



Marathon Resources Ltd
235 Port Road, Hindmarsh SA 5007
PO Box 566, Hindmarsh SA 5007

T +61 (0)8 8348 3500
F +61 (0)8 8346 8111
www.marathonresources.com.au

ABN 31 107 531 822

MARATHON RESOURCES

ASX Release Friday, 31 August 2007 ASX Code MTN

UPDATE ON MT GEE

Marathon Resources (ASX : "MTN") provides this update to shareholders on information currently to hand at our Mt Gee uranium project, in South Australia's Northern Flinders Ranges.

Resource Update

Work continues on an update of the August 2006 resource estimate based on the most recent round of completed drilling in March 2007.

Due to unexpected delays in work being undertaken, the company now expects to announce a revised resource estimate during September.

Current Diamond Drill Program

The next diamond drilling program has commenced at Mt Gee in the eastern part of the resource. This work is targeted at:

- Improving resource confidence
- Obtaining geo-technical samples
- Obtaining samples for further metallurgical test work.

There is currently one diamond drill rig on site, which will be joined by a second rig early in September. Approximately 650m of drilling has been completed so far. This program is scheduled to run for at least 6 months and results will be progressively released as they become available.

Metallurgical test work results

A report has now been received on recent metallurgical test work undertaken by the Australia Nuclear Science and Technology Organisation (ANSTO) on samples from 6 RC drill holes completed as part of the Q1 2007 Mt Gee drilling program.

This preliminary test work suggests that uranium can be readily extracted from the one Mt Gee composite sample tested under moderate leaching conditions, for relatively low reagent additions.

Further test work is scheduled on diamond drill core to better understand the metallurgical performance of Mt Gee material.



Marathon Resources Ltd
235 Port Road, Hindmarsh SA 5007
PO Box 566, Hindmarsh SA 5007

T +61 (0)8 8348 3500
F +61 (0)8 8346 8111
www.marathonresources.com.au

ABN 31 107 531 822

Community Consultation Committee

A visit was recently undertaken by the CEO, Stuart Hall, to meet local community members in the vicinity of Mt Gee in preparation for the formation of a North Flinders Community Consultative Committee (NFCCC).

The NFCCC comprises local members from the State and Federal Government (or their alternates) and representatives of local landowners, graziers, tourism operators and the indigenous community. The aim of the Committee is to act as a forum for the company and the local community to regularly meet and discuss progress at Mt Gee and any issues of concerns that may arise.

Marathon Resources is pleased to announce that the NFCCC will be chaired by the Honourable Neil Andrew, the former Federal Speaker of the House of Representatives.

The first NFCCC was held on 28th August at Leigh Creek.

Corporate Funding

The company is progressing options to fund the next stage of the Mt Gee development and other working capital requirements. These options include a private placement and/or a rights issue.

An announcement on the preferred course of action will be released in September.

Marathon Resources remains committed to the successful development of the Mt Gee uranium deposit and to having an operating mine in production by late in 2011.

MEDIA CONTACT:

Stuart Hall
Chief Executive Officer
Marathon Resources
(08) 8348 3500

Sean Whittington
Field Public Relations
(08) 8234 9555
(0412) 591 520

Notes to Editor

Marathon Resources 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)



Marathon Resources Ltd
235 Port Road, Hindmarsh SA 5007
PO Box 566, Hindmarsh SA 5007

T +61 (0)8 8348 3500
F +61 (0)8 8346 8111
www.marathonresources.com.au

ABN 31 107 531 822

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 Resources listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN.

www.marathonresources.com.au