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Tuesday, 10 June 2008

COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE

MARATHON ANNOUNCES RESOURCE UPGRADE FOR MT GEE URANIUM PROJECT

Marathon Resources Limited (ASX: MTN) today announced an upgraded resource estimate for its Mt Gee uranium deposit which is part of the uranium-rich Paralana Mineral System within EL3258 in the northern Flinders Ranges of South Australia.

Highlights

- Significant improvements in the understanding of the mineralisation.
- Increase of contained U_3O_8 from 26.9 thousand tonnes (Kt) to 30.0Kt.
- Increase of resource tonnes from 42.8 million tonnes (Mt) to 46.1Mt.
- Improved grade
- Increase of resource in the 'indicated' category from 3.1Mt to 3.8Mt.
- Potential for further mineralisation in the north east quadrant of Mt Gee.

The revised resource estimate – which includes results from Marathon's latest drilling program at Mt Gee - is based on an independent assessment of the resource prepared by Tony Marshall of SMG Consultants Pty Ltd ("SMGC"). SMGC previously completed a resource estimate on the Mt Gee deposit in September 2007.

Following the drilling of an additional 27 diamond drill holes into the Mt Gee Deposit in late 2007 and early 2008 (MN 87 - 99, MN104 - 117, Figure 1), the re-evaluation of the existing drill core and the reinterpretation of the major geological units, a better understanding of the mineralisation at Mt Gee was achieved.

The revised resource estimate is as follows:

Resource Category	**Resources Tonnes***	**Grade U_3O_8***	**Tonnes U_3O_8***
Indicated	3.8 Mt	705 ppm	2.7 Kt
Inferred	42.3 Mt	646 ppm	27.3 Kt
Total	**46.1 Mt**	**651 ppm**	**30.0 Kt**

* At 300 ppm U_3O_8 cut-off

This compares to the previous estimate released in September 2007 of 42.8Mt of mineralisation at 629 ppm for 26.9 Kt of U_3O_8 contained, also at 300 ppm U_3O_8 cut-off.

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

Cut-off ppm	Resource Tonnes	Grade U_3O_8	Tonnes U_3O_8
300	46.1 Mt	651 ppm	30.0 Kt
400	38.0 Mt	715 ppm	27.1 Kt
500	26.8 Mt	826 ppm	22.1 Kt
600	18.3 Mt	955 ppm	17.5 Kt
700	13.3 Mt	1073 ppm	14.2 Kt

“This is another pleasing result from our ongoing exploration and assessment of the Mt Gee uranium project, which remains one of Australia's largest undeveloped uranium deposits,” Marathon Chairman, Mr Peter Williams, said today.

“The Company has always had confidence in the size and quality of the uranium resource at Mt Gee, and we are continuing the extensive process of gathering all the scientific data to support that confidence,” Mr Williams said.

“We also believe the potential exists for further mineralisation in the north east quadrant of the Mt Gee area, but this will be determined by future drilling.”

Detailed mapping completed in late 2007 and drill core interpretation has for the first time shown the relationship between Mt Gee Unit and haematite breccias that host the majority of the structurally controlled mineralisation zone.

At this stage, based on limited drilling to the north and south of the area, the mineralisation at Mt Gee forms a WNW trending elongated shape (Figure 1). Within this elongated shape, the mineralisation is interpreted to have a strike varying from WNW to NNW and a shallow dip varying from NNE to ENE (Figure 2).

Mineralization also appears to concentrate at the footwall and hanging wall contacts of the Mt Gee Unit.

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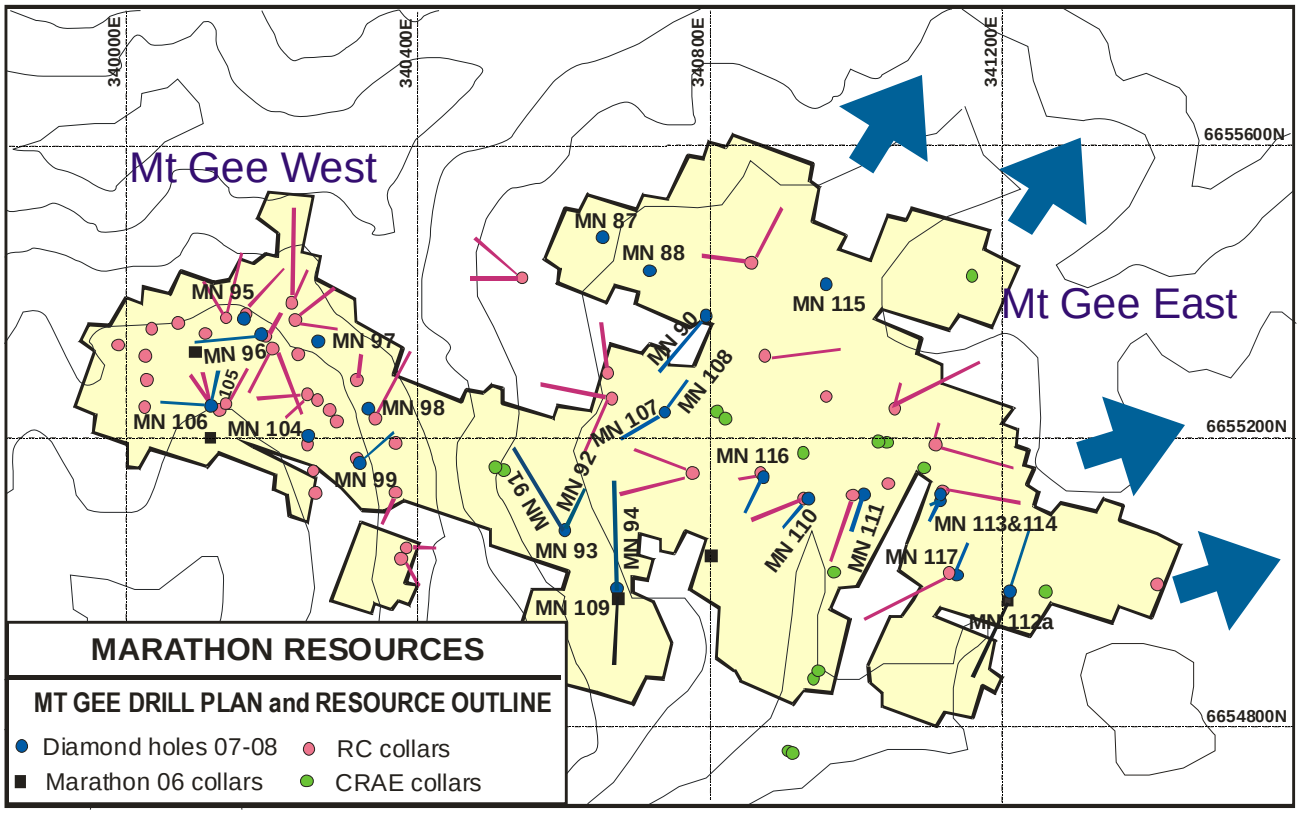

Figure 1 – Location of recent diamond holes with Mt Gee resource outline at 300ppm U_3O_8 cut-off. Note the open directions of mineralisation to the East and Northeast

Re-logging of the old drill core conducted in 2008 by Marathon geologists indicates that mineralisation is not excluded from this unit as was previously believed to be the case.

The geometry of the Mt Gee Unit has been re-interpreted to be parallel to the mineralisation zones (Figure 2).

Potential for further mineralisation is likely in the NE quadrant of the Mt Gee area but this is yet to be tested with drilling.

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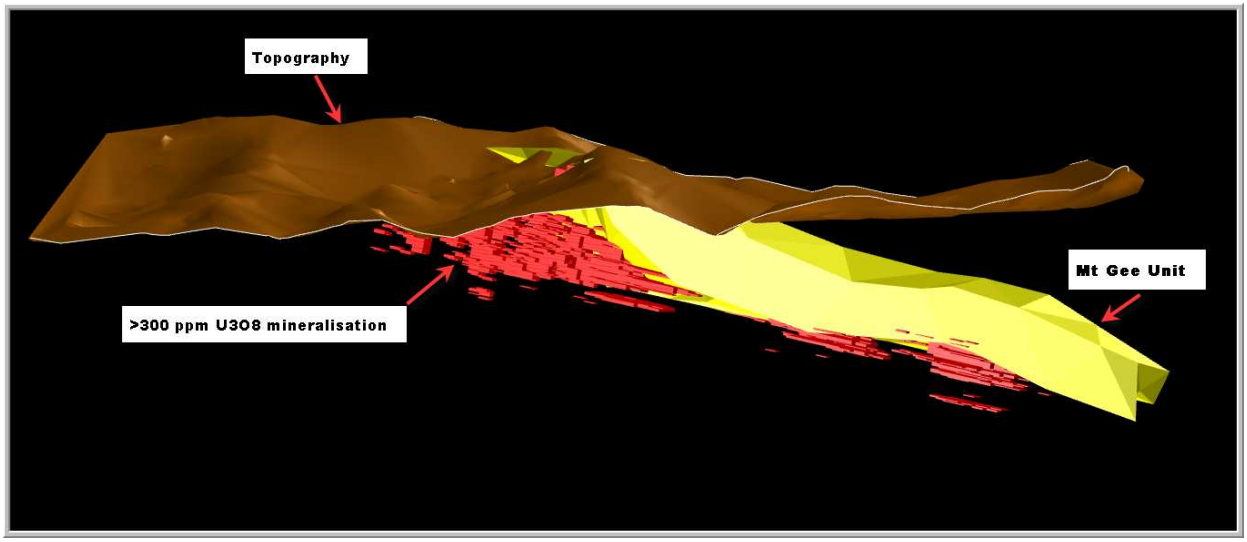

Figure 2– Topography surface with Mt Gee Unit (in yellow) and mineralised zones (in red). Viewed Toward North

Update on Rectification Plan

Marathon also said today that it had submitted a Rectification Plan to the Department of Primary Industries and Resources South Australia (PIRSA), following the recent environmental issues surrounding the unsuitable disposal of drilling waste at the Mt Gee site.

The Plan addresses the retrieval and appropriate disposal of this material for the approval of PIRSA and South Australia's Environment Protection Authority (EPA).

Once approved, Marathon will commence implementation of this process.

Marathon respects the important conservation work of the operators of the Arkaroola Wilderness Sanctuary, and is committed to engaging in transparent, two-way dialogue with the operators prior to scheduling and implementing the rectification works.

Marathon is working with independent environmental consultants Parsons Brinkerhoff and Futureye, to commit to a set of policies and principles that are in line with international leading practice guidelines on sustainable exploration and mining. Marathon has also engaged Papari Radiation Consultants to advise on radiation protection throughout the process.

Marathon has taken a longer term view of consulting its stakeholders and will, over the coming months, actively engage with all community, government and industry stakeholders about their views on the compatibility of uranium mining, conservation and eco-tourism.

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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.

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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.

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