

MARATHON RESOURCES

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Marathon Resources Limited ("Marathon") (ASX code: MTN) advises that it has revised the resource estimate for its Mt Gee uranium deposit in the northern Flinders Ranges of South Australia.

The revised resource estimate is as follows:

Resource Category	Resources Tonnes*	Grade U ₃ O ₈ *	Tonnes U ₃ O ₈ *
Indicated	3.1 Mt	717 ppm	2.2 Kt
Inferred	39.7 Mt	622 ppm	24.7 Kt
Total	42.8 Mt	629 ppm	26.9 Kt

* At 300 ppm U₃O₈ cut off

This compares to the previous estimate – released in August 2006 - of 45.6Mt of mineralisation at 680 ppm for 31.2 Kt of U₃O₈ contained, also at 300 ppm U₃O₈ cut off.

At alternative cut-off grades, the resource estimate is as follows:

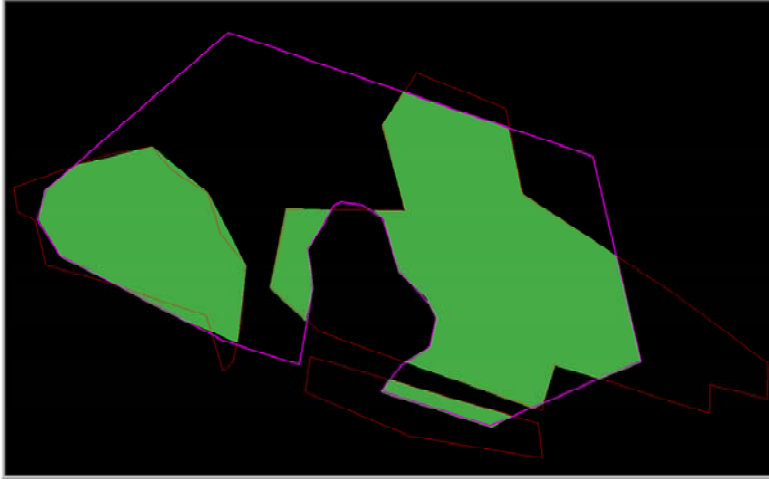
Cutoff ppm	Resource Tonnes	Grade U ₃ O ₈	Tonnes U ₃ O ₈
300	42.8 Mt	629 ppm	26.9 Kt
400	37.2 Mt	670 ppm	24.9 Kt
500	28.5 Mt	735 ppm	20.9 Kt
600	18.4 Mt	840 ppm	15.5 Kt
700	13.1 Mt	920 ppm	12.1 Kt

The Company's revised resource estimate is based on an independent assessment of the resource prepared by Tony Marshall of SMG Consultants Pty Ltd ("SMGC"). The SMGC assessment is based on historical drilling by Marathon and others, including the most recent drilling programme, comprising 72 holes for 15,251 metres drilled, completed in March 2007.

While the revised resource estimate represents an overall decrease compared with the August 2006 resource estimate, the area to which the revised estimate relates overlaps only 60% of the previous estimate area. The reduction in the estimate area is a result of a revision to the underlying resource model which does not allow us to assume the same level of grade continuity as previously modelled. As a result, the remaining 40% of the August 2006 estimate area has been excluded from the revised estimate, but continues to represent excellent exploration potential for the project.

The same resource model has resulted in a relatively small proportion of the resource being upgraded to Indicated Resource status, contrary to earlier expectations.

2007 SMGC – Resource area polygons – coincidental with EGC



Area= 337,828 sqm 53% of original EGC area
60% of EGC with exclusion zone

“We will continue to build our understanding of the resource based on further drilling and will revise our estimates as new information comes to hand,” Marathon’s Chief Executive Officer, Mr Stuart Hall, said today.

“As a result of the revised resource model, Marathon is re-appraising its exploration strategy at Mt Gee with a view to developing an optimum plan to upgrade a significant portion of the Inferred Resource to Indicated Resource status.”

“The Mt Gee project remains one of the largest un-developed uranium deposits in Australia, with excellent exploration potential and good prospects for upgrades/additions to the current resource figure.”

A scoping study just completed has further supported previous recommendations that underground mining is the best solution from an economic and environmental prospective for Mt Gee (see details later in this report).

SMGC was engaged by the Company to undertake an independent assessment after Marathon received two widely differing initial draft assessments from the Economic Geology Centre of the University of Mining and Metallurgy in Cracow, Poland (“EGC”) and Hellman & Schofield (“H&S”).

Individual consultants may use different methodologies and make different assumptions, so a differing result is not necessarily surprising. In this instance, the results were sufficiently far apart to prompt Marathon’s directors to commission a third consultant to assess the Mt Gee resource.

SMGC first conducted its own independent analysis and then held detailed discussions with the other two consultants and Marathon staff to finalise its assessment.

Due, in part, to this process - as well as the relevant experience of Mr Marshall - Marathon directors had sufficient confidence in the SMGC assessment to base their revised resource estimate on it.

Underground mining “best” solution for Mt Gee: Final Scoping Study

Marathon also advises that it has received the final report on the scoping study on Mt Gee conducted by Coffey Mining Pty Ltd (a subsidiary of Coffey International Ltd).

This final report reaffirms the recommendation made in the interim report (the results of which were announced in Marathon’s June Quarterly Report) that underground mining is the “best” solution – from both an economic and environmental perspective – for the Mt Gee uranium deposit.

The final scoping study report takes account of preliminary metallurgical test work results that the Company recently released to the ASX.

The scoping study report recommends underground mining as the “best” solution from both an economic and environmental standpoint, with ore transported via a ‘gun-barrel decline’ to a processing plant outside the area of environmental and social significance at Mt Gee.

The scoping study assessed:

- an operation processing approximately 1.5 million tonnes per annum at 760 ppm U3O8.
- production of about 900 tonnes per annum of U3O8 using conventional atmospheric tank leaching (or slightly less using heap leaching).
- a mine life of 13 years.

Coffey’s interim scoping study report assessed a production rate of 1000 tonnes per annum of U3O8. Following preliminary metallurgical test work, Coffey reduced the assumed recovery from atmospheric tank leaching, but did not revise the mining plan, hence the reduction in assumed production rate.

Marathon emphasises that additional metallurgical testing needs to be completed, and further geotechnical data accumulated, before accurate processing and mining conclusions can be reached.

Further, Coffey has recommended investigation of several other processing options (apart from atmospheric tank leaching) in the pre-feasibility study.

The Mt Gee Mineral Resource Estimate was based on information compiled on behalf of Marathon by Tony Marshall B.Sc (Hons) Uni.Melb., a Member of the AusIMM (222163). Tony Marshall is Principal Geologist with SMGC and a full-time employee of that company. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Tony Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Tony Marshall has field experience in uranium exploration and mining. This experience was gained while working full time (on site) for WMC at the Olympic Dam Project in 1984-85.

Experience gained at Olympic Dam Project (ODP) includes:

- Logging of uranium rich haematite breccias from drill core and rock chips*
- Underground mapping of geology in the NW uranium rich zones at ODP*
- Interpretation of geology and mineralisation in cross section and plan*
- Managing drilling campaigns both on the surface and underground*
- Management of sampling procedures and updating of geology database*
- Grade control management in the underground mine.*

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Notes to Editor

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

The Mt Gee project is located within the Paralana Mineral System of South Australia, a uranium-rich state which is home to the world's largest uranium deposit at Olympic Dam.

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

The Company has 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 in Western Australia.

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

www.marathonresources.com.au