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**P A R A L A N A  M I N E R A L  S Y S T E M  ( E L 3 2 5 8 )**

# MT GEE DEPOSIT
# URANIUM MINERALISATION SHOWN IN PIRSA DRILL CORE
# ANALYSIS OF MT GEE CORE AFTER 30 YEARS OF STORAGE

The Mt Gee deposit, containing about 33,200t of uranium oxide, is in the central part of the north-easterly trending Paralana Mineral System located within the 100% Marathon owned South Australian tenement EL3258 (Figure 1). Marathon is currently drilling at Mt Gee and has completed 3 drill holes of a 5 or 6 hole program and assays will be announced as available.

Continuing its search for data on the Mt Gee deposit, Marathon identified haematitic breccia in drill core from two former Mines Department diamond drill holes MGD 047A and MGD 151 drilled in 1976 in the central eastern part of the Mt Gee deposit, as shown in Figure 2.

The core, which has been stored at the PIRSA core library in Adelaide for most of the time since drilling, has never been cut and assayed. Examination revealed extensive intersections of haematitic breccia in the drill core, i.e., 67m in MGD151 (181.35 – 248.00 m depth) and almost 25 m in MGD 047A (144.80 – 169.70 m depth). Marathon has assayed the diamond drill core from these two holes and the assay laboratory (Amdel) analysis returned significant uranium intersections.

**The highest grade intersection was in drill hole MGD 047A, a 21m wide zone of strong uranium mineralisation, between 146m and 167m depth, averaging 0.084% $U_3O_8$. This zone included:**

- **2m @ 0.103% $U_3O_8$ (1.03 kg/t $U_3O_8$ from 146m-148m depth),**
- **5m @ 0.145% $U_3O_8$ (1.45 kg/t $U_3O_8$ from 154m – 159m depth),**
- **3m @ 0.103% $U_3O_8$ (1.03 kg/t $U_3O_8$ from 162m – 165m depth).**

**Drill hole MGD151 intersected a 32m zone of uranium mineralisation between 216m and 248m depth, averaging 0.059% $U_3O_8$. This zones included:**

- **2m @ 0.094% $U_3O_8$ (0.94 kg/t $U_3O_8$ from 216m – 218m depth),**
- **6m @ 0.079% $U_3O_8$ (0.79 kg/t $U_3O_8$ from 228m – 234m depth),**
- **2m @ 0.091% $U_3O_8$ (0.91 kg/t $U_3O_8$ from 238m – 240m depth),**
- **3m @ 0.107% $U_3O_8$ (1.07 kg/t $U_3O_8$ from 243m – 246m depth).**

Marathon is very pleased with the results as this is additional geological and assay data, which confirms further our mineralisation model and the results of Marathon's exploration, and also that of earlier explorers. The drill core from MGD151 is shown in Figure 3, whereas a detail of haematitic breccia, containing also Cu, polymetallic mineralisation, from MGD 047A in Figure 4.

Assay results for diamond drill holes MGD 047A and MGD 151 are presented in Table 1, and collar locations in Table 2.

*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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## Table 1: Assay Results from Diamond Drill Holes MGD 047A and MGD 151

| Hole | Sample No | From | To | Interval | $U_3O_8$ (ppm) | La (ppm) | Cu (ppm) | Fe (%) |
|---|---|---|---|---|---|---|---|---|
| **MGD 047A** | **962085** | **146.0** | **147.0** | **1** | **1120.24** | **2600** | **1050** | **17.00** |
| **MGD 047A** | **962086** | **147.0** | **148.0** | **1** | **943.36** | **1850** | **470** | **14.80** |
| MGD 047A | 962087 | 148.0 | 149.0 | 1 | 766.48 | 1950 | 600 | 15.20 |
| MGD 047A | 962088 | 149.0 | 150.0 | 1 | 577.81 | 950 | 700 | 13.80 |
| MGD 047A | 962089 | 150.0 | 151.0 | 1 | 306.59 | 650 | 380 | 10.40 |
| MGD 047A | 962090 | 151.0 | 152.0 | 1 | 153.30 | 460 | 260 | 10.40 |
| MGD 047A | 962091 | 152.0 | 153.0 | 1 | 188.67 | 600 | 210 | 11.30 |
| MGD 047A | 962092 | 153.0 | 154.0 | 1 | 648.56 | 2200 | 420 | 13.90 |
| **MGD 047A** | **962093** | **154.0** | **155.0** | **1** | **1179.20** | **2800** | **950** | **18.50** |
| **MGD 047A** | **962094** | **155.0** | **156.0** | **1** | **1356.08** | **3050** | **950** | **18.30** |
| **MGD 047A** | **962095** | **156.0** | **157.0** | **1** | **1650.88** | **3750** | **1000** | **23.00** |
| **MGD 047A** | **962096** | **157.0** | **158.0** | **1** | **1415.04** | **3650** | **1000** | **23.70** |
| **MGD 047A** | **962097** | **158.0** | **159.0** | **1** | **1650.88** | **3600** | **1150** | **23.40** |
| MGD 047A | 962098 | 159.0 | 160.0 | 1 | 884.40 | 1950 | 650 | 18.30 |
| MGD 047A | 962099 | 160.0 | 161.0 | 1 | 271.22 | 550 | 240 | 7.61 |
| MGD 047A | 962100 | 161.0 | 162.0 | 1 | 294.80 | 900 | 240 | 10.60 |
| **MGD 047A** | **962101** | **162.0** | **163.0** | **1** | **1297.12** | **2800** | **850** | **18.40** |
| **MGD 047A** | **962102** | **163.0** | **164.0** | **1** | **566.02** | **1050** | **600** | **15.20** |
| **MGD 047A** | **962103** | **164.0** | **165.0** | **1** | **1238.16** | **2750** | **1050** | **21.50** |
| MGD 047A | 962104 | 165.0 | 166.0 | 1 | 283.01 | 2500 | 700 | 18.80 |
| MGD 047A | 962105 | 166.0 | 167.0 | 1 | 825.44 | 1500 | 500 | 11.80 |
| MGD151 | 962016 | 182.0 | 183.0 | 1 | 707.52 | 1450 | 550 | 18.70 |
| MGD151 | 962017 | 183.0 | 184.0 | 1 | 341.97 | 1150 | 270 | 17.00 |
| MGD151 | 962018 | 184.0 | 185.0 | 1 | 271.22 | 950 | 450 | 14.70 |
| MGD151 | 962019 | 185.0 | 186.0 | 1 | 206.36 | 750 | 250 | 10.60 |
| MGD151 | 962020 | 186.0 | 187.0 | 1 | 224.05 | 750 | 185 | 11.90 |
| MGD151 | 962021 | 187.0 | 188.0 | 1 | 141.50 | 360 | 50 | 7.46 |
| MGD151 | 962022 | 188.0 | 189.0 | 1 | 194.57 | 470 | 130 | 10.20 |
| MGD151 | 962023 | 189.0 | 190.0 | 1 | 389.14 | 1200 | 420 | 12.90 |
| MGD151 | 962024 | 190.0 | 191.0 | 1 | 766.48 | 1800 | 700 | 16.50 |
| MGD151 | 962025 | 191.0 | 192.0 | 1 | 412.72 | 1100 | 270 | 12.30 |
| MGD151 | 962026 | 192.0 | 193.0 | 1 | 507.06 | 1000 | 330 | 14.70 |
| MGD151 | 962027 | 193.0 | 194.0 | 1 | 87.26 | 230 | 62 | 8.55 |
| MGD151 | 962028 | 194.0 | 195.0 | 1 | 1238.16 | 2200 | 600 | 22.80 |
| MGD151 | 962029 | 195.0 | 196.0 | 1 | 707.52 | 1750 | 380 | 16.80 |
| **MGD151** | **962050** | **216.0** | **217.0** | **1** | **707.52** | **550** | **240** | **8.92** |
| **MGD151** | **962051** | **217.0** | **218.0** | **1** | **1179.20** | **320** | **190** | **5.76** |
| MGD151 | 962052 | 218.0 | 219.0 | 1 | 554.22 | 430 | 260 | 6.75 |
| MGD151 | 962053 | 219.0 | 220.0 | 1 | 436.30 | 360 | 220 | 10.70 |
| MGD151 | 962054 | 220.0 | 221.0 | 1 | 471.68 | 650 | 410 | 9.62 |
| **MGD151** | **962062** | **228.0** | **229.0** | **1** | **1415.04** | **650** | **600** | **9.98** |
| **MGD151** | **962063** | **229.0** | **230.0** | **1** | **318.38** | **1550** | **240** | **12.90** |
| **MGD151** | **962064** | **230.0** | **231.0** | **1** | **1179.20** | **1700** | **500** | **16.60** |
| **MGD151** | **962065** | **231.0** | **232.0** | **1** | **212.26** | **1200** | **550** | **14.50** |
| **MGD151** | **962066** | **232.0** | **233.0** | **1** | **648.56** | **700** | **550** | **8.28** |
| **MGD151** | **962067** | **233.0** | **234.0** | **1** | **1002.32** | **650** | **300** | **9.54** |
| MGD151 | 962068 | 234.0 | 235.0 | 1 | 707.52 | 290 | 450 | 3.72 |
| MGD151 | 962069 | 235.0 | 236.0 | 1 | 259.42 | 800 | 310 | 8.89 |
| MGD151 | 962070 | 236.0 | 237.0 | 1 | 229.94 | 1200 | 310 | 13.80 |
| MGD151 | 962071 | 237.0 | 238.0 | 1 | 153.30 | 1400 | 290 | 16.30 |
| **MGD151** | **962072** | **238.0** | **239.0** | **1** | **825.44** | **600** | **350** | **7.34** |
| **MGD151** | **962073** | **239.0** | **240.0** | **1** | **1002.32** | **800** | **370** | **11.40** |
| MGD151 | 962074 | 240.0 | 241.0 | 1 | 448.10 | 850 | 500 | 12.50 |
| MGD151 | 962075 | 241.0 | 242.0 | 1 | 483.47 | 600 | 360 | 10.00 |
| MGD151 | 962076 | 242.0 | 243.0 | 1 | 554.22 | 850 | 420 | 12.70 |
| **MGD151** | **962077** | **243.0** | **244.0** | **1** | **2004.64** | **850** | **330** | **11.00** |
| **MGD151** | **962078** | **244.0** | **245.0** | **1** | **448.10** | **1000** | **330** | **14.60** |
| **MGD151** | **962079** | **245.0** | **246.0** | **1** | **766.48** | **850** | **550** | **12.60** |
| MGD151 | 962080 | 246.0 | 247.0 | 1 | 542.43 | 440 | 260 | 13.30 |
| MGD151 | 962081 | 247.0 | 248.0 | 1 | 707.52 | 600 | 145 | 16.90 |

**Table 2: Collar Locations: drill holes MGD 047A and MGD 151**

| Hole | MGA Easting | MGA Northing | RL | Mag Brg | Inclination | Depth (m) |
|---|---|---|---|---|---|---|
| MGD047A | 340785 | 6655275 | 496 | 0 | -90 | 169.8 |
| MGD151 | 340917 | 6654967 | 479 | 0 | -90 | 291.55 |

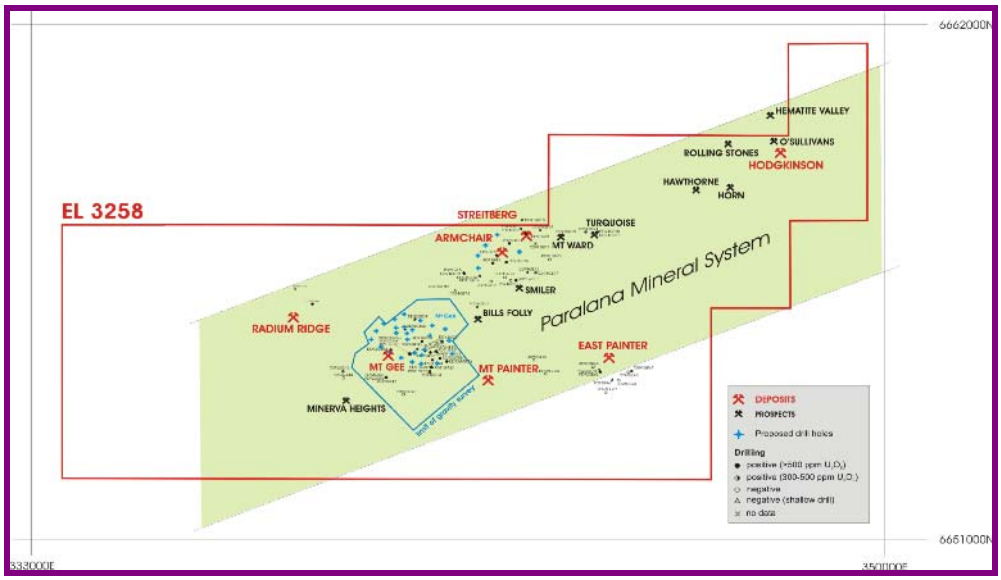

Figure 1: The Paralana Mineral System within EL 3258

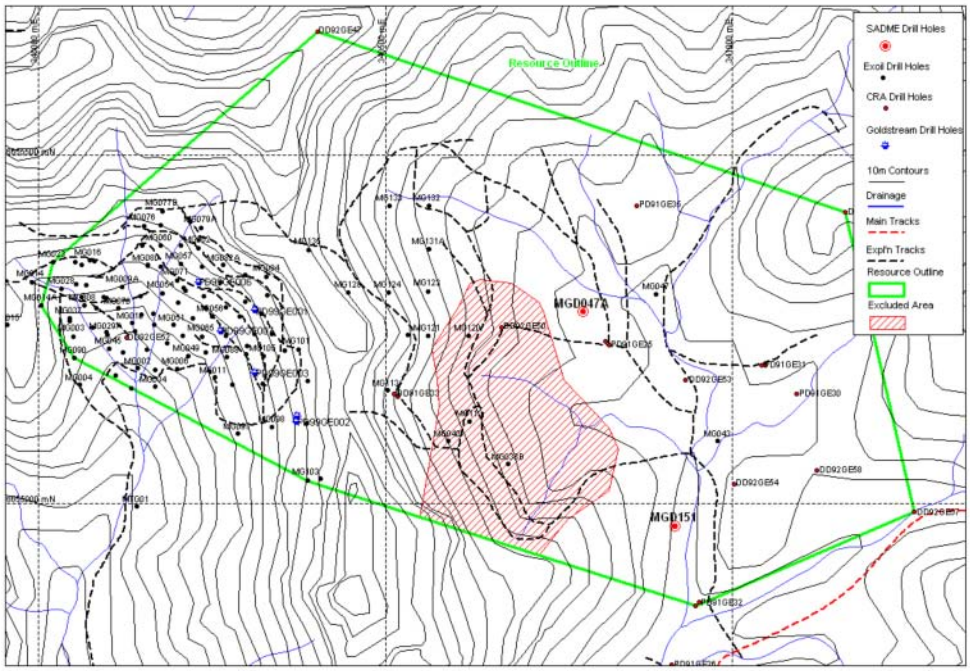

Figure 2: Location of PIRSA drill holes MGD 047A and MGD 151 within the Mt Gee deposit area

Figure 3: Drill core from MGD 151 showing mineralisation


Figure 4: Detail mineralised section of drill core from MGD 047A