



9 May 2007

By E-lodgement: ASX On-line

Manager Companies
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir/Madam

**ASX Code MTN
Third update of Current Resource Drilling Program - Clarification**

Please find attached¹ update of current resource drilling program correcting a typographical error in results disclosed for RC07MN052: 116 to 126m.

In all other respects the announcement is as previously released.

Yours faithfully

Sam Appleyard
Company Secretary

¹ Mt Gee drilling update

Wednesday, 9th May 2007

COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE

ASX CODE MTN



MARATHON RESOURCES ANNOUNCES
THIRD UPDATE OF CURRENT RESOURCE DRILLING PROGRAM
ADDITIONAL SIGNIFICANT INTERCEPTS FROM DRILLING AT MT GEE

Marathon Resources is pleased to announce the completion of the resource drilling program and 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 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 results reported herein essentially represent completion of the assay results for the western area and the first downhole gamma logging results from Mt Gee east.

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.

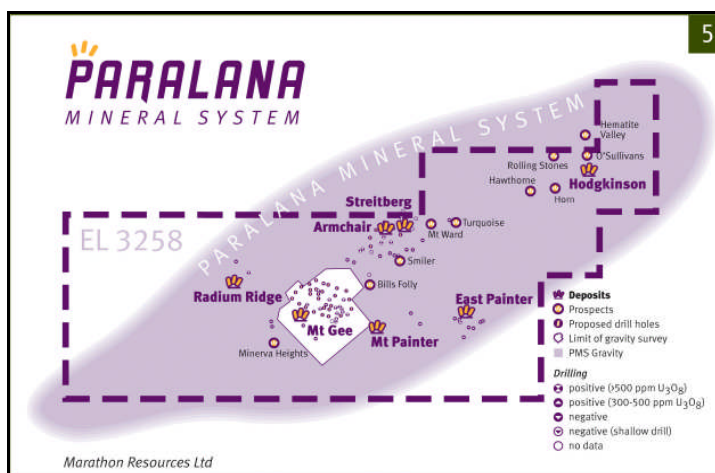


Figure 1: Paralana Mineral System, Mt Gee deposit, EL 3258, Flinders Ranges

Downhole gamma logging results from holes RC07MN064 to RC07MN070 of the Mt Gee drilling program (see Summary of Intercepts in the table below) demonstrate the continued presence of high grade mineralisation and intersections of significant thickness in the down-dip eastern side of the deposit, including:

- RC07MN061: 260-274m; 14m @ 0.06% eU₃O₈
- RC07MN064: 228-232m; 4m @ 0.07% eU₃O₈
- RC07MN065: 205-212m; 7m @ 0.10% eU₃O₈
- RC07MN068: 170-188m; 18m @ 0.14% eU₃O₈
- RC07MN068: 193-199m; 6m @ 0.08% eU₃O₈
- RC07MN069: 183-226m; 43m @ 0.07% eU₃O₈
- RC07MN070: 200-216m; 16m @ 0.08% eU₃O₈
- RC07MN070: 221-235m; 14m @ 0.06% eU₃O₈

Additional analytical results have been received corresponding to gamma logging results released on 15 March 2007. Significant analytical results include:

RC07MN039: 151 to 163m: 12m @ 0.09% U₃O₈
 167 to 208m: 41m @ 0.11% U₃O₈
 RC07MN041: 51 to 68m: 17m @ 0.08% U₃O₈
 38 to 41m: 3m @ 0.35% U₃O₈
Including 38 to 39m: 1m @ 0.89% U₃O₈
 RC07MN045: 175 to 190m: 15m @ 0.06% U₃O₈
 RC07MN047: 71 to 83m: 12m @ 0.11% U₃O₈
 RC07MN048: 149 to 165m: 16m @ 0.08% U₃O₈
 RC07MN050: 132 to 160m: 28m @ 0.08% U₃O₈
 168 to 196m: 28m @ 0.11% U₃O₈
 RC07MN052: 116 to 126m: 10m @ 0.09% U₃O₈
 160 to 176m: 16m @ 0.07% U₃O₈

The drilling of 44 holes on the western side of Mt Gee commenced on 17/11/2006 and was finished on 5/2/2007; for about 7800m of RC drilling were completed.

Drilling was continued at Mt Gee east, with 29 holes for 7590m being completed by 17/3/2007 when the program ended.

To date analytical results have been received for slightly over 5000 samples with results of another 4000 samples remain outstanding from the drilling program. Ongoing laboratory analyses will be released as soon as practical.

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 % |
| RC07MN039 | 75 | 79 | 4 | 1101 | 0.11 | 74 | 79 | 5 | 0.08 |
| | 130 | 133 | 3 | 669 | 0.07 | 131 | 134 | 3 | 0.07 |
| | 143 | 147 | 4 | 626 | 0.06 | | | | |
| | 151 | 163 | 12 | 880 | 0.09 | 143 | 209 | 66 | 0.09 |
| | 167 | 208 | 41 | 1068 | 0.11 | | | | |
| RC07MN040 | 87 | 90 | 3 | 676 | 0.07 | 87 | 93 | 6 | 0.06 |
| | 118 | 121 | 3 | 655 | 0.07 | 119 | 122 | 3 | 0.05 |
| RC07MN041 | 2 | 11 | 9 | 1050 | 0.10 | 1 | 7 | 6 | 0.08 |
| | 38 | 41 | 3 | 3543 | 0.35 | 36 | 43 | 7 | 0.10 |
| | 51 | 68 | 17 | 851 | 0.08 | 52 | 60 | 8 | 0.10 |
| | | | | | | 63 | 69 | 6 | 0.08 |
| RC07MN042 | 8 | 15 | 7 | 552 | 0.05 | | | | |
| | 26 | 29 | 3 | 554 | 0.05 | | | | Inaccessible |
| | 47 | 53 | 6 | 968 | 0.09 | | | | |
| RC07MN045 | 108 | 111 | 3 | 1288 | 0.13 | 108 | 111 | 3 | 0.09 |
| | 115 | 118 | 3 | 629 | 0.06 | | | | |
| | 163 | 166 | 3 | 640 | 0.06 | | | | |
| | 175 | 190 | 15 | 621 | 0.06 | 176 | 185 | 9 | 0.06 |
| | | | | | | 188 | 191 | 3 | 0.05 |
| RC07MN046 | 88 | 91 | 3 | 753 | 0.07 | | | | |
| | 101 | 104 | 3 | 813 | 0.08 | 101 | 104 | 3 | 0.06 |
| RC07MN047 | 57 | 60 | 3 | 908 | 0.09 | 57 | 60 | 3 | 0.09 |
| | 71 | 83 | 12 | 1145 | 0.11 | 71 | 83 | 12 | 0.09 |
| RC07MN048 | 38 | 41 | 3 | 554 | 0.05 | NSI | | | |
| | 149 | 165 | 16 | 832 | 0.08 | | | | |
| RC07MN049 | 94 | 97 | 3 | 805 | 0.08 | 94 | 97 | 3 | 0.07 |
| | 103 | 109 | 6 | 519 | 0.05 | 103 | 108 | 5 | 0.06 |
| | 120 | 123 | 3 | 603 | 0.06 | 120 | 125 | 5 | 0.06 |
| | 129 | 135 | 6 | 587 | 0.06 | 128 | 135 | 7 | 0.07 |

| Hole ID | From | To | m | U ₃ O ₈ ppm | U ₃ O ₈ % | From | To | m | eU ₃ O ₈ % |
|-----------|------|-----|----|-----------------------------------|---------------------------------|------|-----|----|----------------------------------|
| RC07MN050 | 132 | 160 | 28 | 853 | 0.08 | | | | |
| | 168 | 196 | 28 | 1064 | 0.11 | NSI | | | |
| RC07MN051 | 96 | 99 | 3 | 1003 | 0.10 | 92 | 95 | 3 | 0.06 |
| | 131 | 137 | 6 | 928 | 0.09 | 119 | 140 | 21 | 0.07 |
| | 142 | 145 | 3 | 1007 | 0.10 | | | | |
| RC07MN052 | 108 | 112 | 4 | 671 | 0.07 | 110 | 114 | 4 | 0.06 |
| | 116 | 126 | 10 | 949 | 0.09 | 118 | 127 | 9 | 0.08 |
| | 147 | 152 | 5 | 841 | 0.08 | 149 | 153 | 4 | 0.06 |
| | 160 | 176 | 16 | 684 | 0.07 | 162 | 165 | 3 | 0.05 |
| RC07MN053 | 54 | 60 | 6 | 1353 | 0.13 | 53 | 60 | 7 | 0.09 |
| | 73 | 77 | 4 | 903 | 0.09 | 73 | 76 | 3 | 0.10 |
| RC07MN054 | 55 | 58 | 3 | 527 | 0.05 | NSI | | | |
| RC07MN055 | 46 | 49 | 3 | 812 | 0.08 | 46 | 49 | 3 | 0.06 |

Summary of new intercepts - downhole gamma logging:

RC07MN061: 252-255m; 3m @ 0.06% eU₃O₈
260-274m; 14m @ 0.06% eU₃O₈

RC07MN062: Inaccessible

RC07MN063: NSI

RC07MN064: 228-232m; 4m @ 0.07% eU₃O₈

RC07MN065: 205-212m; 7m @ 0.10% eU₃O₈
264-268m; 4m @ 0.05% eU₃O₈

RC07MN068: 161-165m; 4 @ 0.05% eU₃O₈
170-188m; 18m @ 0.14% eU₃O₈
193-199m; 6m @ 0.08% eU₃O₈

RC07MN069: 183-226m; 43m @ 0.07% eU₃O₈

RC07MN070: 79-82m; 3m @ 0.06% eU₃O₈
200-216m; 16m @ 0.08% eU₃O₈
221-235m; 14m @ 0.06% eU₃O₈

RC07MN071: NSI; not able to penetrate below 150m, TD 318m

RC07MN072: NSI; not able to penetrate below 155m, TD 288m

RC07MN073: 49-53m; 4m @ 0.05% eU₃O₈
156-159m; 3m @ 0.08% eU₃O₈

RC07MN074: NSI; not able to penetrate below 130m, TD 200m

RC07MN075: 115-120m; 5m @ 0.06% eU₃O₈

RC07MN076: NSI; not able to penetrate below 85m, TD 240m

RC07MN077: 45-53m; 8m @ 0.07% eU₃O₈
127-133m; 6m @ 0.07% eU₃O₈

RC07MN078: Inaccessible

RC07MN079: NSI; not able to penetrate below 51m, TD 190m

RC07MN080: NSI; not able to penetrate below 155m, TD 240m

RC07MN081: Inaccessible

RC07MN082: NSI

RC07MN083: NSI; not able to penetrate below 45m, TD 229m

RC07MN084: NSI; not able to penetrate below 105m, TD 212m

RC07MN085: NSI; not able to penetrate below 104m, TD 240m

RC07MN086: 68-71m; 3m @ 0.08% eU₃O₈
160-163m; 3m @ 0.07% eU₃O₈

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.

| | | |
|---------|--|---|
| Contact | Stuart Hall Chief Executive Officer Tel (08) 8348 3500 | Belinda Yates Communications Tel (08) 8348 3500 Mob 0439 795 521 |
|---------|--|---|

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 |

| Hole ID | MGA EAST | MGA NORTH | RL | MAG AZI | DIP | LENGTH (m) |
|-----------|----------|-----------|-----|---------|-----|------------|
| 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 |

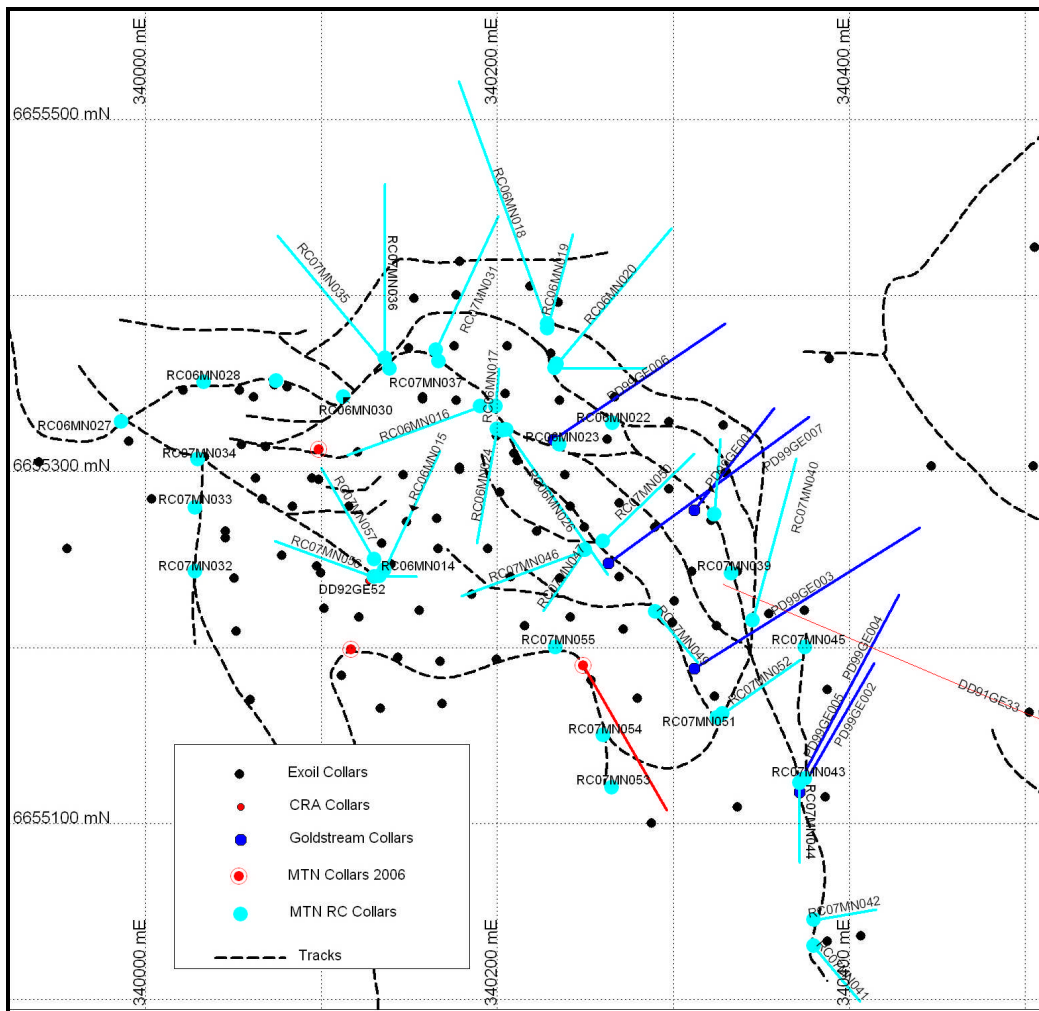


Figure 2 Completed RC drill holes locations, Mt Gee west.

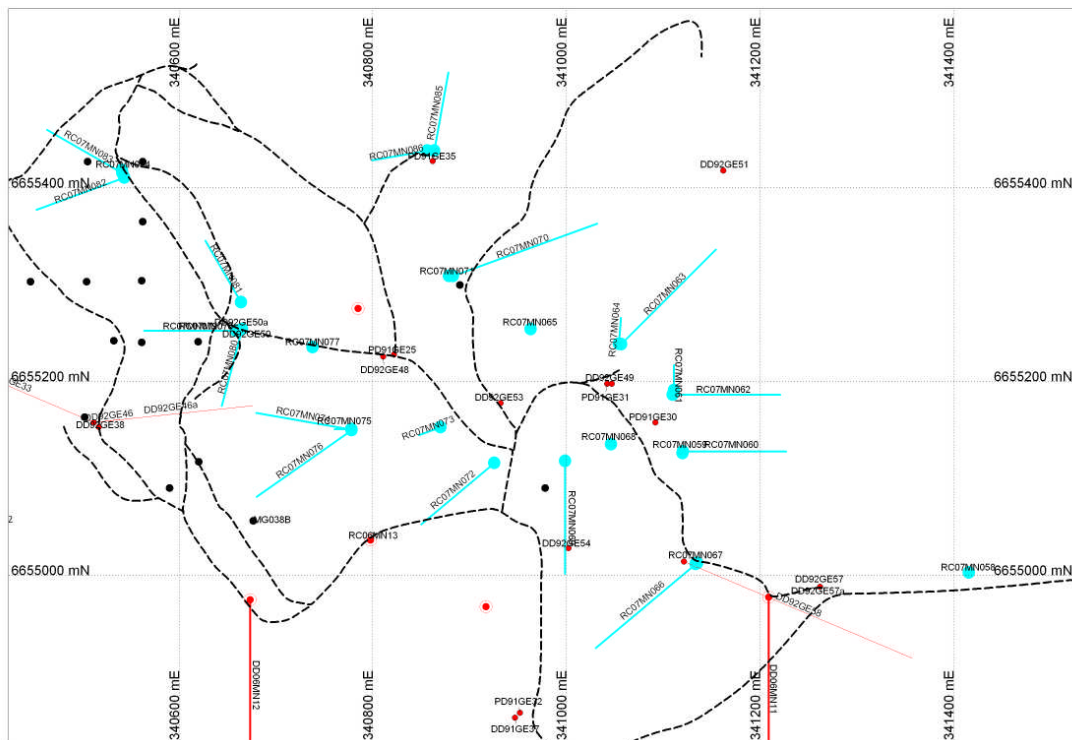


Figure 3 Completed RC drill holes locations, Mt Gee East.

Selected Assay Intercepts

| HOLE-ID | FROM | TO | Interval | U ₃ O ₈ ppm | La ppm | Ce ppm | Cu ppm | Mo ppm | FeO% |
|-----------|------|----|----------|-----------------------------------|---------|---------|--------|--------|-------|
| RC07MN041 | 38 | 39 | 1 | 8924.54 | 659.22 | 1115.2 | 3018 | 14.9 | 13.93 |
| RC07MN041 | 39 | 40 | 1 | 1297.82 | 1712.95 | 3075.86 | 1275 | 7.7 | 25.96 |

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.