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COMPANY ANNOUNCEMENT OFFICE  
 AUSTRALIAN STOCK EXCHANGE

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**PARALANA MINERAL SYSTEM DRILLING**  
**INITIAL RESULTS OF DRILLING AT MT GEE URANIUM DEPOSIT**

Marathon is pleased to announce initial results from drilling at the Mt Gee deposit of the Paralana Mineral System at EL3258 in the North Flinders Ranges of South Australia (Figure 1).

The drilling program at Mt Gee comprised five diamond drill holes and one RC hole (Figure 2). Assay results received up to date have been substantially delayed from the assay laboratory. The first results are available for a drill hole DD06MN08 drilled in February, and partially for three other holes DD06MN10, DD06MN11 and DD06MN12, providing preliminary XRF assay estimates for only the RC pre-collar sections of the holes.

Highlights of the received assay data are listed below:

<b>DD06MN08: 33 to 36m</b>	<b>3m @ 0.164% U<sub>3</sub>O<sub>8</sub></b>
<b>: 72 to 78.44m</b>	<b>6.44m @ 0.137% U<sub>3</sub>O<sub>8</sub>, 0.59% (Ce +La)</b>
<b>DD06MN10: 48 to 52m</b>	<b>4m @ 0.099% U<sub>3</sub>O<sub>8</sub></b>
<b>DD06MN12: 117 to 120m</b>	<b>3m @ 0.095% U<sub>3</sub>O<sub>8</sub></b>

These preliminary results are consistent with the Marathon's mineralisation model of the deposit. Further assay data will be announced as soon as they have been received from the laboratory and considered by the company.

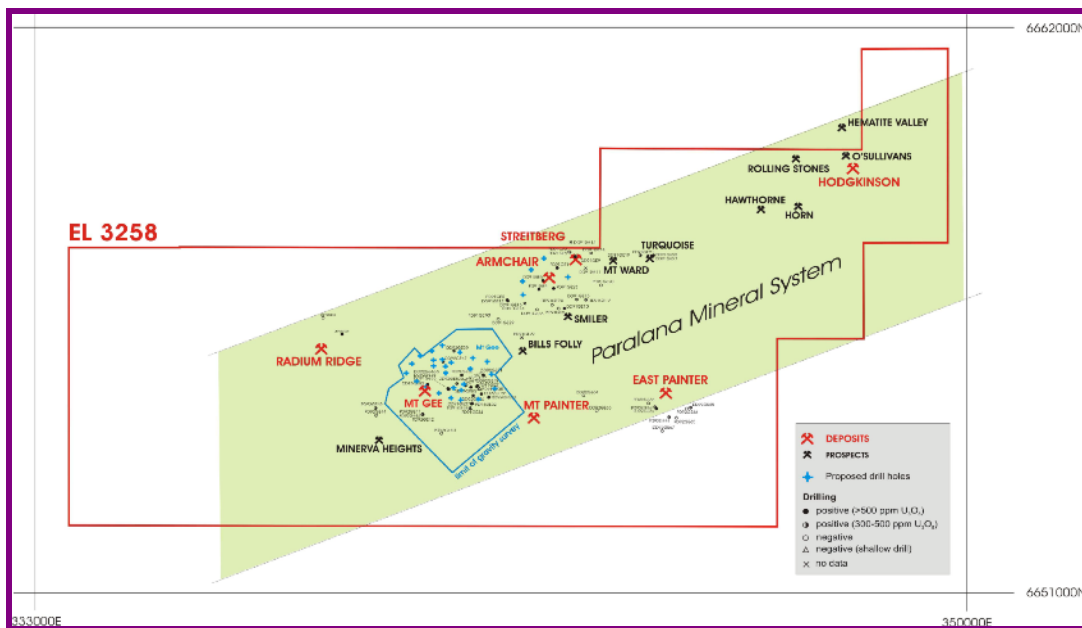


Figure 1: The Mt Gee deposit within the Paralana Mineral System

The final assay results for the hole DD06MN08, and for DD06MN10 and DD06MN12 RC pre-collars and XRF preliminary, are shown in the Table below.

HOLE ID	FROM	TO	Interval m	CPS	U <sub>3</sub> O <sub>8</sub> ppm	La ppm	Ce ppm	Cu ppm	Fe %
DD06MN08	33	34	1	2200	283	290	540	240	5.27
DD06MN08	34	35	1	3500	4245	1050	2000	280	7.58
DD06MN08	35	36	1	1800	389	120	240	38	2.01
DD06MN08	72	73	1	1500	1592	3150	4450	1150	17.2
DD06MN08	73	74	1	1650	1474	3250	4650	1250	19.3
DD06MN08	74	75	1	1850	1179	2300	3300	850	16.8
DD06MN08	75	76	1	1200	708	1350	1950	450	12.9
DD06MN08	76	77	1	1400	708	1450	2100	490	11.6
DD06MN08	77	78.44	1.44	1500	1415	4050	5950	1450	19.6
DD06MN10	48	49	1	4600	1415				
DD06MN10	49	50	1	5500	1238				
DD06MN10	50	51	1	4500	766				
DD06MN10	51	52	1	2020	554				
DD06MN10	56	57	1	4400	943				
DD06MN12	106	107	1	2880	708				
DD06MN12	115	116	1	2230	507				
DD06MN12	116	117	1	1780	295				
DD06MN12	117	118	1	2170	542				
DD06MN12	118	119	1	4360	1238				
DD06MN12	119	120	1	3610	1061				

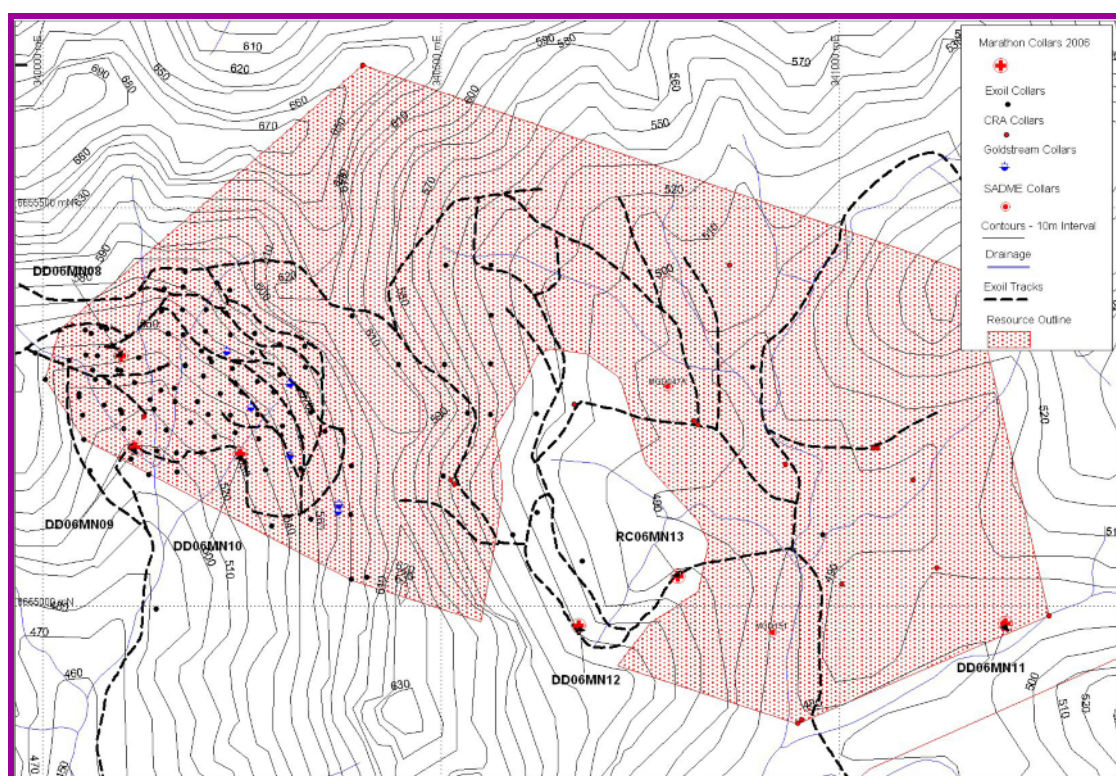


Figure 2: Drill hole locations at Mt Gee

The Mt Gee deposit is a part of the Paralana Mineral System, which comprises a number of uranium deposits and prospects, trends some 12 km in a north-easterly direction across Marathon's 100% owned EL 3258 (Figure 1). The Mt Gee deposit contains an Inferred Resource of 57 million tonnes of uranium mineralisation at an average grade of 0.06% U<sub>3</sub>O<sub>8</sub>, containing some 33,000 tonnes of U<sub>3</sub>O<sub>8</sub>.

Marathon's drilling at Mt Gee is part of a three phase program to test the Hodgkinson, Mt Gee and Armchair-Streitberg deposits. Drilling at Hodgkinson was completed in the early February, with results announced on 19 January and 22 February 2006. The drilling program at Mt Gee started in the early February and was completed on 25 April 2006.

