

Thursday 23 July 2009

**COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN SECURITIES EXCHANGE LTD**

ASX CODE MTN

**QUARTERLY ACTIVITY REPORT
1 April 2009 – 30 June 2009**

Marathon Resources Limited (ASX: "MTN") is pleased to present its Activity Report for the Quarter ending 30 June 2009.

Highlights of the past Quarter include:

- Appointment of Dr John Linley as CEO
- Release of a Shareholder Presentation
- Magnetic and Radiometric surveys conducted within EL 3258 Mt Gee in South Australia's Northern Flinders Ranges

CEO Appointment

On 10 June 2009 Marathon announced the appointment of Dr John G. (Shad) Linley as its Chief Executive Officer. Shad is the former Chief Executive Officer of Sun Metals Corporation, where he was responsible for the concept, development and operation of that company's world class zinc refinery at Townsville, Queensland.

Dr. Linley was also in charge of Fluor Australia's initial involvement in the Olympic Dam project in South Australia. Fluor Australia is a subsidiary of Fluor Corporation, one of the world's leading publicly owned engineering, procurement, construction, maintenance, and project management companies.

A Geologist by qualification Dr Linley gained a PhD from the University of Adelaide. He joined the Board of Marathon as Non-Executive Director on 30 June 2008 and will remain on the Board in his new role.

Shareholder Presentation

On 30 April 2009, a presentation was released for Marathon shareholders on the Mt Gee uranium project (Exploration Licence 3258) in South Australia's northern Flinders Ranges.

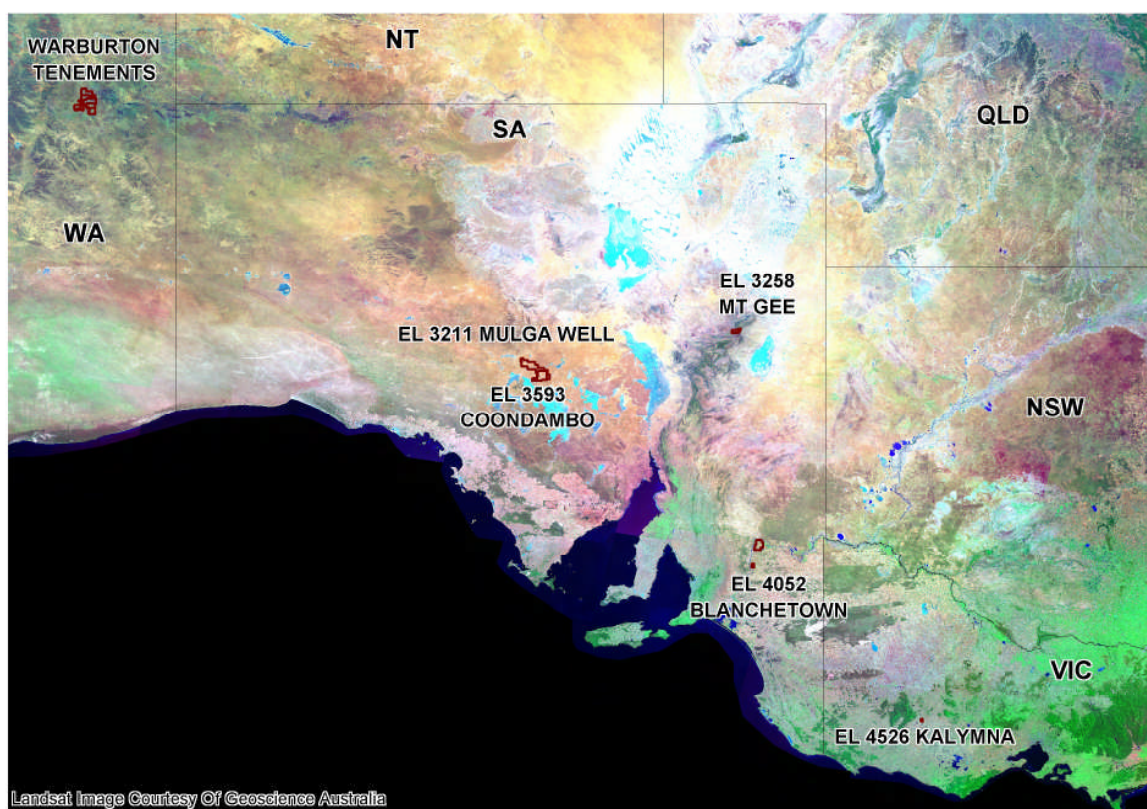
The presentation is an update of previously released information combined with the results from a recent gravity survey and stream sediment sampling undertaken within EL 3258 Mt Gee during the December 2008 Quarter.

The gravity survey and stream sediment sampling were undertaken following the announcement of a resource upgrade at the Mt Gee uranium project in September 2008, when the Company stated it believed there was potential for further mineralisation within EL 3258 Mt Gee.

Marathon is pleased to announce that these additional results confirm there is potential for further mineralisation within EL3258, including new areas of mineralisation.

Further drilling programmes will be required at a later date to validate the results of the recent gravity and stream sediment surveys.

The latest shareholder presentation released on the 30th April 2009 is available for download on the company's website www.marathonresources.com.au



Helicopter Magnetic and Radiometric Survey

The current magnetic/radiometric data coverage over EL 3258 Mt Gee comprises a stitch of two airborne surveys completed by CRA Exploration in the early 1990s. However the merge of these two datasets leaves a significant hole in the data coverage over the north-eastern portion of the Mt Gee tenement (Figure 2).

Daishsat Surveys used a Robinson R44 helicopter with a stinger mounted caesium vapour magnetometer and a 16L radiometric crystal pack (1024 channels) to resurvey the magenta polygon shown in Figure 2. The light weight piston engine helicopter enabled the safe collection of high quality data over very rugged terrain.

The recently acquired data displays a significant improvement compared to the previously existing data over the north-eastern portion of the Mt Gee tenement (Figures 3a and 3b).

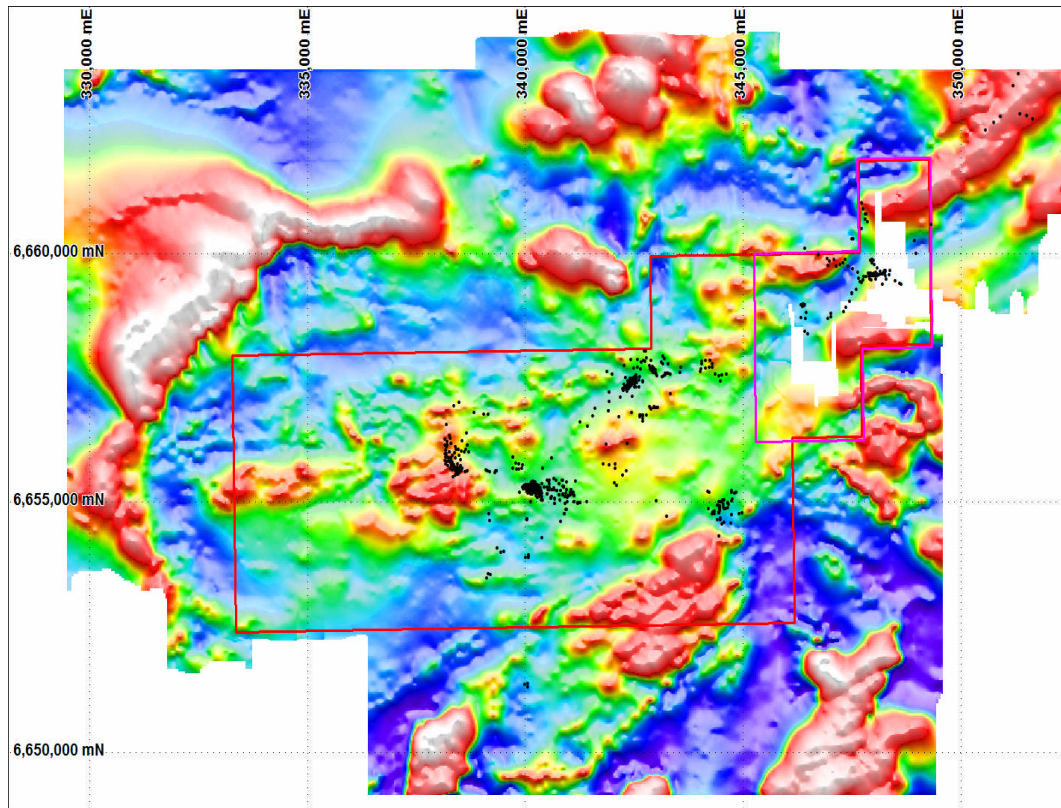


Figure 2: Mt Gee East survey area (magenta polygon) overlain on the current best quality stitched RTP magnetic image with EL3258 Mt Gee (red polygon) and drill hole collars, showing lack of data in northeast of tenement.

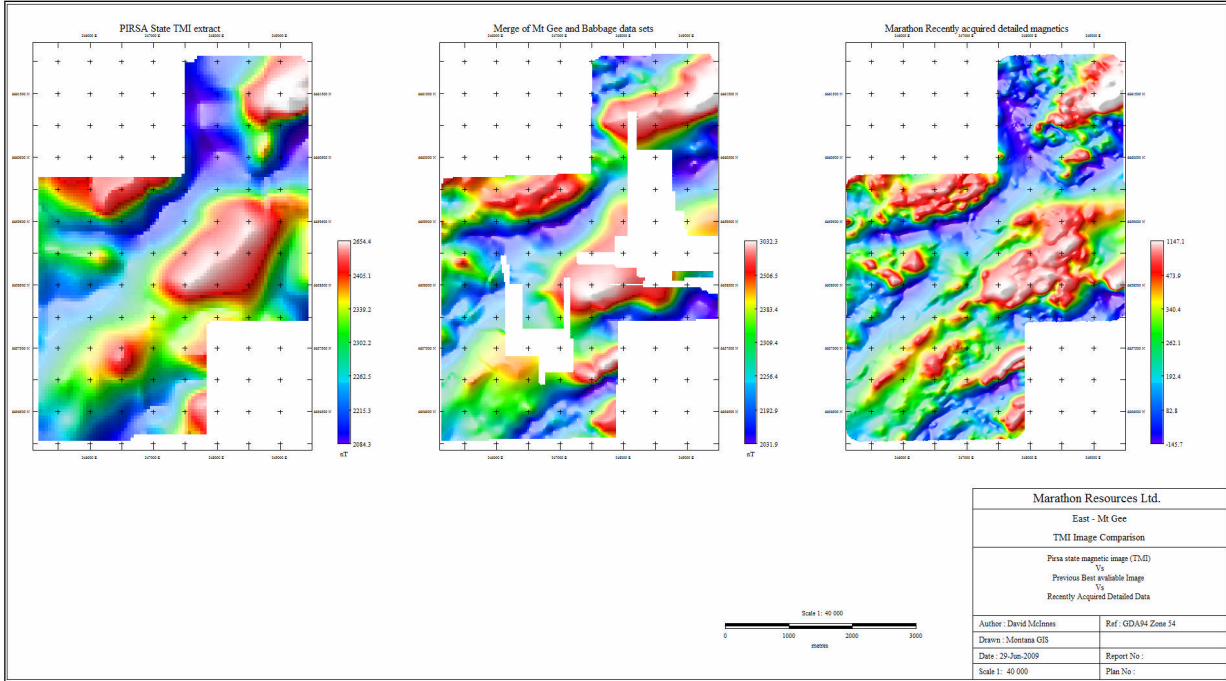


Figure 3a: RTP magnetic images over north-eastern portion of Mt Gee tenement comparing the previously available magnetic data (two left hand images) and the newly acquired data on the right.

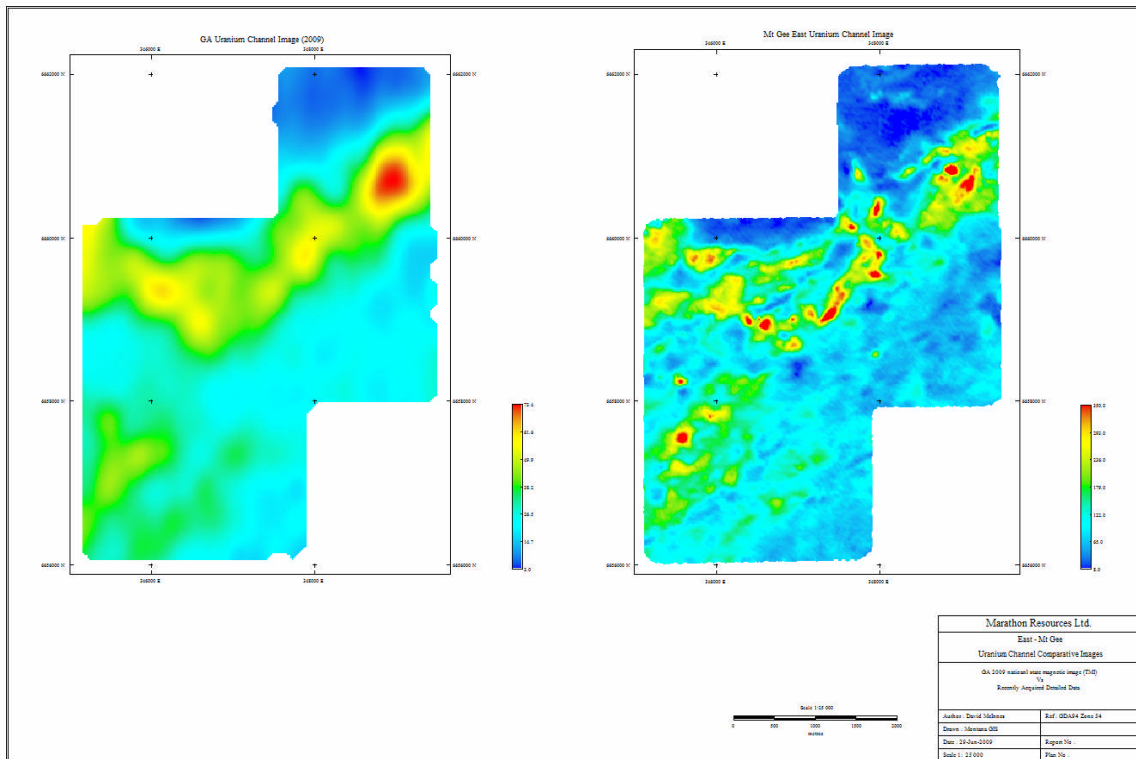


Figure 3b: Uranium channel radiometric images displaying a comparison between the Geoscience Australia national radiometric grid and the recent Mt Gee East survey data.

EL 4526 Kalymna (Victoria)

A complete technical review of all exploration undertaken to date was completed. The data were compiled into a presentation package and provided to several potential farm-in companies to consider. Marathon is currently discussing terms for a farm-in with another exploration company.

Warburton Joint Venture (Western Australia)

Geophysical data for the Warburton tenements and surrounding area were processed using Open File and company data. A zone within E69/2179 includes areas of negative (remnantly magnetised) magnetic relief which is a signature normally suggesting some form of intrusive, possibly equivalent to Giles Complex rocks. Giles Complex rocks in the region are known to host economic concentrations of Copper and Nickel.

Following a Joint Venture meeting between Marathon and Strzelecki Metals Ltd a programme of helicopter-supported soil sampling was approved to test for the presence of Giles Complex rocks associated with the geophysical anomalies. This programme will be conducted in the current Quarter.

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 Brenton 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 Strzelecki Metals Ltd (ASX: STZ) 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

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")

30th JUNE 2009

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	(324) (580)	(3,398) (2,837)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	36	225
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Capital raising costs	(8)	(264)
Net Operating Cash Flows	(876)	(6,274)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(102) (5)	(102) (76)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	30	30
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(77)	(148)
1.13 Total operating and investing cash flows (carried forward)	(953)	(6,422)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(953)	(6,422)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	42	4,875
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	42	4,875
	Net increase (decrease) in cash held	(911)	(1,547)
1.20	Cash at beginning of quarter/year to date	4,743	5,379
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,832	3,832

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	45
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	225
4.2 Development	-
Total	225

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	4	508
5.2 Deposits at call	3,828	4,235
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,832	4,743

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	EL 3211 Mulga Well	50% reduction on renewal anniversary 21.06.2009	100% Hard Rock	100% Rights
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	1,030,700	1,030,700		
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	- - - -	- 5.67 cents 30.67 cents 103.70 cents	30.06.2010 30.06.2010 30.06.2011
7.8 Issued during quarter	-			
7.9 Exercised during quarter	1,030,700	-		
7.10 Expired during quarter	25,000	-		
7.11 Debentures <i>(totals only)</i>	N/A	-		
7.12 Unsecured notes <i>(totals only)</i>	N/A	-		

+ See chapter 19 for defined terms.

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: ..23 July 2209.....
(~~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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