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MARATHON EXTENDS SEARCH TO WESTERN AUSTRALIA

PRIMARY TO COMMENCE JOINT VENTURE OPERATIONS

EXCELLENT URANIUM AND POLYMETALIC EXPLORATION POTENTIAL

- **Marathon Resources Limited ("Marathon", ASX code "MTN") and Primary Resources Limited ("Primary", ASX code "PRZ") are pleased to announce a joint venture agreement that will allow Marathon to earn up to 70% by spending $3.25 million within five years in Primary's Warburton project located in Western Australia.**

- **Under the terms of the agreement, Marathon has committed to work with Primary on the joint venture and will also cement the relationship by taking a placement of 2.3 million Primary shares at 20 cents.**

- **The joint venture will extend Marathon's uranium and polymetallic exploration activities to Western Australia.**

The Warburton project covers seven exploration tenements located near the South Australian border which are prospective for uranium, both IOCG (U-Cu-Au) and palaeochannel type. There is also significant potential for nickel and Platinum Group Elements (PGE), as well as diamonds, in the area. Marathon will direct overall the exploration strategy while Primary will be the joint venture operations manager.

The agreement also provides for a pre-emptive right for Marathon to enter into an arrangement with Primary over its Egerton tenements, located to the west of the Warburton project (Figure 1).

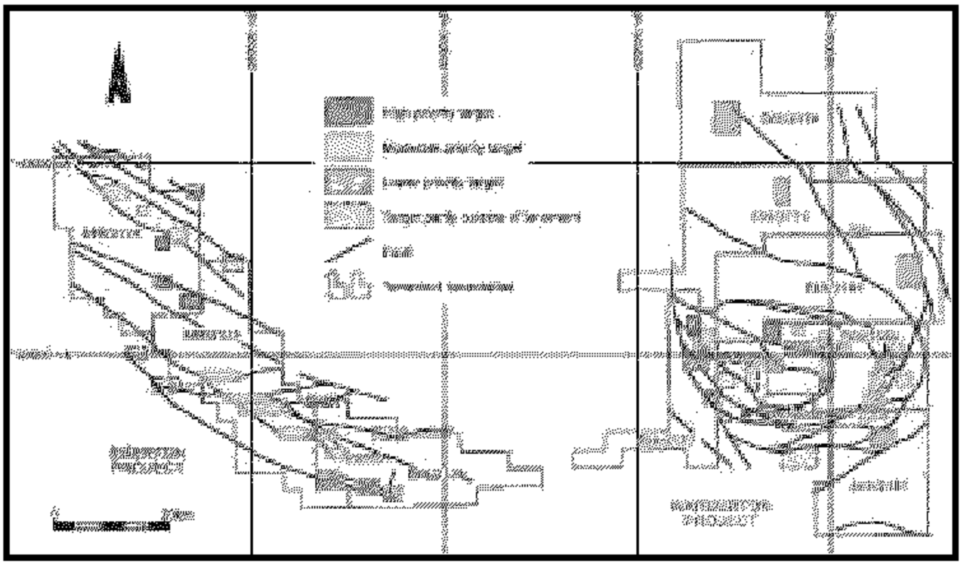

Fig 1: Map of Warburton and Egerton Tenements (with known targets)

Marathon's Executive Director Dr Vic Bogacz described the joint venture as an exciting opportunity for Marathon to extend its interest into areas with the potential for identification of a major uranium or polymetallic system. "Although limited drilling was carried out by Primary last year, this ground is essentially unexplored," said Dr Bogacz, adding that Marathon's experience over the past two years would be invaluable in exploring the area with maximum efficiency.

The Warburton tenements, covering 1,048 sq km, are located in an area of strong gravity and magnetic anomalism and where the regional geology is indicative of extensive tectonic activity (Figures 2-4). The tenements contain prospective granites and a range of ultramafic to mafic rocks of Proterozoic age. Additionally, sediments interpreted as Permian palaeochannel sequences potentially hosting uranium mineralisation (eg., roll-front deposit) in redox zones are developed within the tenements (Figure 4).

Significant uranium radiometric anomalies identified by Primary, are present on a regional and local scale confirm the project area as an excellent uranium exploration ground and conceptual studies have identified several promising targets (Figure 3). Dr Bogacz said that "initially areas with the anomalous radiometrics identified by Primary, would be investigated by the joint venture, following the exploration approach applied in the North Flinders Ranges which identified the Paralana Mineral System".

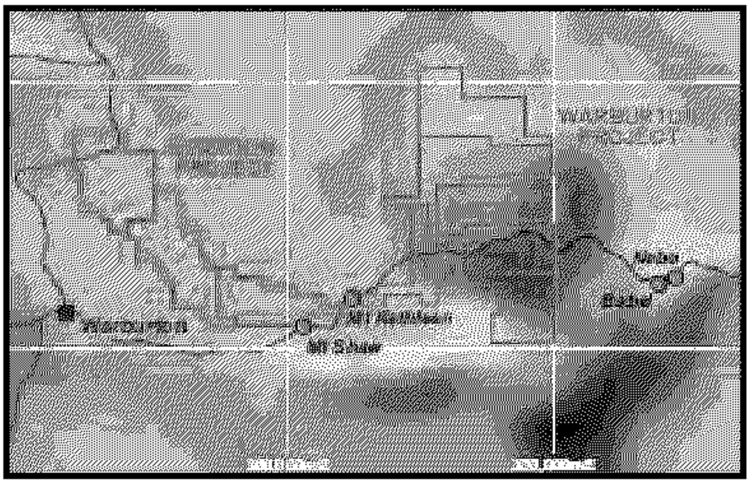

Fig 2: Location and regional gravity map of Warburton and Egerton Projects with tenement outlines

Favourable geological settings for U exploration, with added potential for Ni, PGE and other commodities, including Cu mineralisation (present in tectonic breccia zones) are highly encouraging. An example of high potential for the metalliferous mineralisation is provided by the exploration of the nearby Nebo-Babel prospect by BHP Billiton (Figure 2), where intersections of 26 m @ 2.5% Ni, 1.8% Cu, 0.4 g/t Pt+Pd (Nebo) and 149 m @ 0.3% Ni, 0.4% Cu, 0.3 g/t Pt+Pd (Babel) were reported.

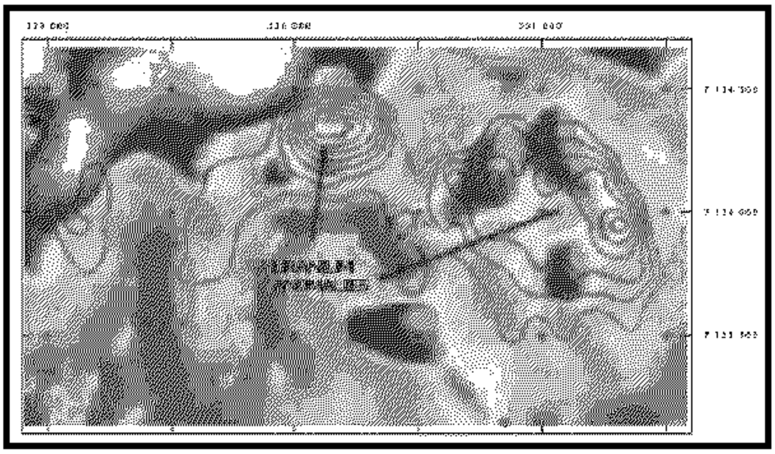

Fig 3: Aeromagnetic image over part of Warburton ground with radiometric contours

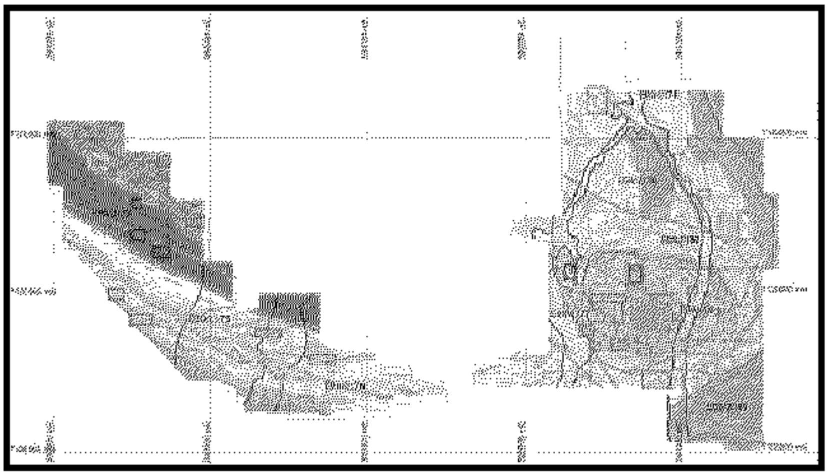

Fig 4: Geology and interpreted locations of faults and palaeochannels in the Warburton and Egerton areas.

Under the terms of the joint venture, Marathon must spend $850,000 to earn an initial 15% interest in the joint venture and cannot withdraw beforehand. Marathon may spend a further $900,000 for an additional 40% interest (total of 55%), and a further $1,500,000 for an additional 15% (total of 70%). Once Marathon has earnt its interest Primary can elect to dilute; once it dilutes to 25%, it may convert that interest to a 14% free carry to a decision to mine.

The Warburton Tenements are located on lands administered by the Ngaanyatjarra Land Council and approval of this transaction by the traditional owners of this land is required. Marathon may terminate the joint venture agreement if approval is not granted within 90 days.

Marathon has agreed to take a placement of 1.15 million Primary shares at an issue price of 20 cents per share and, if the joint venture agreement is not terminated by Marathon (as described above) a further 1.15 million Primary shares at an issue price of 20 cents per share.

Carl Dorsch, Executive Director of Primary, said that his company was excited to have attracted the interest of Marathon, a company with proven exploration expertise.

"We believe," he said, "that this area has the potential to be a mineral province of the same importance as the most prospective areas of the Gawler Craton, and that Primary with Marathon can unlock that mineral potential."

Warburton Tenements

Tenement	*Registered Holder / Applicant*	*Area sq km*	*Date Granted*	*Date Expires*	*Annual $ Rent*	*Annual $ Expenditure Commitment*
E69/1564	*Urex **	*140*	*12/9/2001*	*11/9/2008*	*11,088*	*45,0000*
E69/2177	*Primary*	*90*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2178	*Primary*	*196*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2179	*Primary*	*196*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2180	*Primary*	*196*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2181	*Primary*	*143*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2211	*Primary*	*87*	*Pending*	*n/a*	*n/a*	*n/a*

** Urex Pty Ltd. 100% owned by Primary*

Egerton Tenements

Tenement	*Registered Holder / Applicant*	*Area sq km*	*Date Granted*	*Date Expires*	*Annual $ Rent*	*Annual $ Expenditure Commitment*
E69/2174	*Primary*	*196*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2175	*Primary*	*193*	*Pending*	*n/a*	*n/a*	*n/a*
E69/2176	*Primary*	*140*	*Pending*	*n/a*	*n/a*	*n/a*

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Vic Bogacz, Executive Director of and Consultant to Marathon Resources Ltd, and a Member of the Australian Institute of Geoscientists.. Dr Bogacz 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. Dr Bogacz 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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