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COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE

ASX CODE MTN

PARALANA MINERAL SYSTEM

FOURTH UPDATE OF CURRENT RESOURCE DRILLING RESULTS SUPPORT CURRENT RESOURCE ESTIMATE

Marathon Resources announced today the intersection of further significant uranium mineralisation in both the eastern and western portions of its 100% owned Mt Gee deposit in South Australia.

The Mt Gee deposit, with its Inferred Resource of 45.5 million tonnes of uranium mineralisation averaging 0.068% U₃O₈, or 69 million pounds of contained U₃O₈, is one of Australia's largest undeveloped uranium deposits (Figure 1).

The drilling results are part of the major drilling program to upgrade the resource definition of the Mt Gee deposit from inferred to indicated and/or measured category.

The Company has also outlined plans for an expanded diamond drilling program expected to commence this month on the Mt Gee East and Mt Gee West areas of the deposit.

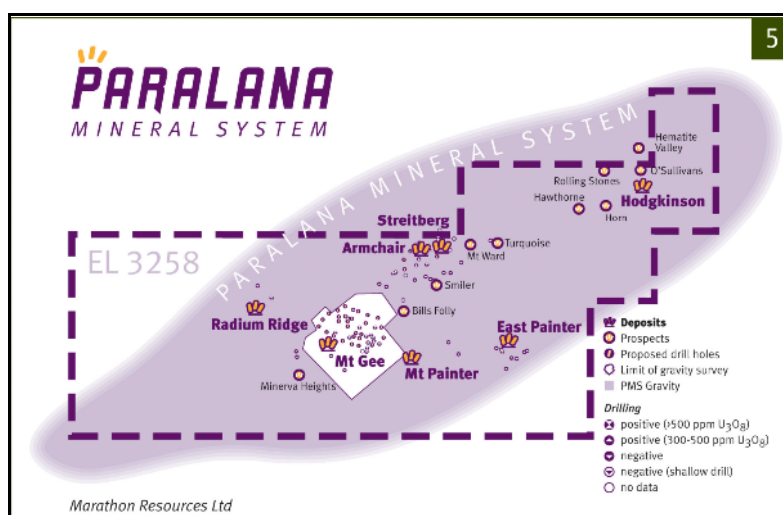


Figure 1: Paralana Mineral System, Mt Gee deposit, EL 3258, Flinders Ranges

Laboratory assay results have been received corresponding to gamma logging results from Mt Gee East (Figure 2) released on 9 May 2007. Significant analytical results include:

| | | |
|------------|--------------|---|
| RC07MN056: | 32 to 40m: | 8m @ 0.10% U ₃ O ₈ |
| RC07MN057: | 27 to 36m: | 9m @ 0.12% U ₃ O ₈ |
| RC07MN061: | 251 to 274m: | 23m @ 0.08% U ₃ O ₈ |
| RC07MN062: | 230 to 235m: | 5m @ 0.12% U ₃ O ₈ |
| RC07MN065: | 206 to 225m: | 19m @ 0.09% U ₃ O ₈ |
| Including | 206 to 211m: | 5m @ 0.17% U ₃ O ₈ |

| | | |
|------------|-----------------------------------|---|
| RC07MN068: | 170 to 218m: | 48m @ 0.14% U₃O₈ |
| | <i>Including 178 to 188m:</i> | 10m @ 0.38% U₃O₈ |
| RC07MN069: | 213 to 225m: | 12m @ 0.09% U ₃ O ₈ |
| RC07MN070: | 195 to 283m: | 88m @ 0.07% U₃O₈ |
| | <i>Including 201 to 214m:</i> | 13m @ 0.13% U₃O₈ |
| | <i>and Including 222 to 228m:</i> | 6m @ 0.14% U₃O₈ |
| RC07MN071: | 144 to 163m: | 19m @ 0.09% U ₃ O ₈ |

Results of ongoing laboratory analyses will be released as soon as practical. Results from approximately 8300 samples have been received to date with results of a further 1650 samples being subject to QA/QC review.

Re-estimation of the resource in Mt Gee West area has commenced and is expected to be available in late June; re-evaluation of the Mt Gee East portion of the resource is hampered by the outstanding assay results and will be commenced as soon as possible.

The substantial widths (48m @ 0.14% U₃O₈, 88m @ 0.07% U₃O₈) shown by several of the intersections enhance the exploration and resource potential of the Mt Gee East area and the possibility of defining substantial areas amenable to bulk mining.

Below is a direct comparison of the new analytical results and previously released gamma logging results:

| Hole ID | Analytical Results | | | | | Gamma Logging Results (released) | | | |
|-----------|--------------------|-----|----|-----------------------------------|---------------------------------|----------------------------------|-----|----|----------------------------------|
| | From | To | m | U ₃ O ₈ ppm | U ₃ O ₈ % | From | To | m | eU ₃ O ₈ % |
| RC07MN018 | 7 | 21 | 14 | 545 | 0.05 | 8 | 11 | 3 | 0.07 |
| | | | | | | 14 | 19 | 5 | 0.06 |
| | 272 | 277 | 5 | 1286 | 0.13 | | | | |
| RC07MN019 | 46 | 90 | 44 | 850 | 0.08 | 46 | 90 | 44 | 0.07 |
| RC07MN056 | 22 | 25 | 3 | 792 | 0.08 | 22 | 26 | 4 | 0.06 |
| | 32 | 40 | 8 | 997 | 0.10 | 32 | 40 | 8 | 0.07 |
| RC07MN057 | 27 | 36 | 9 | 1174 | 0.12 | 23 | 39 | 16 | 0.10 |
| RC07MN058 | 242 | 248 | 6 | 454 | 0.05 | 245 | 248 | 3 | 0.06 |
| RC07MN059 | 135 | 138 | 3 | 588 | 0.06 | | | | Inaccessible |
| RC07MN060 | 266 | 269 | 3 | 525 | 0.05 | | | | NSI to 200m |
| | 275 | 278 | 3 | 648 | 0.06 | | | | |
| | 288 | 291 | 3 | 788 | 0.08 | | | | |
| RC07MN061 | 251 | 274 | 23 | 781 | 0.08 | 252 | 255 | 3 | 0.06 |
| | | | | | | 260 | 274 | 14 | 0.06 |
| RC07MN062 | 204 | 216 | 12 | 607 | 0.06 | | | | Inaccessible |
| | 221 | 224 | 3 | 508 | 0.05 | | | | |
| | 230 | 235 | 5 | 1203 | 0.12 | | | | |
| | 290 | 293 | 3 | 523 | 0.05 | | | | |
| RC07MN063 | | | | NSI | | | | | NSI |
| RC07MN064 | 219 | 222 | 3 | 506 | 0.05 | | | | NSI |
| | 226 | 237 | 11 | 755 | 0.07 | 228 | 232 | 4 | 0.07 |
| RC07MN065 | 206 | 225 | 19 | 899 | 0.09 | 205 | 212 | 7 | 0.10 |
| | 265 | 268 | 3 | 529 | 0.05 | 264 | 268 | 4 | 0.05 |
| RC07MN066 | | | | NSI | | | | | NSI |
| RC07MN067 | 125 | 128 | 3 | 613 | 0.06 | | | | Not Logged |
| RC07MN068 | NSI | | | | | 161 | 165 | 4 | 0.05 |
| | 170 | 218 | 48 | 1449 | 0.15 | 170 | 188 | 18 | 0.14 |
| | | | | | | 193 | 199 | 6 | 0.08 |
| | 224 | 228 | 4 | 580 | 0.06 | | | | Not Logged past 210m |
| RC07MN069 | 181 | 191 | 10 | 579 | 0.06 | | | | |
| | 200 | 203 | 3 | 522 | 0.05 | 183 | 226 | 43 | 0.07 |
| | 213 | 225 | 12 | 918 | 0.09 | | | | |
| | 231 | 234 | 3 | 503 | 0.05 | | | | |
| | 261 | 264 | 3 | 570 | 0.06 | | | | |
| RC07MN070 | 24 | 27 | 3 | 756 | 0.07 | | | | |
| | 80 | 83 | 3 | 487 | 0.05 | 79 | 82 | 3 | 0.06 |
| | 195 | 283 | 88 | 725 | 0.07 | 200 | 216 | 16 | 0.08 |
| | | | | | | 221 | 235 | 14 | 0.06 |
| | 296 | 302 | 6 | 1689 | 0.17 | | | | Not Logged past 245m |
| | 308 | 311 | 3 | 729 | 0.07 | | | | |
| RC07MN071 | 144 | 163 | 19 | 900 | 0.09 | | | | NSI to 150m |
| RC07MN072 | 175 | 178 | 3 | 529 | 0.05 | | | | NSI to 155m |
| | 244 | 247 | 3 | 556 | 0.05 | | | | |

If the minimum dilution parameters of 2m less than 500ppm are not rigidly enforced then some of the multiple intersections in the above holes can be viewed as follows:

RC07MN062; 204 to 235m; 31m @ 604ppm U₃O₈
RC07MN064; 220 to 237m; 17m @ 621ppm U₃O₈
RC07MN068; 170 to 228m; 58m @ 1271ppm U₃O₈
RC07MN069; 181 to 239m; 26m @ 557ppm U₃O₈
RC07MN070; 195 to 311m; 116m @ 699ppm U₃O₈

Drill hole RC07MN071 twins the diamond drill hole MGD 047A (Figure 3) completed by the then SADME in 1976. Marathon retrieved and assayed this core from 143m to 169m; it returned the significant intersection of 146 to 167m; 21m @ 846ppm (0.08%) U₃O₈. Hole RC07MN071 returned an almost identical intersection of 144 to 163m; 19m @ 900ppm (0.09) U₃O₈.

New Diamond Drilling Program

Marathon proposes to commence diamond drilling in mid to late June of some of the deferred RC holes in the Mt Gee East area; additional holes will be planned to assess some of the major intersections listed above. When a second diamond drill rig can be sourced, drilling in Mt Gee West to obtain geotechnical data and metallurgical samples will be commenced. These holes will be positioned as twins to the RC drillholes to ascertain the variability of the mineralization within some of the major intersections.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Allan Younger, Chief Geologist and full time employee of Marathon Resources Ltd, a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger 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. Mr Younger 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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Notes to Editor

Marathon Resources is a minerals exploration company focused on the development of Mt Gee, one of Australia's largest undeveloped uranium deposits.

Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia.

The company has other gold and copper-gold projects in other parts of South Australia and western Victoria, including first class copper-gold and base metal (silver-lead-zinc) projects in the Adelaide Geosyncline in South Australia and a prospective copper-gold project in the Moyston Fault Zone in Victoria.

Marathon also has a joint venture with listed uranium explorer UraniumSA Ltd (ASX: USA), in which the company holds a 7% stake; and with Primary Resources Ltd (ASX: PRZ) in the Warburton Project, with an option to acquire 100% of the Egerton Project from Primary Resources Ltd, both in Western Australia.

Marathon Resources listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

www.marathonresources.com.au

Drill hole collar information:

| Hole ID | MGA EAST | MGA NORTH | RL | MAG AZI | DIP | LENGTH (m) |
|-----------|----------|-----------|-----|---------|-----|------------|
| RC06MN014 | 340133 | 6655240 | 519 | 90 | -80 | 122 |
| RC06MN015 | 340136 | 6655244 | 520 | 25 | -60 | 150 |
| RC06MN016 | 340190 | 6655337 | 547 | 250 | -65 | 190 |
| RC06MN017 | 340199 | 6655337 | 548 | 5 | -85 | 246 |
| RC06MN018 | 340228 | 6655384 | 565 | 340 | -60 | 294 |
| RC06MN019 | 340229 | 6655381 | 568 | 15 | -80 | 318 |
| RC06MN020 | 340234 | 6655361 | 562 | 40 | -70 | 296 |
| RC06MN021 | 340233 | 6655358 | 563 | 90 | -80 | 300 |
| RC06MN022 | 340265 | 6655327 | 565 | 0 | -90 | 234 |
| RC06MN023 | 340235 | 6655315 | 552 | 0 | -90 | 200 |
| RC06MN024 | 340200 | 6655324 | 546 | 190 | -70 | 192 |
| RC06MN025 | 340203 | 6655323 | 545 | 0 | -90 | 200 |
| RC06MN026 | 340205 | 6655323 | 547 | 145 | -60 | 200 |
| RC06MN027 | 339986 | 6655328 | 551 | 0 | -90 | 154 |
| RC06MN028 | 340033 | 6655350 | 554 | 0 | -90 | 126 |
| RC06MN029 | 340074 | 6655351 | 551 | 0 | -90 | 174 |
| RC06MN030 | 340113 | 6655342 | 551 | 0 | -90 | 150 |
| RC06MN013 | 340798 | 6655036 | 501 | 0 | -90 | 150 |
| RC07MN031 | 340165 | 6655369 | 553 | 25 | -70 | 246 |
| RC07MN032 | 340028 | 6655243 | 540 | 0 | -90 | 50 |
| RC07MN033 | 340028 | 6655279 | 539 | 0 | -90 | 50 |
| RC07MN034 | 340030 | 6655307 | 538 | 0 | -90 | 100 |
| RC07MN035 | 340139 | 6655358 | 549 | 320 | -60 | 198 |
| RC07MN036 | 340136 | 6655364 | 551 | 0 | -60 | 198 |
| RC07MN037 | 340167 | 6655362 | 550 | 0 | -90 | 199 |
| RC07MN038 | 340323 | 6655276 | 563 | 5 | -80 | 248 |
| RC07MN039 | 340333 | 6655242 | 563 | 0 | -90 | 280 |
| RC07MN040 | 340342 | 6655226 | 560 | 15 | -70 | 280 |
| RC07MN041 | 340380 | 6655034 | 574 | 140 | -60 | 81 |
| RC07MN042 | 340385 | 6655045 | 573 | 80 | -60 | 72 |
| RC07MN043 | 340369 | 6655121 | 561 | 0 | -90 | 126 |
| RC07MN044 | 340369 | 6655119 | 562 | 180 | -60 | 90 |
| RC07MN045 | 340374 | 6655193 | 568 | 0 | -90 | 240 |
| RC07MN046 | 340248 | 6655259 | 540 | 250 | -60 | 150 |
| RC07MN047 | 340250 | 6655258 | 540 | 215 | -80 | 240 |
| RC07MN048 | 340282 | 6655236 | 536 | 0 | -90 | 90 |
| RC07MN049 | 340287 | 6655226 | 537 | 140 | -75 | 144 |
| RC07MN050 | 340255 | 6655259 | 539 | 46 | -72 | 234 |
| RC07MN051 | 340322 | 6655165 | 546 | 0 | -90 | 156 |
| RC07MN052 | 340325 | 6655165 | 545 | 55 | -75 | 208 |
| RC07MN053 | 340261 | 6655124 | 525 | 0 | -90 | 100 |
| RC07MN054 | 340258 | 6655155 | 525 | 0 | -90 | 96 |
| RC07MN055 | 340246 | 6655200 | 521 | 0 | -90 | 90 |
| RC07MN056 | 340119 | 6655240 | 518 | 330 | -60 | 120 |
| RC07MN057 | 340119 | 6655233 | 518 | 290 | -60 | 120 |
| RC07MN058 | 341416 | 6655003 | 485 | 0 | -90 | 412 |
| RC07MN059 | 341120 | 6655126 | 485 | 0 | -90 | 318 |
| RC07MN060 | 341121 | 6655128 | 485 | 95 | -65 | 312 |
| RC07MN061 | 341111 | 6655191 | 487 | 0 | -85 | 300 |
| RC07MN062 | 341110 | 6655186 | 488 | 90 | -70 | 326 |
| RC07MN063 | 341057 | 6655238 | 493 | 45 | -60 | 277 |
| RC07MN064 | 341054 | 6655239 | 491 | 0 | -85 | 311 |
| RC07MN065 | 340963 | 6655254 | 488 | 0 | -90 | 280 |
| RC07MN066 | 341134 | 6655012 | 488 | 230 | -60 | 270 |
| RC07MN067 | 341135 | 6655012 | 488 | 260 | -60 | 181 |
| RC07MN068 | 341046 | 6655135 | 484 | 0 | -90 | 300 |
| RC07MN069 | 340999 | 6655118 | 480 | 180 | -65 | 276 |
| RC07MN070 | 340883 | 6655309 | 494 | 0 | -90 | 294 |
| RC07MN071 | 340879 | 6655309 | 490 | 70 | -60 | 318 |
| RC07MN072 | 340926 | 6655116 | 483 | 230 | -70 | 288 |
| RC07MN073 | 340870 | 6655153 | 487 | 0 | -90 | 276 |
| RC07MN074 | 340778 | 6655151 | 489 | 275 | -65 | 200 |
| RC07MN075 | 340778 | 6655151 | 487 | 0 | -90 | 200 |
| RC07MN076 | 340778 | 6655150 | 487 | 225 | -60 | 240 |
| RC07MN077 | 340738 | 6655235 | 503 | 0 | -90 | 183 |
| RC07MN078 | 340661 | 6655252 | 519 | 270 | -60 | 136 |
| RC07MN079 | 340659 | 6655252 | 520 | 270 | -60 | 190 |
| RC07MN080 | 340665 | 6655254 | 520 | 195 | -70 | 240 |
| RC07MN081 | 340664 | 6655282 | 518 | 340 | -70 | 215 |
| RC07MN082 | 340544 | 6655411 | 538 | 250 | -65 | 180 |
| RC07MN083 | 340541 | 6655415 | 533 | 300 | -60 | 229 |
| RC07MN084 | 340541 | 6655419 | 540 | 0 | -90 | 212 |
| RC07MN085 | 340864 | 6655438 | 501 | 10 | -70 | 240 |
| RC07MN086 | 340856 | 6655439 | 501 | 260 | -70 | 240 |

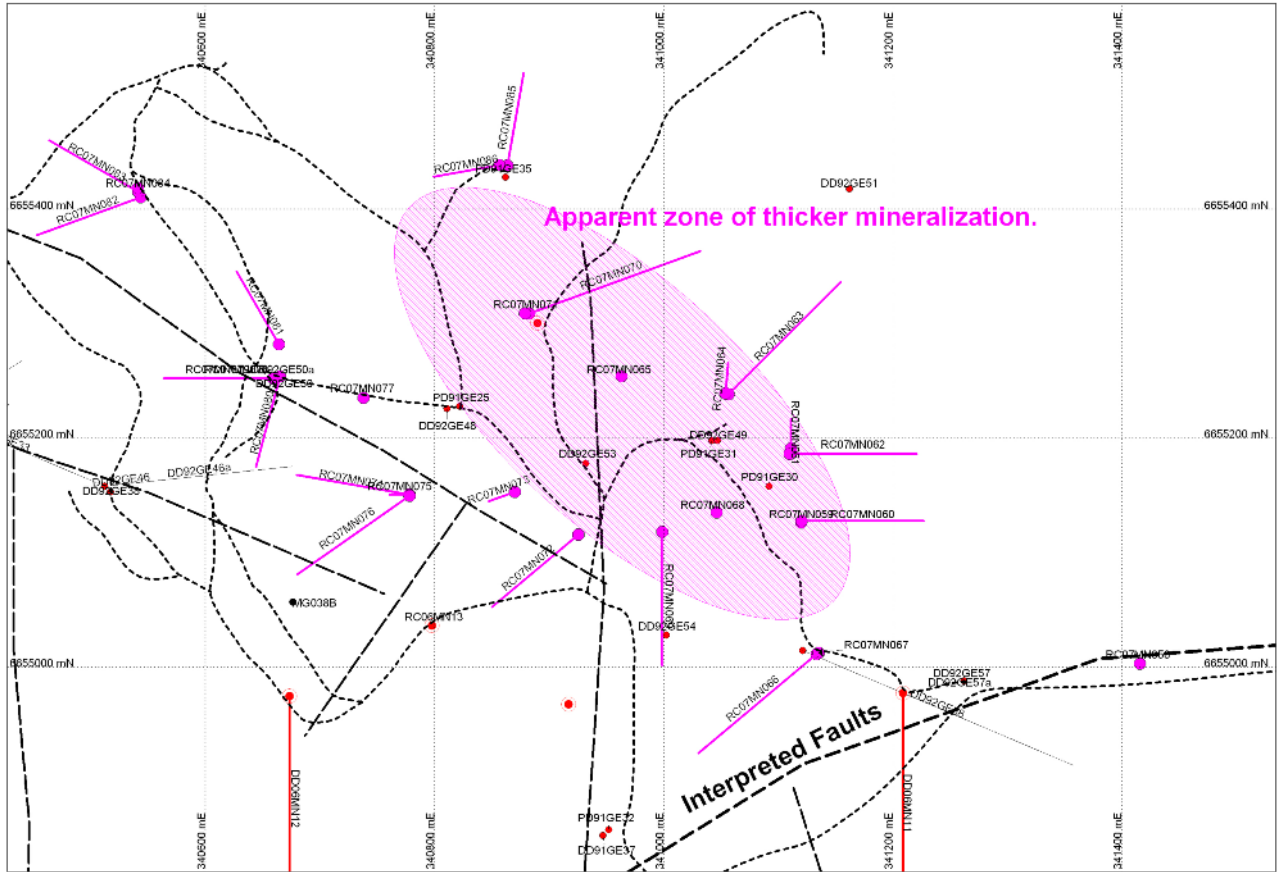


Figure 2 Completed RC drill holes locations, Mt Gee East.

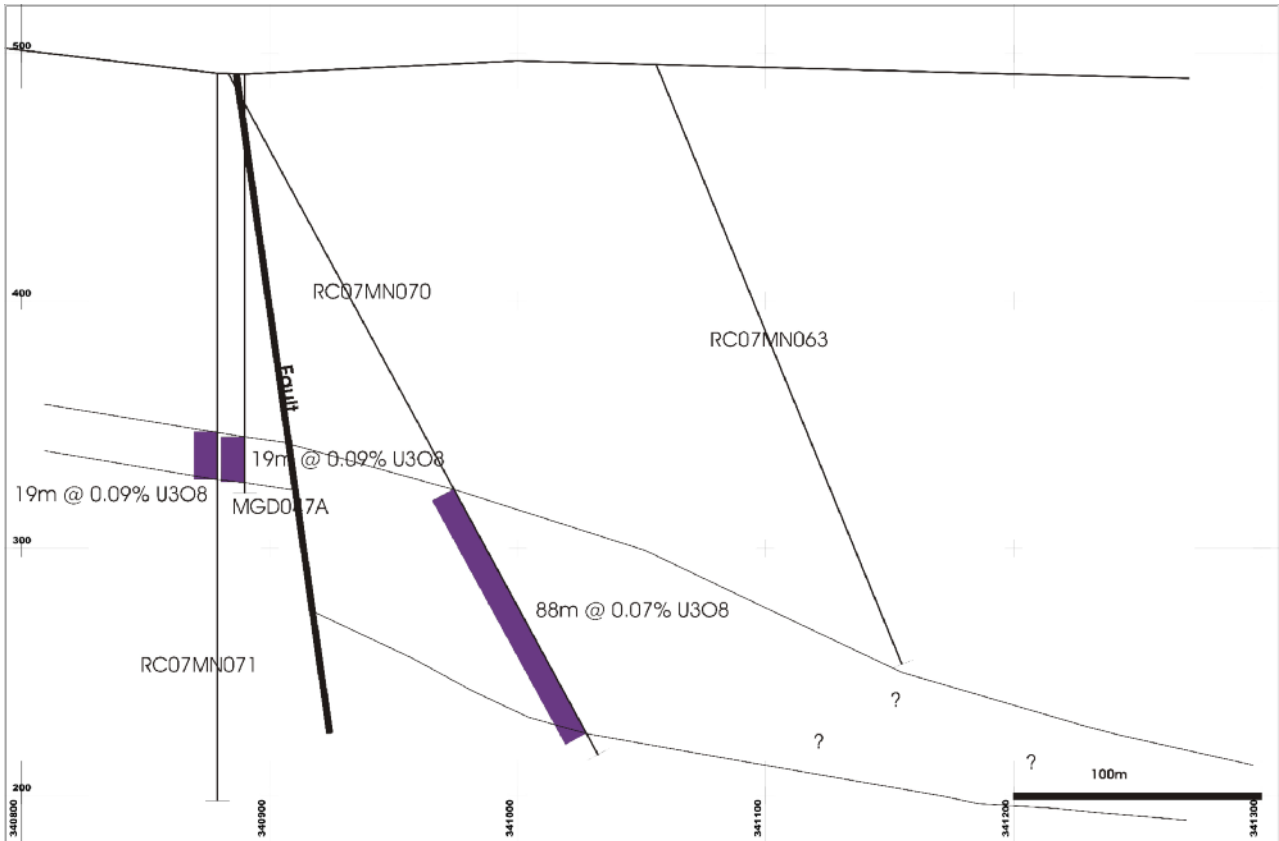


Figure 3 Section 6655340mN, looking north: Initial interpretation of intersection in drill hole RC07MN070.

Notes

Drillholes denoted RC represents Reverse Circulation drill holes.
 All samples are derived from cone splitter mounted immediately below the rig cyclone.
 Following a 4- acid digest, all samples were analysed using ICP/MS or OES by Genalysis Laboratories Services, Perth.
 Intersections are calculated as arithmetic averages, no cutting of results has been applied.
 Intersections are based primarily on 500ppm U₃O₈ cut-off and allowing 2m internal dilution.