

29th April 2010

**COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN SECURITIES EXCHANGE**

ASX CODE MTN

**QUARTERLY ACTIVITY REPORT
1 January – 31 March 2010**

Marathon Resources Limited (ASX: "MTN") is pleased to present its Activity Report for the Quarter ending 31st March 2010. Highlights of the past Quarter include:

- Lodgement of Declaration of Environmental Factors (DEF) for low-impact, non-invasive exploration activities on EL4355.
- Re-logging and photographing of previous underground, Exoil and CRA drill holes.
- Magnetic and radiometric interpretation of Blanchetown tenement has been completed.

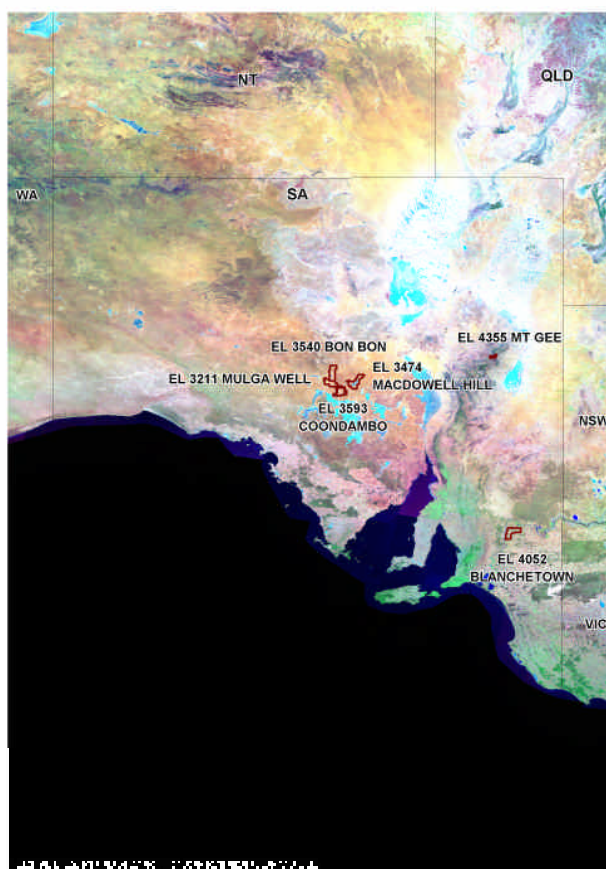


Figure 1: Marathon Resources- Map of Tenements

EL 4355 Mt Gee South Australia

Declaration of Environmental Factors

In accordance with the new conditions attached to EL 4355 Marathon lodged a DEF with PIRSA. The first DEF was submitted in November 2009 to obtain permission to conduct low-impact, non-invasive exploration activities including geological mapping on foot, stream sediment sampling on foot and helicopter supported ground gravity surveying. The DEF was resubmitted in April 2010 in response to comments from PIRSA and DEH.

Re-logging and photographing of previous drill holes

In a data assessment program, 11 Exoil holes, 3 Marathon holes, 45 CRA holes and 31 underground holes were re-examined and 9,292 metres of core were photographed. Some of these holes were re-logged and re-assayed. The program was designed to confirm different types of uranium mineralisation identified during the mapping program. Mineralisation in the Mt Painter region shows a number of distinctive structural characteristics and geochemical signatures. They possibly represent various mineralised structures with different concentrations of Cu, Mo and rare earth elements.

EL 4052 Blanchetown South Australia

A Heli-borne magnetic and radiometric survey was completed over six areas near Blanchetown, South Australia (EL 4052). Each area is approximately two square kilometres. The survey lines are north-south oriented at 25 metre spacing's. The object of the survey was to define magnetic strand lines that may be associated with economic concentrations of heavy mineral sands. To highlight these magnetic trends, several filters have been applied to the data. Figure 2 is an example of a hybrid image from Area 2, which highlights some linear features that potentially could be tested for heavy mineral strand lines.

The results will be analysed further for consideration of the tenements ongoing potential for exploration.

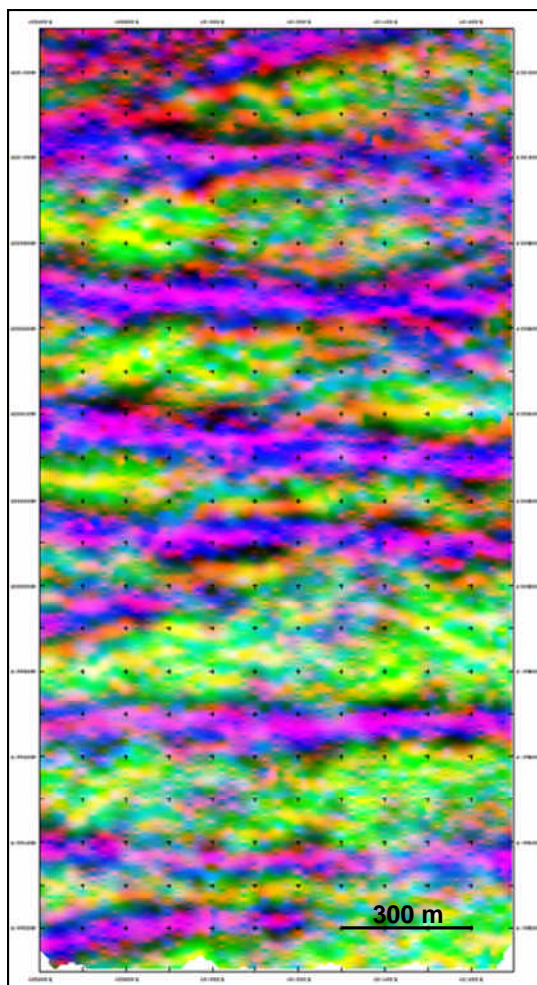


Figure 2: An example of a hybrid image (from Area 2) with magnetic intensity in the red colour band, the Thorium channel data is in the green colour band and the DTM is in the blue band. The process highlights trends and features which potentially could be tested for heavy mineral strand lines.

The information in this report that relates to Exploration Results has been compiled by Dr Phung Nguyen, a part-time employee of Marathon Resources Ltd and a Member of the AusIMM. She has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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. Dr Phung Nguyen 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 Company's North Flinders Ranges 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 listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

www.marathonresources.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MARATHON RESOURCES LIMITED

ABN

31 107 531 822

Quarter ended ("current quarter")

31ST MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(205) (506)	(1,140) (1,992)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	34	76
1.5 Interest and other costs of finance paid		
1.6 Income taxes – R & d concession	-	303
1.7 Other – Capital raising costs		
Net Operating Cash Flows	(677)	(2,753)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	- -	 (29)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- -	 1,232
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	1,203
1.13 Total operating and investing cash flows (carried forward)	(677)	(1,550)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(677)	(1,550)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other –Prospectus & Supplementary Prospectus		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(677)	(1,550)
1.20	Cash at beginning of quarter/year to date	2,959	3,832
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,282	2,282

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2d	68
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	-
3.2	Credit standby arrangements	NIL	-

Estimated cash outflows for next quarter

+ See chapter 19 for defined terms.

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	41	9
5.2 Deposits at call	2,241	2,950
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	2,282	2,959

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None disposed		
6.2	Interests in mining tenements acquired or increased	None acquired		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3 +Ordinary securities	77,008,677	77,008,677		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL	NIL		
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	- 30,000 30,000 3,000,000 1,000,000 1,000,000	- - - - -	- 5.67 cents 30.67 cents 103.70 cents 80.00 cents 110.00 cents	- 30.06.2010 30.06.2010 30.06.2011 02.09.2012 31.12.2014
7.8 Issued during quarter	NIL	-		
7.9 Exercised during quarter	NIL	-		
7.10 Expired during quarter	NIL	-		
7.11 Debentures <i>(totals only)</i>	N/A	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)	N/A	-
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act **or other standards acceptable to ASX** (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: ...29 April 2010.....

(~~Director~~/Company secretary)

Print name: S M Appleyard

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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