22 October 2012

Manager Companies Companies Announcements Office Australian Securities Exchange Ltd

ASX Code: MTN: 2012 Annual General Meeting

The Company's 2012 Annual General Meeting will be held on Thursday 22 November 2012.

Please find attached the following documents which have been despatched to the Company's shareholders today:

- Shareholder update
- Notice of Annual General Meeting and
- Proxy Form

Yours sincerely

Sam Appleyard Company Secretary Unit 8, 53 - 57 Glen Osmond Road, Eastwood SA 5063 PO Box 181, Fullarton SA 5063

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www.marathonresources.com.au

ABN 31 107 531 822

16 October 2012

Dear Shareholder

Progress Report and Update Accompanying Notice of Meeting

As a shareholder in Marathon Resources, you will be fully aware of the difficult recent history of your Company as a result of the unprecedented decision by the South Australian Government to ban all forms of exploration and mining in a large area of the Northern Flinders Ranges of SA.

This ban resulted in the extinguishment of Marathon's exploration rights at its exploration licence (EL4355) at Arkaroola. At the time of this unparalleled decision of government, your Company's Mt Gee deposit was the fifth largest undeveloped uranium deposit in Australia, and had the potential to be upgraded to the second largest if Marathon's mid 2011 exploration program had been allowed to proceed.

Although the SA Government paid Marathon \$5 Million as a "goodwill" payment following the decision to ban mining at Arkaroola, the sum paid is significantly less than the cumulative exploration investment made by the Company. Thus, the government's decision not only resulted in Marathon losing its flagship project, but left the Company with only a modest amount of funds available to identify new opportunities to take the company forward, and thus rebuild shareholder value.

Your Board and management have worked diligently since February this year to address the following four key activities:-

- The completion of rehabilitation and related work on EL4355
- The establishment of a repository of geological samples at Arkaroola
- Refining Marathon's general business direction
- Broadening the Company's focus on energy

Rehabilitation activity completed

The rehabilitation and related work on EL4355 has been completed in accordance with instructions from the SA Government.

This activity was undertaken following the SA Government's decision to ban exploration and mining in the Northern Flinders Ranges, and done with strict adherence to instructions provided to Marathon in relation to the Company's obligations under the terms and conditions of EL 4355, with particular emphasis on site rehabilitation and related activities.

The government's Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) conducted a site inspection in May 2012 and then formally advised the Company on 17th July 2012 that all rehabilitation requirements had been satisfactorily completed.

Geological samples at Arkaroola

The establishment of a repository of geological samples at Arkaroola was completed with the cooperation of, and agreement with, DMITRE, the Arkaroola Wilderness Sanctuary, and the Environment Protection Authority (EPA).

This initiative includes Marathon's upgrading of the Painter Camp core processing and storage area at Arkaroola so that geological samples generated by the Company's exploration activities are able to be systematically and securely stored on site for the purposes of future scientific and geological research. The Painter Camp core storage facility has been significantly upgraded and secured at Marathon's expense and all data relating to the stored drilling core and other samples have been provided to DMITRE. Core and other samples from EL4355 are now housed at the upgraded Painter Camp facility, which has been registered by the EPA.

The future - refining Marathon's business direction

Refining Marathon's broad business direction has been a key focus of the Board and management in recent months, and has included identifying opportunities that match the Company's intended business plans for the future.

As a minerals explorer, Marathon's historical core business was centred on the identification and potential development of uranium in South Australia for export and as an important source of energy for electricity production. The uranium market is still recovering from the impact of Fukushima, and despite prospects appearing bright in the longer term, Marathon does not consider the political and social factors sufficiently strong to warrant further investigation and investment in the uranium industry at this time. This is for two reasons:

- The timeline for investment in uranium is too long for Marathon to recommence activities from the beginning and would lead inevitably to substantial dilution of existing shareholders in order to fund renewed uranium exploration; and
- Marathon persisted with the Mt Gee opportunity because of its JORC resource and potential for the increased size of the deposit. The capital costs involved in constructing an economic uranium operation are so high that profitability could not be assured with production less than 1500 2000 tonnes per annum of U₃O₈ over a 20 year mine life. The claim that South Australia may contain 40% of the world's undeveloped uranium resources may not be fallacious but is misleading; unless resources are concentrated in large volumes and of reasonable grade, they may never be capable of development. Such development also requires greater political strength and vision, and regulators will need to be more decisive and supportive and social licences decided on consistent and less emotional terms.

Mineral exploration continues to be an important focus for Marathon and your Company is investigating some exciting prospects in a number of Australian states and overseas.

Broadening the Company's focus on energy

The Company is enthusiastic about the Board's decision to reconceptualise the Company's broad business direction.

In line with this strategy, three emerging growth areas within the broad energy domain have been identified, namely:-

- The first emerging growth area broadly falls within the category of the development of lower carbon emitting fuels through fossil fuel refinement methodologies. Marathon has undertaken detailed due diligence and rejected one potential project that falls within this category, and is assessing other possible projects.
- The second emerging area relates to the production of fuels from sustainable biomass for use in fossil-fuel power generation stations. Marathon is undertaking detailed due diligence, business case development, risk assessment, and scenario modelling on a potential project with assured long-term resource supply and off-take agreements.
- The third area relates to potential investment in and/or participation in the oil and gas industry in Australia and overseas. Marathon is now undertaking further investigation of these initiatives.

Thus, although Marathon has decided at this time to discontinue its focus on uranium exploration, it will remain focused on energy as its broad strategic business direction.

As the outcomes of Marathon's project assessment processes emerge, the Company will advise shareholders and the market generally as soon as it is appropriate to do so.

Yours sincerely

Peter Williams

Chairman



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www.marathonresources.com.au

ABN 31 107 531 822

Marathon Resources Limited

ABN 31 107 531 822

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Marathon Resources Limited will be held at the Sebel Playford, 120 North Terrace, Adelaide, SA 5000 on Thursday 22nd November 2012 at 9.30 a.m. (Adelaide time)

Business:

Accounts

To consider the financial report and the reports of the Directors and of the Auditors for the financial year ended 30 June 2012.

Resolution 1 - Re-election of Mr Chen Zeng as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Chen Zeng, having retired by rotation in accordance with the Company's Constitution and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect."

Information regarding the candidate for reelection can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 2 - Adoption of the Remuneration Report for the year ended 30 June 2012

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report for the period ended 30 June 2012 as set out in the Directors' Report section of the 2012 Annual Report."

The vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement – Resolution 2

A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of a person described above and either:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- (d) the chair of the meeting is appointed as proxy and the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Information for Members

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice.

Members are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Memorandum.

"Snap-shot" Time

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that for the purposes of voting at the meeting, Shares will be taken to be held by those who hold them as at 7.00pm Adelaide time on Tuesday 20th November 2012.

Proxies

A Shareholder entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate and need not be a Shareholder. If a Shareholder is entitled to cast two or more votes, the Shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the proportion is not specified, each proxy may exercise half of the Shareholder's voting rights. Fractional votes will be disregarded.

To record a valid vote, members will need to take either of the following steps:

 (a) Cast your vote online by visiting <u>www.investorvote.com.au</u> and following the instructions and information provided on the enclosed proxy form; or

- (b) Complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share registry of the Company, Computershare Investor Services Pty Limited, located at GPO Box 242, Melbourne VIC 3001, or by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- (c) For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions,

no later than 48 hours before the time for the holding of the meeting.

Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the meeting or handed in at the meeting when registering as a corporate representative.

By order of the Board

S M Appleyard Company Secretary Marathon Resources Limited

16 October 2012

Explanatory Memorandum

Introduction

This Memorandum has been prepared for the information of Shareholders of Marathon Resources Limited in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Sebel Playford, 120 North Terrace, Adelaide, SA 5000 on Thursday 22nd November 2012 at 9.30 a.m. (Adelaide time).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. Capitalised terms in this Explanatory Memorandum are either defined in the Glossary or elsewhere in this Explanatory Memorandum.

Resolution 1 - Re-election of Mr Chen Zeng as a Director

In accordance with clause 46 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last reappointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Directors presently in office are Messrs Peter Williams, Chen Zeng and Christopher Schacht and Dr John G (Shad) Linley.

As Dr John G (Shad) Linley is the Managing Director of the Company, in accordance with clause 46.5 of the Constitution he is not to be taken into account in determining the Directors to retire by Rotation.

Mr Chen Zeng is the Director who has been longest in office since the last re-appointment of each of the Directors, and as such, Mr Chen Zeng is the Director who retires by rotation at the Annual General Meeting. He has offered himself for re-election.

Mr. Zeng joined Marathon as a non executive Director in December 2006. He is an international executive with extensive professional, commercial and management experience. He holds a BA (Economics) and Masters Degree in International Finance from Shanghai University of Finance and Economics. Mr. Zeng is the Chairman of CITIC Australia Pty Ltd and CITIC Resources Australia Pty Ltd, the Australian arm of China's CITIC Group Corporation. He is a Vice Chairman & CEO of CITIC Resources Holdings Ltd (Hong Kong listed) and a non-executive Director of CITIC Dameng Holdings Ltd (Hong Kong listed). Mr. Zeng was also a Director of Macarthur Coal Ltd until October 2011. He is a member of the Company's Audit Committee

An assessment of the performance of Mr Zeng has been conducted in the context of his skills, experience, knowledge and understanding of the Company's business. The Directors (other than Mr Zeng) recommend Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of this Resolution.

Resolution 2 - Adoption of the Remuneration Report

The Annual Report for the period ended 30 June 2012 contains a Remuneration Report which sets out the remuneration policy of the Company which either accompanies this Notice or is available on the Company's website:

http://www.marathonresources.com.au/pdf/120927 Annual Report 2012.pdf

The Remuneration Report is contained in the Directors' Report in the 2012 Annual Report. The Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and senior executives.

Section 250R (2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 2 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Cth) and the Corporations Amendment (Proxy Voting) Act 2012 Act recently amended the Corporations Act to prohibit a vote on this resolution being cast (in any capacity) by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of a person described above and either:

- (iii) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- (iv) the chair of the meeting is appointed as proxy and the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Please Note: In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 2 unless the shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the proxy form you expressly authorise the chair to exercise your proxy on Resolution 2 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box on the proxy form.

Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 2 a proxy who is not a member of the Company's Key Management Personnel or a Closely Related Party. That person would be permitted to vote undirected proxies.

The Chair intends to vote all available proxies in favour of Resolution 2.

The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Cth) also introduced a 'two-strike' process in relation to the advisory and non-binding vote on the remuneration report, whereby if at two consecutive annual general meetings of a listed company at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings there must be put to the vote a resolution that another meeting be held within 90 days at which all directors (except the managing director) who were directors at the date the remuneration report was approved at the second annual general meeting must stand for re-election. So, in summary, shareholders will be

entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives 'two strikes'.

The Company confirms that less than 25% of the votes cast in relation to the resolution to approve the remuneration report at the Company's 2011 annual general meeting were against that resolution, and as such, the "two strikes" process will not apply at the Company's upcoming annual general meeting.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

"ASX" means ASX Limited ACN 008 624 691.

"Board" means the Board of Directors from time to time.

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls.

"Company" or "Marathon" means Marathon Resources Limited ABN 31 107 531 822.

"Constitution" means the constitution of the Company from time to time.

"Corporations Act" means the Corporations Act 2001 (Cth).

"**Directors**" means the directors of the Company from time to time and "**Director**" means any one of them.

"Explanatory Memorandum" means this explanatory memorandum.

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).

"Listing Rules" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"Meeting" or "Annual General Meeting" means the annual general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.

"Notice" or "Notice of Annual General Meeting" means the notice of general meeting which accompanies this Explanatory Memorandum.

"Resolution" means a resolution referred to in the Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a holder of Shares in the Company.



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Online:

www.investorvote.com.au

Bv Mail:

Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia

Alternatively you can fax your form to (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only (custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161 (outside Australia) +61 3 9415 4000

Proxy Form

Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

Cast your proxy vote

Access the annual report

Review and update your securityholding

Your secure access information is:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

★☆ For your vote to be effective it must be received by 9:30am (Adelaide time) Tuesday 20 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE, or turn over to complete the form



	mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.	
Proxy Form	Please mari	k 🗴 to indicate your directions
Appoint a Proxy to Vote on Y	our Behalf	
I/We being a member/s of Marathon Resources	s Limited hereby appoint	_
the Chairman of the Meeting		PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).
or failing the individual or body corporate named, or if no to act generally at the Meeting on my/our behalf and to we to the extent permitted by law, as the proxy sees fit) at the Playford, 120 North Terrace, Adelaide, SA 5000 on Thur postponement of that Meeting. Chairman authorised to exercise undirected proxies the Meeting as my/our proxy (or the Chairman becomes proxy on Item 2 (except where I/we have indicated a diff the remuneration of a member of key management persulting on Item 2 by marking the appropriate box in step 2.	vote in accordance with the following direction to Annual General Meeting of Marathon Researday, 22 November 2012 at 9:30am (Adelais on remuneration related resolutions: What my/our proxy by default), I/we expressly auferent voting intention below) even though Ite sonnel, which includes the Chairman.	ons (or if no directions have been given, and sources Limited to be held at the Sebel ide time) and at any adjournment or here I/we have appointed the Chairman of thorise the Chairman to exercise my/our em 2 is connected directly or indirectly with
	NOTE: If you mark the Abstain box for an item, yo a show of hands or a poll and your votes will not be	e counted in computing the required majority.
Re-election of Mr Chen Zeng as a Director		For Against Abstain
2 Adoption of the Remuneration Report for the year ende	ed 30 June 2012	
The Chairman of the Meeting intends to vote all available proxie	es in favour of each item of business.	

Change of address. If incorrect,

Computershare

Date

Securityholder 3

Director/Company Secretary

Contact

Name

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Contact

Daytime

Telephone

Signature of Securityholder(s) This section must be completed.

Director

Securityholder 2