

19 November 2009

By e-lodgement: ASX On-line

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited

Dear Sir/Madam,

Marathon Resources Limited (ASX Code MTN)
Chairman's Address - Annual General Meeting 2009

I attach a copy of the Chairman's address, to be given at the Company's Annual General Meeting this morning.

Yours faithfully



SM Appleyard
Company Secretary
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Marathon Resources Limited (ASX: “MTN”)

Address to the Annual General Meeting by Chairman, Mr Peter Williams

19 November 2009

I have pleasure in addressing shareholders at the Sixth Annual General meeting of Marathon Resources.

In my comments to Shareholders in the recent 2009 Annual Report, I said the past financial year’s operations were divided into two parts:

- (i) the rectification of the Company’s Mt Gee site in the northern Flinders Ranges;
and
- (ii) the continuing exploration program on our licence area.

Mt Gee Rectification

The rectification plan commenced on 17 November 2008 and was completed five weeks later in December 2008.

On 28 April 2009 we were advised that those works had been carried out to the satisfaction of the key SA Government bodies, Primary Industries and Resources South Australia (PIRSA) and the Environment Protection Authority (EPA).

The rectification plan required Marathon to return all drill cuttings on site and to remove bags and other rubbish off site to a designated dump. The Company removed the benign waste weighing 2.56 tonnes. These rectification activities were subject to strict radiation testing and levels recorded were less than some naturally occurring outcrops on the site. In accordance with the agreed plan we rehabilitated the site and subsequent seeding was also completed satisfactorily.

Marathon maintained that there was no significant environmental risk to visitors or wildlife at Mt Gee and this was confirmed by PIRSA and the EPA.

It has been well documented that Marathon accepted responsibility for the burial of the drill cuttings and that the inappropriate action led to a major review of your Company’s structure,

our culture and our practices. There are significant risks exploring and mining for uranium, especially in sensitive environmental areas, and communication with stakeholders and the public is essential.

In my address to you last year, I said that mining can co-exist with other industries and indeed a successful and profitable mining operation can provide the means and infrastructure for sustainable development all round, which otherwise may not be possible. In 2009 there have been deferrals and problems in bringing mining development forward in South Australia – in a state that needs to have numerous major projects on stream to maintain the momentum and the enthusiasm created in the resources industry. The SA Government has given active support, especially to the uranium industry overseas and recent visits to China and statements of support from state government Ministers encourage us to believe that investment in the industry is worthwhile and supported.

Exploration Program

The second part of my comments in the Annual Report dealt with your Company's continuing exploration program and our northern Flinders Ranges Exploration Licence (Now EL 4355) was renewed last month by the state government. I confirm that we have released, under the JORC code, indicated and inferred resources totalling 31,300 tonnes of U₃O₈ from exploration to date on our licence area. Marathon directors believe that those resources extend and are open in various directions warranting further exploration and drilling. We believe that this project will bring great credit to this state and to Australia and that the prospect of having a resource larger than that which already now ranks as the 5th largest undeveloped uranium resource in this nation, is a very compelling one.

Uranium Industry Investment

During the past year there have been investments made in Australian uranium companies or projects to acquire all or part of developments with measured resources. The purchase prices paid by Itochu, Cameco/Mitsubishi and Guandong Nuclear for Australian uranium projects values the acquired resources in excess of \$A7.50/lb.

Marathon's indicated and inferred resources are 31,300 tonnes or 69 million lbs. There is a great deal of work to be done to relate in-ground value to economic viability and your Company is committed to addressing all the mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations which are necessary to determine the

economic viability or otherwise of our project at Mt Gee. Most importantly, Marathon acknowledges that the considerations required to address Native Title issues and the support of the Adnyamathanha people will be critical in assessing the value of the Company.

Nuclear Industry Outlook

The world market for uranium is sound and the nuclear power industry welcomed the news that the British Government has chosen to build 10 new nuclear power stations by 2025. France is exporting nuclear-powered electricity and now derives 80% of its electricity needs from 59 nuclear plants. Plans for the construction of new plants in India and China are advanced and the demand for uranium will increase as a result.

The debate in Australia is robust and while investment in alternative sources of energy produced from renewables (such as solar, wind, and geothermal) continues, those sources cannot produce the reliable base load supply as can nuclear power.

“Seeking a Balance” Conservation and Resource Use in the Northern Flinders Ranges.

On 27 October 2009, the South Australian Government released a paper entitled “Seeking a Balance” which relates to conservation and resource use in the Northern Flinders Ranges.

The Government wishes to develop future management arrangements to balance resource use and conservation and the Department of Environment & Heritage and PIRSA undertook a project to identify sites of interest in the Northern Flinders Ranges. The project methodology involved data to identify the environmental, landscape, wilderness, heritage, geo-heritage, tourism and minerals and energy prospectivity values of the area.

Marathon was not consulted on this project nor were the Native Title landholders. Other stakeholders with significant interest were not consulted.

The government report identifies zones for future access for exploration and resource development in the region with zones ranging from:

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|---------|---|
| Zone 1 | No access accepted; to |
| Zone 2a | No high-impact activities accepted; |
| Zone 2b | Low-impact activities accepted; |
| Zone 3 | Standard exploration and mining access. |

All future exploration and resource development activities will be required to address the management zones before any on-ground activities will be approved. Further, zones will be refined in the future if new information comes to light on the region's resource potential and on environmental, landscape and biodiversity values.

The State Government has invited stakeholders to make submissions up to 19 December 2009 on its "Seeking a Balance" paper.

The Marathon Board encourages shareholders and other stakeholders to review the government document and, if thought appropriate, we ask you to make a submission to the Government outlining your own views on what the realistic "balance" should be.

Marathon will be making its own submission.

The Future

Amendments to the SA Mining Act have been delayed and will now not be debated until the new State Parliament sits next year. Our licence, together with 4 other companies, was recently renewed for a 1 year period in anticipation of amendments passing to the Mining Act. Your Board expressed concern that the mining industry, which requires certainty and confidence from the Government and Regulators, cannot commit to long-term investment decisions, exploration programs or fund-raising activities where regulatory provisions are unreasonably short.

Marathon has participated in the consultation process for the Mining Act amendments and from the information provided to us we support the measures proposed.

Corporate

This is the first annual meeting for Dr Shad Linley as our Chief Executive Officer. Shad was appointed CEO on 10 June 2009 and his experience in world class projects – including the first stage of the Olympic Dam mine at Roxby Downs in the 1980's and then the construction and commissioning of the Sun Metals plant in Queensland near the sensitive Barrier Reef - is invaluable to Marathon.



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On behalf of my co-directors and our shareholders, our thanks to Ian McRae and all the staff of Marathon who have been outstanding in their commitment and dedication during a difficult year.

There will be continuing challenges for us ahead but we have the skills and determination to succeed. I described Marathon as a feat of endurance early on in our history; it is indeed that but your Board is confident that we can achieve real progress in the coming year.

Thank you

Peter Williams
Chairman
Marathon Resources