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COMPANY ANNOUNCEMENTS OFFICE  
AUSTRALIAN STOCK EXCHANGE

## MARATHON'S NEW RESOURCE UPGRADE FOR MT GEE URANIUM PROJECT IN S.A.

Marathon Resources Limited (ASX: MTN) today announced a further upgrade in the 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.

This is the second resource upgrade this year for the Mt Gee uranium project.

### Highlights

- Increase of contained U<sub>3</sub>O<sub>8</sub> from 30.0 thousand tonnes (Kt) to 31.4 Kt.
- Increase of resource tonnes from 46.1 million tonnes (Mt) to 51.0Mt.
- Increase of resource in the 'indicated' category from 3.8Mt to 4.0 Mt.

The latest revised resource estimate – which includes latest assay results from Marathon's most recent 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 June 2008.

The new resource estimate announced today is as follows:

Resource Category	Tonnes*	Grade U <sub>3</sub> O <sub>8</sub> *	Tonnes U <sub>3</sub> O <sub>8</sub> *
Indicated	4.0Mt	706ppm	2.8Kt
Inferred	47.0Mt	607ppm	28.5Kt
Total	51.0Mt	615ppm	31.4 Kt

\* At 300 ppm U<sub>3</sub>O<sub>8</sub> cut-off

This compares to the previous estimate released in June 2008 of 46.1 Mt of mineralisation at 651 ppm for 30.0 Kt of U<sub>3</sub>O<sub>8</sub> contained, also at 300 ppm U<sub>3</sub>O<sub>8</sub> cut-off. At different cut-off grades, the resource estimate is as follows:

U <sub>3</sub> O <sub>8</sub> ppm cut-off	M Tonnes	U <sub>3</sub> O <sub>8</sub> Ppm	U <sub>3</sub> O <sub>8</sub> Ktonnes
300	51.0	615	31.4
400	39.7	697	27.7
500	28.1	800	22.5
600	19.0	921	17.5
700	13.4	1036	13.9

As advised in the announcement of 10 June 2008 and based on limited drilling to the north and south of the area, the mineralisation at Mt Gee forms a WNW trending elongated shape and is interpreted to have a strike varying from WNW to NNW and a shallow dip varying from NNE to ENE. A representative block model of the mineralisation is attached as Figure 1.

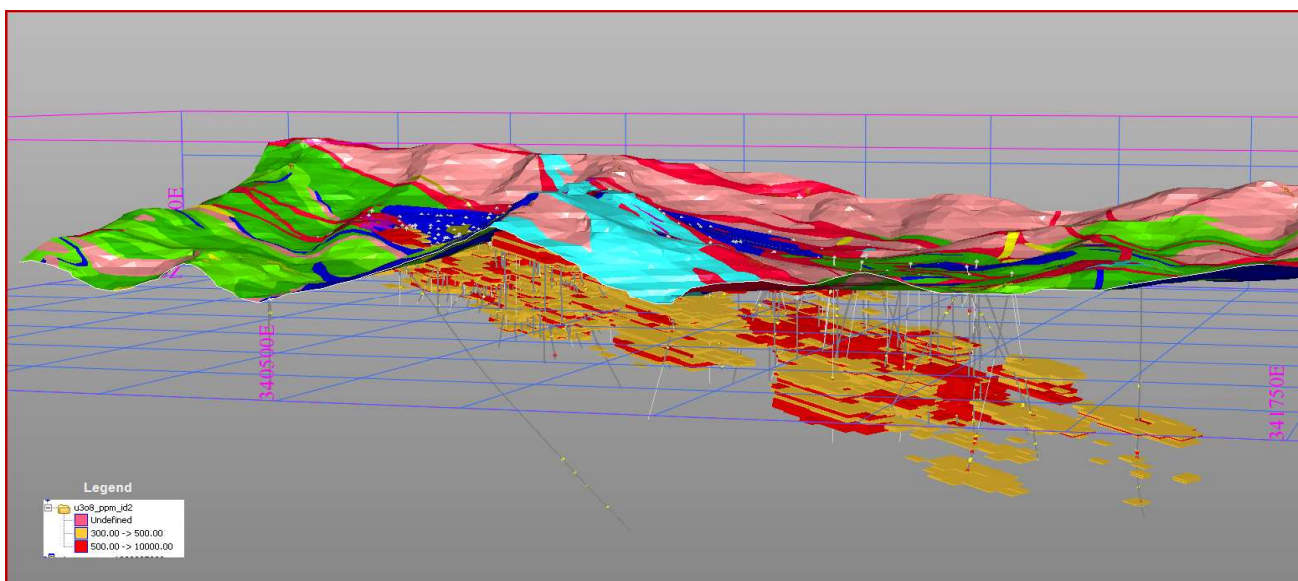


Fig 1- View of the updated block model looking towards the NNW displaying blocks greater than 300 ppm  $U_3O_8$ . The orange blocks are 300 to 500 ppm and the red blocks are greater than 500 ppm  $U_3O_8$ .

Significant assays returned from drilling include the following results:

Minimum composite width of 2 m at 300 ppm  $U_3O_8$  cut-off

Hole_id	Depth_from	Depth_to	Length (m)	$U_3O_8$ ppm
MN107_D	57	68	11	1026
MN107_D	131	139	8	539
MN108_D	41	49	8	1153
MN109_D	102	106.22	4.22	375
MN109_D	106.5	111	4.5	453
MN109_D	114	116	2	454
MN109_D	118	120	2	583
MN110_D	197.02	203	5.98	923
MN110_D	206	213	7	417
MN110_D	217	219	2	310
MN110_D	258	260	2	344
MN112A_D	159	161	2	682
MN112A_D	164	166	2	705
MN112A_D	168	173	5	404
MN112A_D	263	266	3	701
MN113_D	148	150	2	519
MN115_D	168	175	7	737
MN115_D	180	186	6	622
MN115_D	193	200	7	554
MN115_D	203	205	2	345



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Marathon's Chairman, Mr Peter Williams, said the upgrade followed ongoing evaluation of existing drill core from the drilling of an additional 27 diamond drill holes into the Mt Gee deposit late in 2007 and early in 2008, and the reinterpretation of the major geological units.

"This latest upgrade means our ongoing assessment has lifted the total Mt Gee uranium resource tonnage by 19.16% from 42.8 million tonnes to 51 million tonnes over the past 12 months with contained U<sub>3</sub>O<sub>8</sub> up 16.7% from 26.9 to 31.4 thousand tonnes," Mr Williams said.

"It is pleasing that these revised results from our ongoing appraisal work continue to confirm the Mt Gee uranium project as one of Australia's largest undeveloped uranium deposits.

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

### **Mt Gee Rectification Project**

As reported in August, Marathon has received formal notification from the Department of Primary Industries and Resources South Australia (PIRSA) that the comprehensive Rectification Plan for the cleanup of unauthorised waste buried within EL3258 covering the Arkaroola Pastoral Lease and Wilderness Sanctuary has been approved.

In February this year, the South Australian Government suspended Marathon's drilling program after an investigation by PIRSA and the Environment Protection Agency (EPA) found the company had inappropriately buried drill cuttings and other waste material on site.

Mr Williams said Marathon welcomed the State Government's approval of the Company's Rectification Plan and Marathon looked forward to implementing the clean-up job as soon as practically possible to the satisfaction of PIRSA, whose officers will oversee the entire clean-up project.

*The Mt Gee Mineral Resource Estimate contained in this announcement 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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*The information in this report that relates to Exploration Results has been compiled by Mr Brenton Newell, a part-time employee of Marathon Resources Ltd and a Member of the Australian Institute of Geoscientists. He 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 Newell consents to 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 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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