
9 November 2007

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

By e-mail: ASX On-Line

Dear Sir/Madam

ASX Code: MTN
Mongolata Tenement - Exploration Licence 3124

Attached please find announcement relating to Exploration Licence 3124.

Yours faithfully



Sam Appleyard
Company Secretary

9 November 2007

Company Announcements Office

ASX Code MTN

Mongolata Tenement - Exploration Licence 3164 Joint Venture and conditional sale to Phoenix Copper Limited

As foreshadowed in its recent Quarterly Activity report, Marathon advises it has entered into a joint venture in respect of the eastern portion of EL 3164 with Australian Field Services Pty Ltd (AFS). AFS can earn 90% equity by spending \$180,000 over 3 years, with Marathon's interest free carried to completion of a bankable feasibility study. AFS can withdraw from the joint venture after spending a minimum of \$60,000 on joint venture expenditure in the first 12 months. MTN has the option of earning back a 65% interest in the joint venture by reimbursing AFS three times its joint venture expenditure since commencement of the joint venture.

Following that arrangement, Marathon today agreed to sell to Phoenix Copper Limited all of Marathon's interest in the Mongolata Project (EL 3164), including the eastern portion subject to the joint venture with AFS, located near Burra, South Australia. Phoenix is an unlisted public company intending to undertake an initial public offering ("IPO") to raise \$10 million with a minimum subscription amount of \$6.0 million and the right to accept a further \$2.0 million in over-subscriptions by the issue of shares at a price of 20 cents per share. Phoenix has advised Marathon that it plans to lodge the prospectus with ASIC during November and expects to be listed on the Australian Stock Exchange by the end of January 2008.

Marathon's agreement with Phoenix to sell EL 3164 is conditional on the IPO being successfully completed. If that occurs, Marathon will receive for EL 3164, 750,000 shares and 750,000 options, each exercisable at 25 cents for one share in Phoenix Copper, together with a 2.5% net smelter return royalty in respect of minerals derived from the western portion of EL 3164 (the eastern portion of the EL being subject to the existing joint venture with AFS).

As part of the arrangement with Phoenix, Marathon shareholders have been granted the right to participate in a priority offer ("Priority Offer") under the Phoenix IPO. The terms of the Priority Offer disclosed by Phoenix to Marathon are:

- 15 million shares will be offered in priority to eligible Marathon shareholders;
- only shareholders who hold Marathon shares at close of ASX trading on 19 November 2007 and who reside in Australia will be eligible for the Priority Offer;
- each eligible Marathon shareholder will be entitled to apply for up to 250,000 shares under the Priority Offer; and
- all applications will be treated on a first come first served basis and the final allocation decisions will be at the sole discretion of the Phoenix board.



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Eligible Marathon shareholders will be notified by mail of further details in relation to the Priority Offer when the Phoenix prospectus becomes available. Applications for shares in Phoenix may only be made on the application form that will accompany Phoenix' prospectus.

While Marathon will benefit from the successful completion of the Phoenix IPO, as its agreement for the sale of EL 3164 will then be completed, Marathon does not endorse shares in Phoenix as a suitable investment.

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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. Mt Gee has an Inferred Resource of 45.5 million tonnes of uranium mineralisation averaging 0.068% U₃O₈, or 69 million pounds of contained U₃O₈, and is one of Australia's largest undeveloped uranium deposits.

Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia.

The company has other 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.

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

www.marathonresources.com.au