



Marathon Resources Limited

Chairman's Address

10th Annual General Meeting

I am pleased to address you on this 10th Annual General Meeting of Shareholders and I refer you to my letter in the Annual Report.

It is a matter of record and history that the events surrounding the unprecedented action taken in 2011 by the South Australian Government against your Company has been resolved. We have moved on from uranium exploration and that industry is presently witnessing that part of the cycle where the spot price for product has fallen dramatically below production costs sufficient to amortise large capital costs, and perhaps to a level which curtailed uranium mining in the last century for an extended period. The cycle will inevitably change, demand will exceed supply and therefore uranium operations will become profitable again.

Marathon's experience has been such that the risks are more likely to exceed rewards and both the political and regulatory regimes have deterred us permanently from the uranium industry.

In the year to 30th June the Company has entered into two prospective agreements for exploration in other areas of the state and we are pleased to provide details of activities to date. Our CEO will address you on the Australian Desalinated Water Pty Ltd Tenements and also the Walparuta Tenements owned by SAEX Pty Ltd. In both cases your Company has entered into agreements without initial capital costs which allow us to explore, assess and drill targets in a modest and approved manner so that our total exposure is limited. Marathon also has the rights to terminate the arrangements without further capital or exploration costs at any time and we may cease the arrangements without penalty. (*Figure 1*)

Walparuta Project (Base and Precious Metals) EL's 4520 & 5306, South Australia

As recently advised in its exploration update released 30th September 2013, Marathon secured agreement with SAEX Pty Ltd ("SAEX") to farm-in to tenements in the Curnamona Province in northern South Australia, known as the Walparuta Project.

These Exploration Licences (ELs) occur 140 kilometres west of Broken Hill within the southern remnant of the Palaeoproterozoic Pb-Zn belt known as the Curnamona

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Province. The two tenements encapsulate almost all the Walparuta Inlier (*Figure 3*). The area is considered prospective for base and precious metals.

The tenements are held by a SAEX. Marathon has secured the exclusive right to conduct exploration at its cost, and Marathon retains the right to cease exploration without further commitment if it decides that the project does not meet commercial criteria. Under the terms of the farm-in agreement, Marathon will pay all exploration and development costs up to and including a Bankable Feasibility Study (BFS) when it can acquire, at its option, a 75% interest in the tenements. SAEX will be free-carried to the BFS stage and will receive a \$50,000 payment. SAEX will then hold a 25% participating interest in the tenements.

Despite some exploration over the past four decades, the Walparuta Inlier is considered to be significantly under-explored. Most detailed exploration had focussed on the Walparuta deposit located on the south-eastern margin of EL 4520. However, Marathon's main areas of interest are in the northern portions of the tenements on two prospects known as Copper Ridge and Creagh Dhubh.

Copper Ridge

Previous explorers have located a coincidental geochemical and a magnetic anomaly (*Figure 4*). The largest Cu-Au geochemical anomaly covers an area of 500 x 500 metres. The largest magnetic anomaly is a semi-circular feature with similar dimensions to the geochemical anomaly (*Figure 5*). Previous mapping has identified haematite (IOCG) type alteration over the area. The target area is located in proximity to the major Walter Outalpa Shear Zone. This prospect has never been drilled and represents a highly prospective Cu-Au target.

Marathon has conducted an airborne electromagnetic survey of the Copper Ridge prospect and the majority of the strike length of the Walter Outalpa shear zone. The survey outputs are being analysed and interpreted and an announcement regarding that analysis and interpretation will be made shortly. Follow-up drilling will be dependent on the analysis and interpretation of the electromagnetic survey outputs.

Creagh Dhubh

Mapping by government geologists and a previous tenement holder have delineated a highly prospective sequence of iron formation facies and meta-exhalite rock types, indicative of stratiform Broken Hill Type (BHT) style mineralisation. The Creagh Dhubh prospect outcrops on a hilly ridge over a strike length of 350 metres. However, the sequence of rocks can be intermittently traced to the northeast for 3 kilometres. In 1982, Esso drilled one hole west of the Creagh Dhubh outcrop but the placement of the drill hole was such that it did not intersect any possible extension of the prospect.

The outcropping Creagh Dhubh prospect and potential north-eastern extension have never been drilled. This sequence of rocks is considered highly prospective for

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Broken Hill Type Pb-Zn-Ag mineralisation. Marathon has conducted an airborne electromagnetic survey over the entire potential strike extension of the Creagh Dhubh sequence of rocks. Again the survey outputs are being analysed and interpreted and an announcement regarding that analysis and interpretation will be made shortly. Follow-up drilling will be dependent on the analysis and interpretation of the electromagnetic survey outputs.

The collective cost of the electromagnetic survey of both prospects within the Walparuta Project totals \$50,000. (Figure 6 + 7)

Mineral Sands projects

As also advised in the exploration update, earlier in the year Marathon announced a transaction which gives it an option to acquire Australian Desalinated Water Pty. Ltd ("ADW"). The transaction gives Marathon access to and the right to explore, at its cost, 4 granted tenements and a further tenement, once granted where there is currently a pending application for a tenement. If Marathon exercises the option it is required to position the relevant projects in an entity listed on ASX or which is listed on ASX within 120 days of the exercise of the option, with the vendor of ADW to receive a 22% post listing shareholding in either that entity or its ultimate holding company (at Marathon's discretion). The vendor of ADW will also retain a gross overriding royalty on any minerals produced from the ADW tenements.

Oakvale (Mineral Sands) EL 5202 *(Figure 2)*

EL 5202 occurs approximately 45 kilometres south of Cockburn on the South Australian side of the border with New South Wales.

Previous drilling had intersected a series of mineralized sand bodies. Of particular interest was the occurrence of unusually coarse grained heavy minerals. Magnetic, Digital Terrain Modelling and Radiometric data is available and has delineated a number of prospective strand lines.

On 15th September 2013, Marathon undertook a Work Area Clearance survey with the Wilyakali People's traditional owner representatives and their anthropologist. As a consequence of that field inspection, a proposed air core drilling program along existing tracks has been cleared by the Wilyakali Native Title claimants. A 30 hole drilling program (615 metres) will take place as soon as all remaining statutory approvals are granted.

Total drilling costs are estimated to be \$20,000.

We wish to succeed with this exploration and with the encouragement and support of both tenement owners we are very hopeful about the prospects and future. Dr Linley will present details to you shortly.

In the period March 2012 – October 2013 Marathon received advisors' reports and assessed 169 projects of varying size, value and complexity. We continue to receive interest from other companies and vendors prepared to discuss mergers and acquisitions with us.

Marathon has entered into Confidentiality Agreements on many of those projects and there remain ongoing obligations on us in respect of disclosure. You will appreciate because discussions were confidential and incomplete that we have not been able to make any announcements but shareholders will be aware that we sought a Trading Halt on the ASX earlier this year. Negotiations had progressed with a vendor for several months before final terms were discussed and an unsatisfactory view of the total cost to us and risk resulted in a termination of those negotiations.

Vendors of mining industry prospects may have a more supportive capital market this year and funds may commence flowing to the industry again. However 2013 was not expansive, IPO numbers were down despite some conspicuous successes and pricing of capital risings made life difficult for explorers. Marathon was not prepared to commit its limited funds to ventures that were open-ended and involved up-front capital costs.

At the same time as we were examining many projects in all Australian States and the Northern Territory and also 64 project overseas we have limited our corporate overheads and commitments to enable us to be flexible when the right opportunity arises.

Takeover Offer

On the 25th October 2013 Bentley Capital Limited announced an on-market offer for 100% of the issued capital of Marathon at 2.5 cents per share. On the 6th November 2013 the Directors of Marathon advised Shareholders to reject the offer, for their shares. To reject the offer, simply do nothing and do not sell your Marathon Shares at the offer price of 2.5 cents per share.

Your Directors recommend Shareholders reject the offer because:

- The offer is inadequate
- The offer is highly opportunistic
- The offer does not recognize Marathon's prospects
- The offer is a substantial discount to Marathon's cash backing
- Acceptance of the offer will prevent Shareholder participating in any increased offer, superior offer or other initiative

The offer opened on the 11th November 2013 although the Bidder said it would stand in the market at the offer price from 25th October 2013. The offer closes 11th December 2013.

I can report to you that since the offer was made on 25th October 2013 shares have traded in excess of the offer price of 2.5 cents per share.

Your Directors confirm their recommendation that you reject the offer.

A handwritten signature in black ink, appearing to read 'P. Williams', written in a cursive style.

Peter Williams

Chairman

Marathon Resources Ltd

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2013

ANNUAL
GENERAL
MEETING

Marathon Resources Limited

ANNUAL GENERAL MEETING
21 November 2013

CHAIRMANS ADDRESS – P.L. Williams

CEO'S PRESENTATION – Dr J.G. (Shad) Linley

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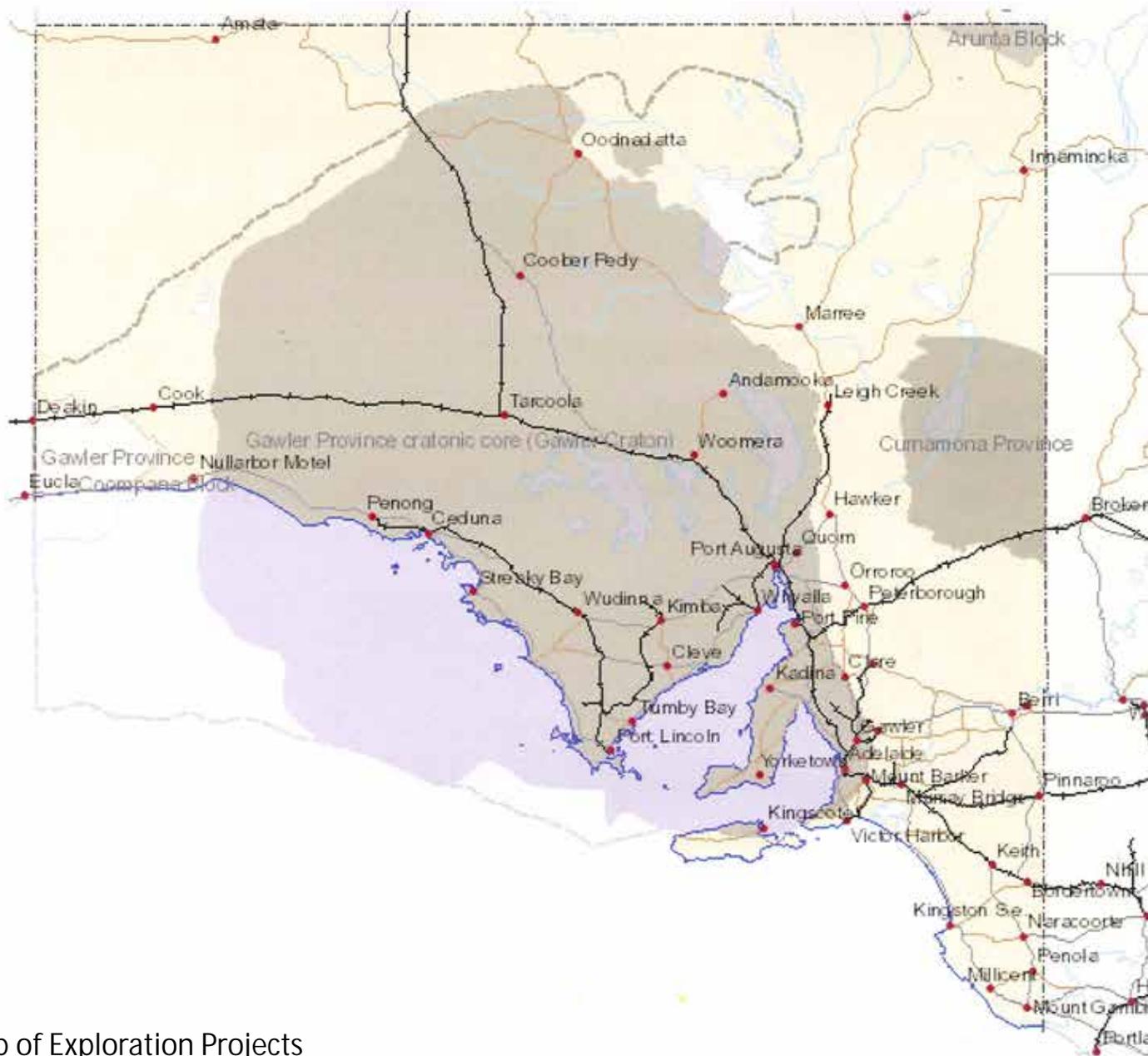
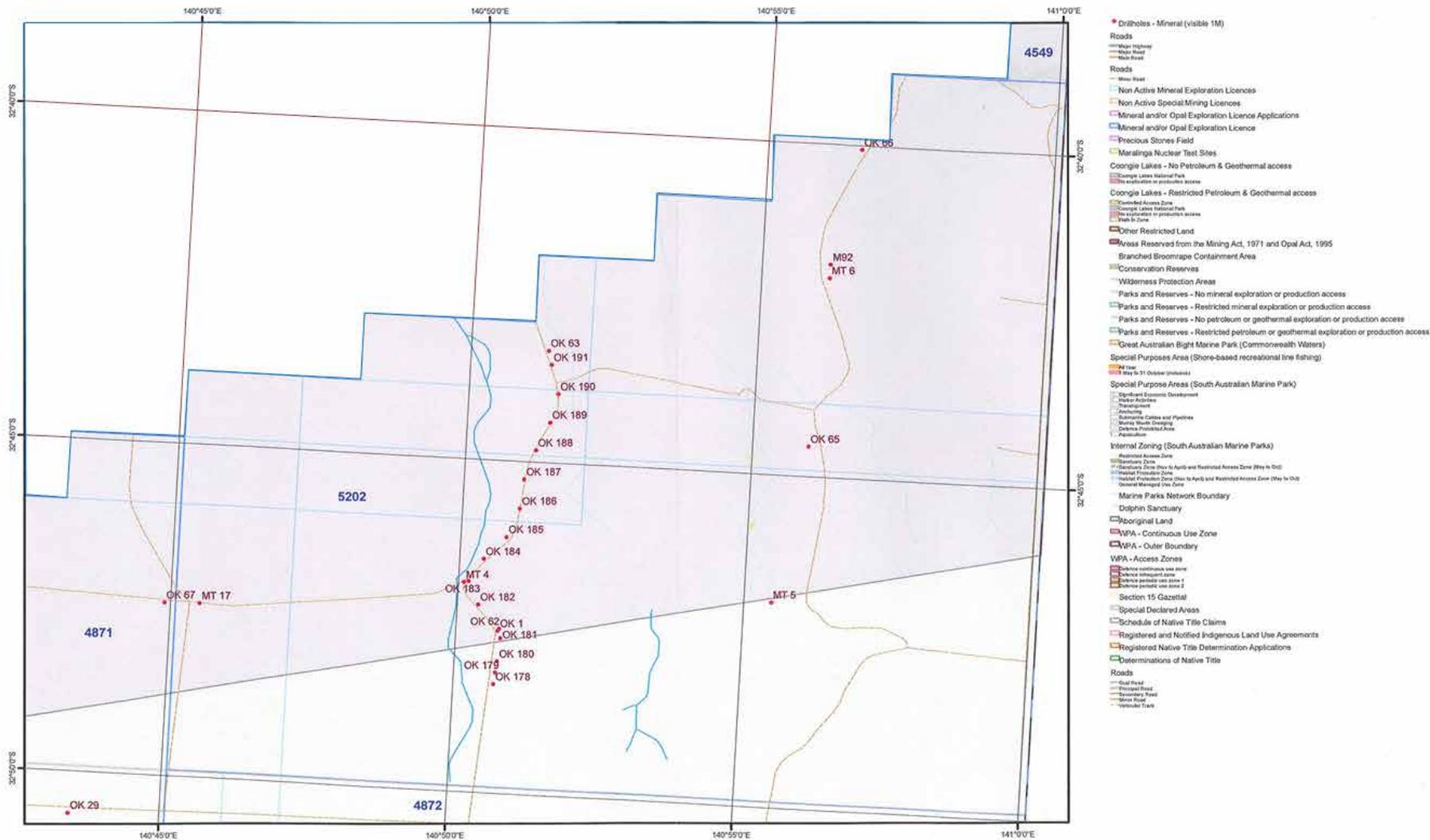


Figure 1:
Location Map of Exploration Projects



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Map generated on 20 May 2013

Topographic data supplied by
Geoscience Australia - National Mapping Division, ACT,
Department for Environment and Heritage, SA

Published by, and with the authority of, the
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Phone (08) 8463 3000

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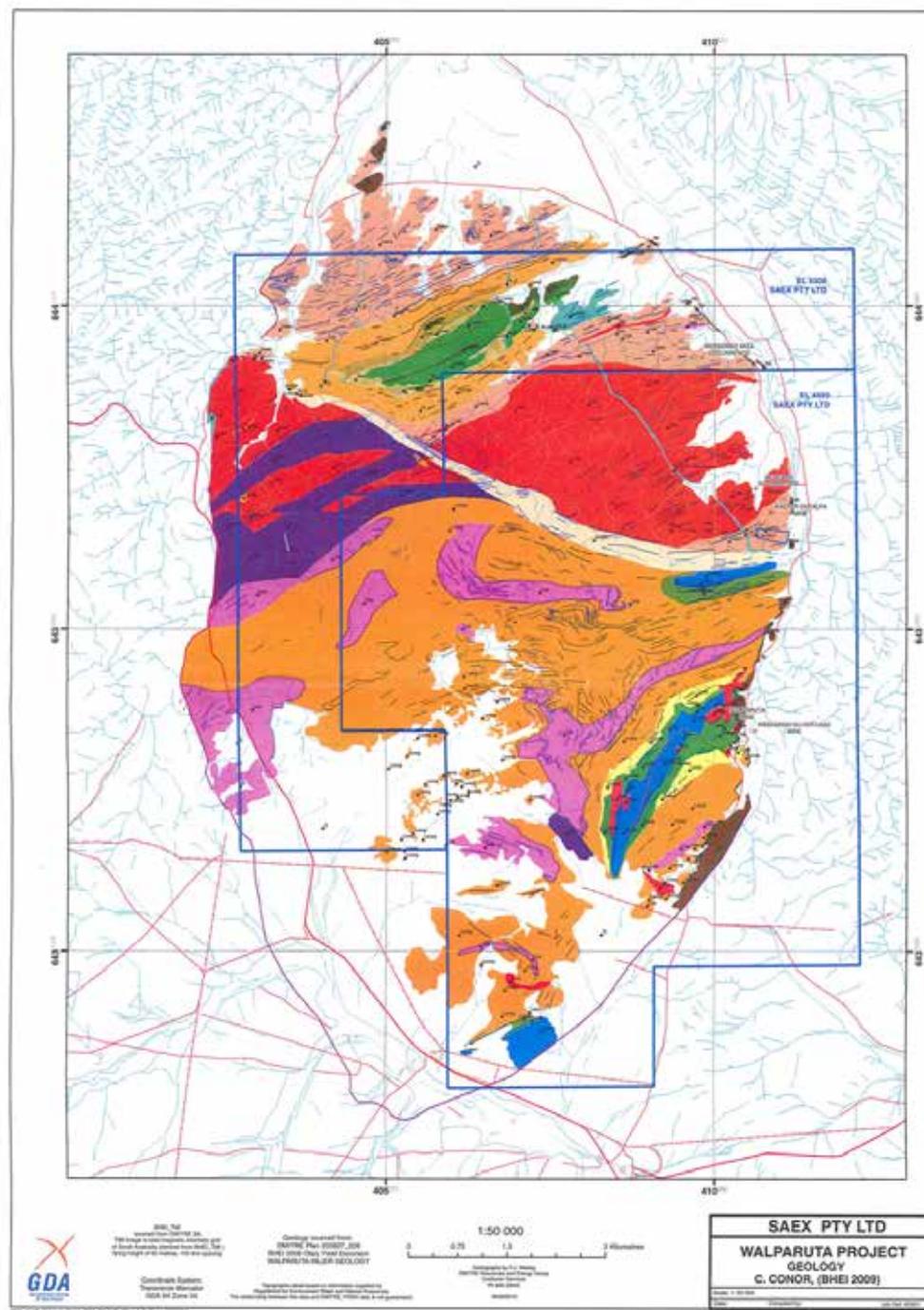
Kilometers

UNIVERSAL TRANSVERSE MERCATOR PROJECTION
GEOCENTRIC DATUM OF AUSTRALIA 1994



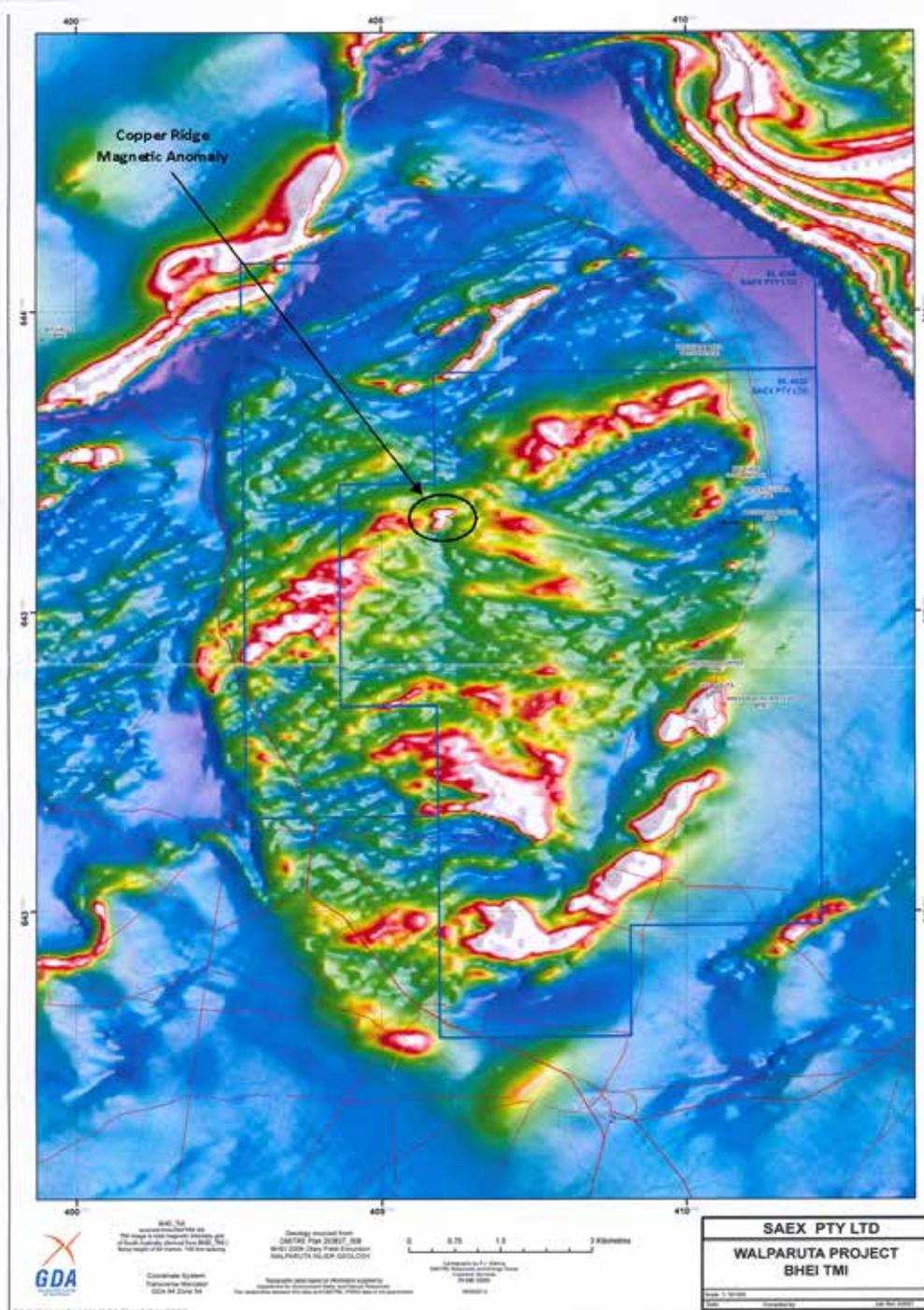
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Figure 3 :
Geology Map - Walparuta



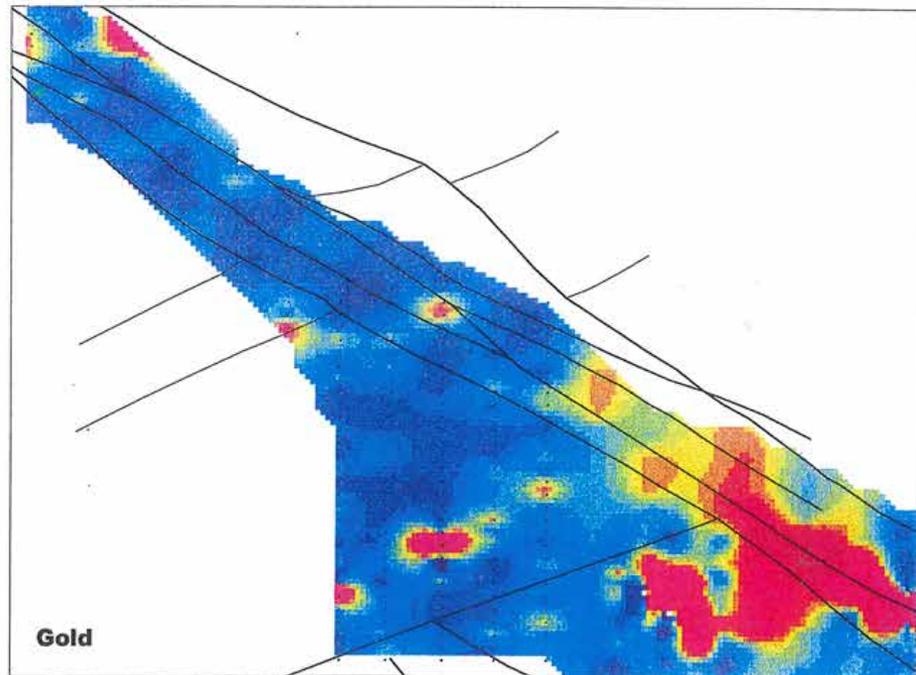
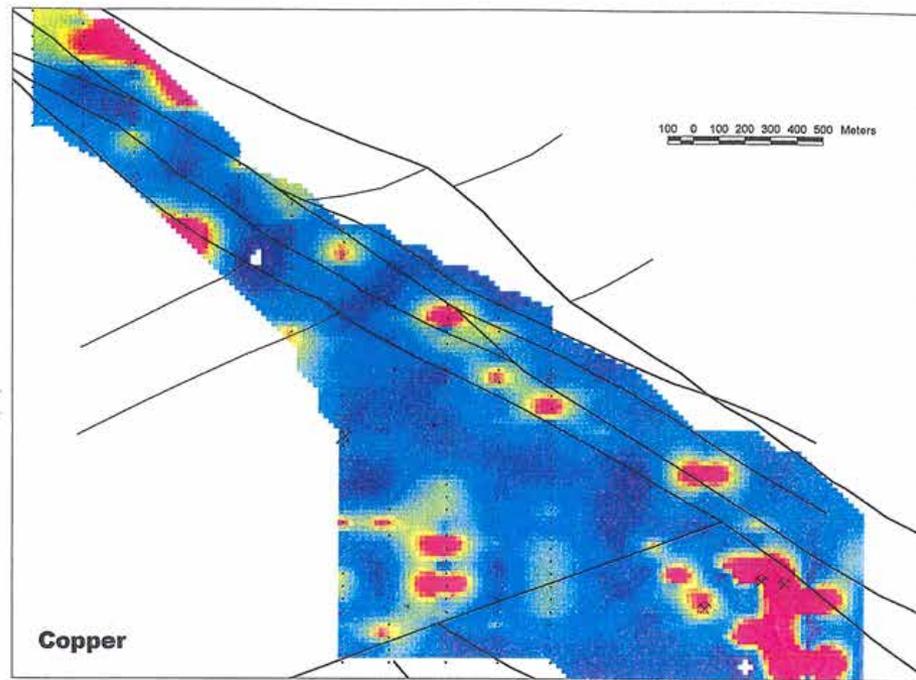
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Figure 4 :
Magnetic Map - Walparuta



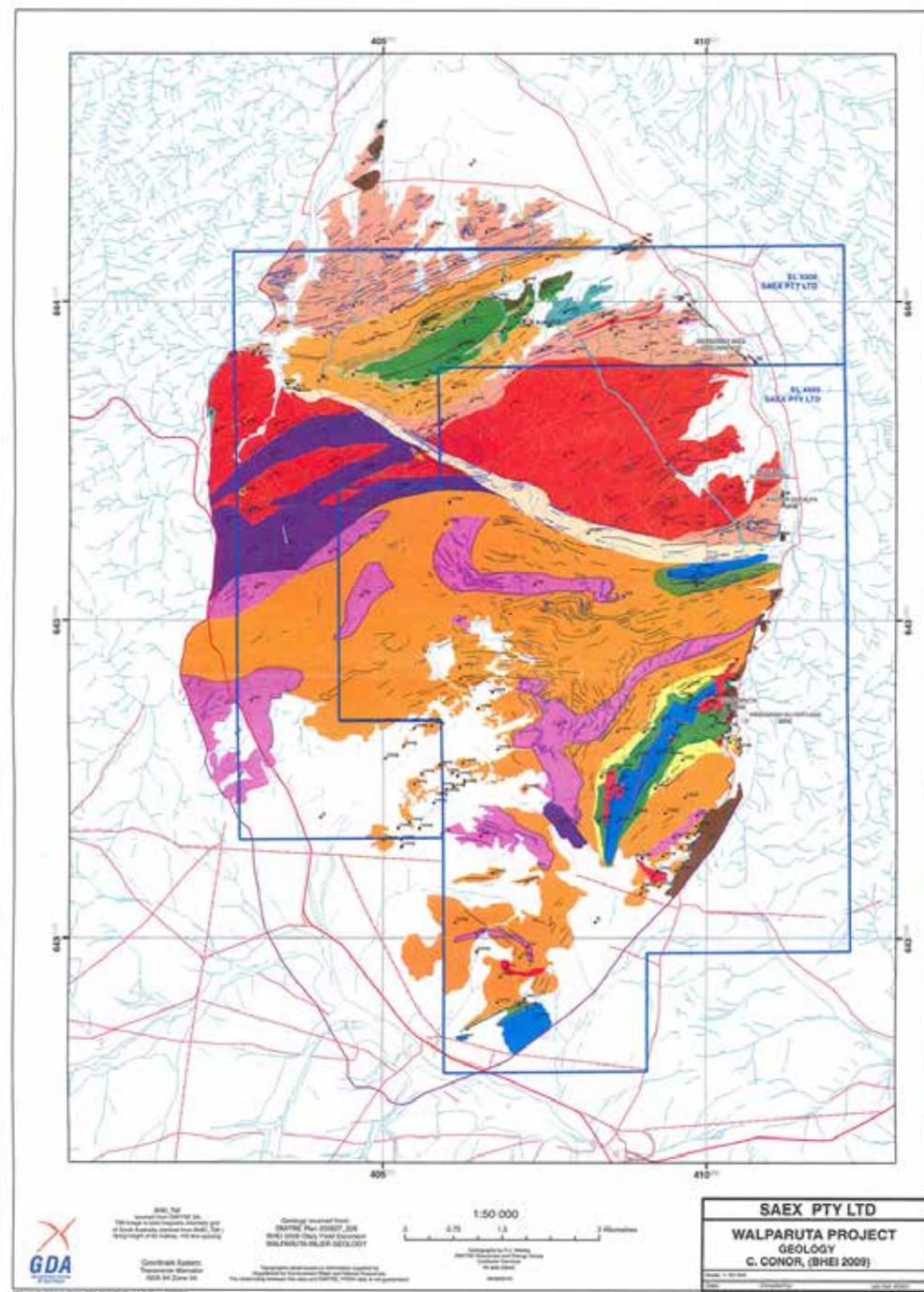
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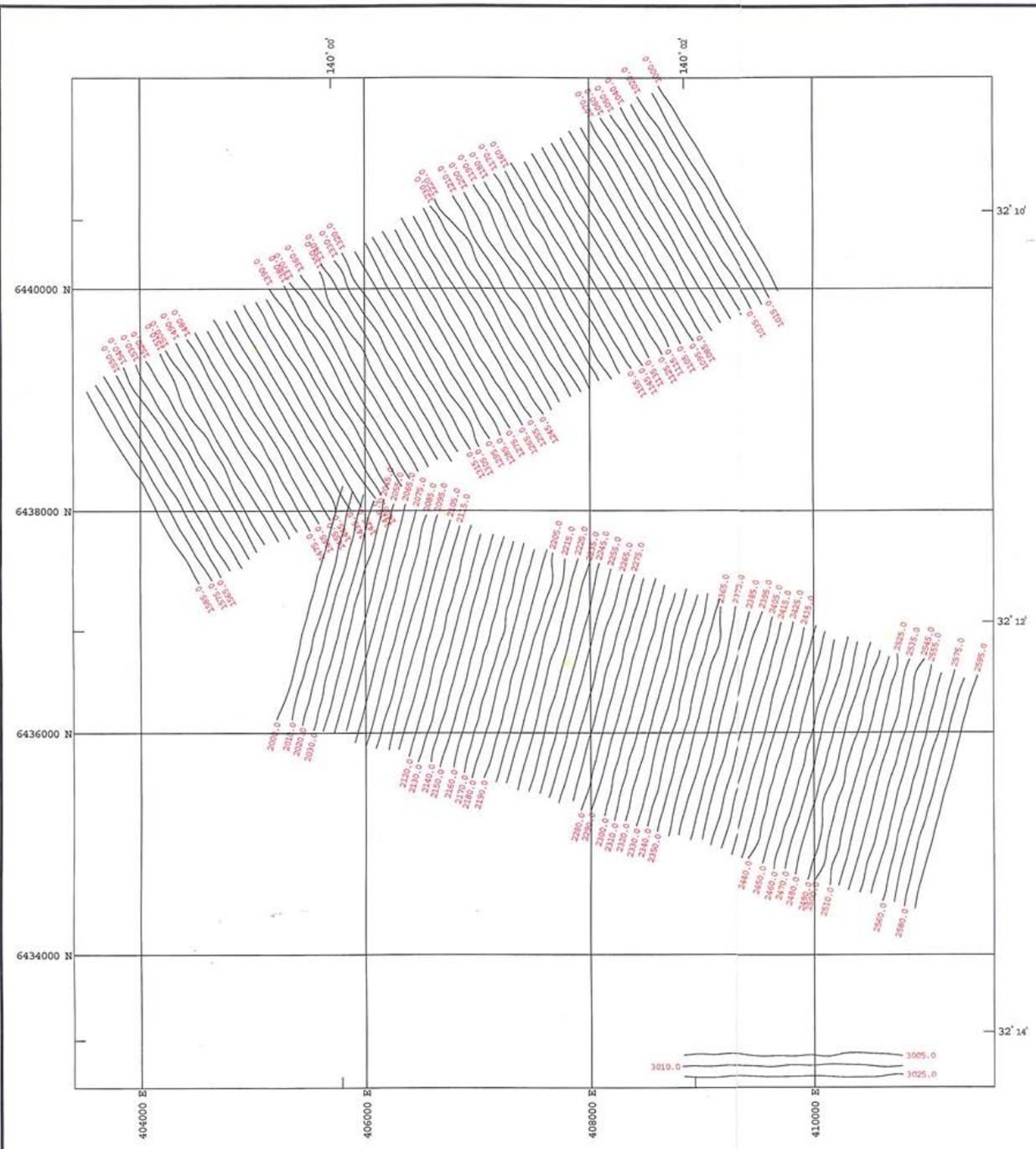
Figure 5 :
Geochemistry Map - Walparuta



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Figure 6 :
EM Survey Grid- Walparuta



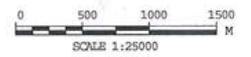


SURVEY EQUIPMENT

- TOWED ARRAY : REPTM TX/RX Structure
- TRANSMITTER : Geosolutions REPTM TX
320 Amps / 50 HZ Frequency
- RECEIVER : Geosolutions REPTM RX - 24 BIT
A-D sampling at 1.25 microsecs.
- LASER ALT. : Bushnell Laser Ranger
- NAVIGATION : Geosolutions pilot guidance from
NovAtel RT20 single freq. GPS
- HELICOPTER : Eurocopter Squirrel BA - VH-HHO

SURVEY SPECIFICATIONS

- FLYING HEIGHT : 100 Feet
- LINE SPACING : 100 Metres
- LINE DIRECTION : 150 deg[1] & 15 deg[2]
- SURVEY SPEED : 55 Knots IAS
- SAMPLE INTERVAL : 5.0 M across ground
- MAP DATUM : WGS84 = GDA94
- DATA PROCESSING : Geosolutions proprietary
data processing package



MARATHON RESOURCES LIMITED
REPTM AIRBORNE IDEM SURVEY
WALPARUTA INLIER - SOUTH AUSTRALIA
FLYING DATE - 06 Nov 2013
Plot of Flight Line Paths
GWB - 09 Nov 2013



TARGET'S STATEMENT

IN RESPONSE TO THE ON-MARKET OFFER TO ACQUIRE ALL THE ORDINARY SHARES OF
MARATHON RESOURCES LIMITED BY BENTLEY CAPITAL LIMITED ACN 008 108 218

YOUR DIRECTORS ADVISE YOU TO

REJECT

THE OFFER FOR YOUR MARATHON SHARES

TO REJECT THE OFFER SIMPLY **DO NOTHING AND DO NOT SELL YOUR
MARATHON SHARES AT THE OFFER PRICE OF 2.5 CENTS PER SHARE**

*THIS IS AN IMPORTANT DOCUMENT. IF YOU DO NOT UNDERSTAND IT, OR ARE IN DOUBT AS TO
HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER
IMMEDIATELY.*

Legal Adviser to Marathon



Watsons
Lawyers

Financial Adviser to Marathon



Corporate & Financial Advisers

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WHY YOU SHOULD REJECT THE OFFER

- ∅ The Offer is inadequate See paragraph 2.2
- ∅ The Offer is highly opportunistic See paragraph 2.3
- ∅ The Offer does not recognise Marathon's prospects See paragraph 2.4
- ∅ The Offer Price is a substantial discount to
∅ Marathon's cash backing See paragraph 2.5
- ∅ Acceptance of the Offer will prevent you participating
in any Increased Offer, Superior Offer or other initiative See paragraph 2.6

[Note: Paragraph references above are to paragraphs in this Target's Statement]

**TO REJECT THE OFFER SIMPLY DO NOTHING AND DO NOT SELL YOUR
MARATHON SHARES AT THE OFFER PRICE OF 2.5 CENTS PER SHARE**

If you have any questions regarding the Offer please call Marathon on +61 8 8348 3550 during office hours.

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