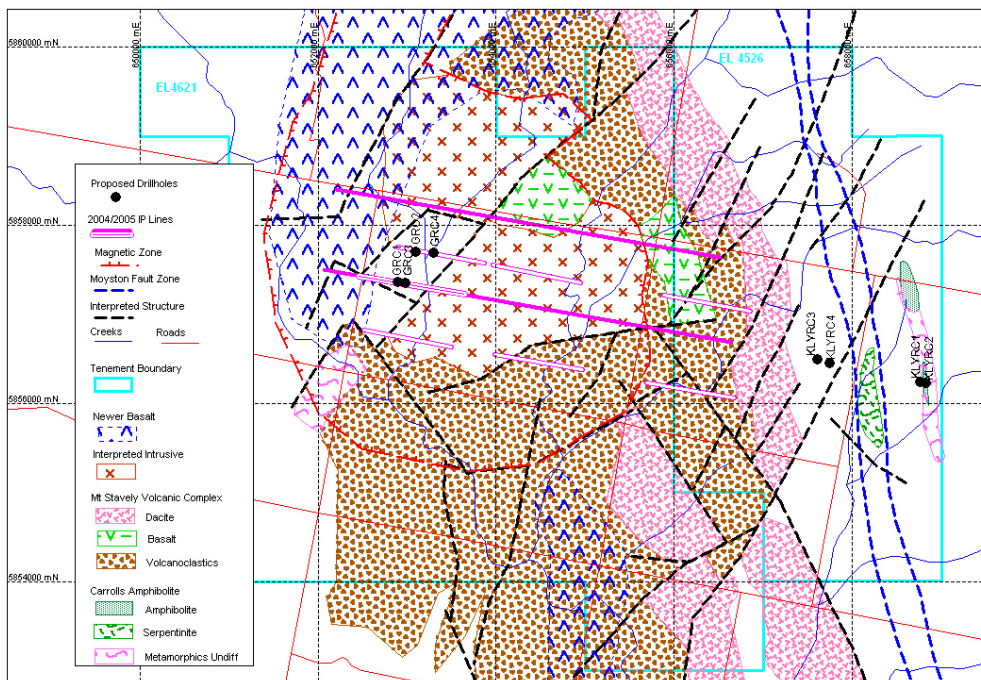


Figure 2: Location of Drilling, Kalymna and Glenlyle Tenements.