

## **Marathon Resources Limited (ASX: "MTN")**

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

**16 November 2010**

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

I want to resurrect the theme I gave you in my second address in 2005 when I discussed the implementation of the company's plans and strategies as a Feat of Endurance. Last year I said there would be continuing challenges ahead for the company and that we have the skills and determination to succeed. Disappointingly, I do not think that the progress hoped for in 2010 has been realised, largely because of matters outside our direct control. Nevertheless the company has been patient and we have steadfastly continued to comply with Government directions in the extensive work undertaken throughout the year.

In one word, it has been a year of 'patience' – not a new word for this company especially to our loyal staff and shareholders. The Parliament passed amendments to South Australian mining laws last week which were foreshadowed early in 2008. The amendments were fully supported by Marathon and once they are proclaimed the path is clear for a decision on our application for renewal of exploration activity in the Northern Flinders.

The amendments to the Act supported by Parliament include new provisions to support greater transparency, compliance and enforcement, effective regulation, reduction of red tape and also greater clarity on rights of access.

In my Chairman's address in the annual report I said we were very encouraged by the work undertaken on EL 4355 in the North Flinders and that we look forward to further exploration of the resource, which as you know is already the 5<sup>th</sup> largest undeveloped uranium resource in Australia. Our CEO Dr Shad Linley will address you shortly on the results of the last year's limited exploration permitted by the Government and the prospects for the future.

In the Annual Report I also referred to the confidential submission the company made to the Government's Seeking a Balance document. Marathon issued a release to shareholders summarising its views on the document and highlighted the significant unintended consequences of sovereign risk to the State. Not only were key shareholders not consulted, the issue of the interests of indigenous people was ignored and Marathon considers a proper and considered resolution of the Native Title interests to be paramount in this case.

The issue of sovereign risk is a critical matter also as the State's credibility could be damaged in international risk capital markets.

The most important part of our submission was that there are checks and balances already in place to deal with mining and exploration and indeed the Minister referred to 'reduction in red tape' when he announced the passing of amendments to the Mining Act. We are subjected to the most rigorous scrutiny of plans and performance of activity - before, during and after the event – and we believe the existing and yet-to-be-proclaimed regulations are more than sufficient to balance the triple bottom line requirements of South Australia – i.e. the environmental, social and economic factors relevant for the support of new projects.

I am conscious that the need for patience in this Feat of Endurance has impacted upon a great number of people associated with Marathon Resources. I compliment all employees who continue to discharge their duties in the most professional way but limited in the scope proscribed. I wish to thank them for their dedication and determination throughout the year and I trust that the initiatives they have displayed and the professional manner in which they have conducted themselves, will be appreciated by you all as the resource is developed further.

My address would be incomplete with acknowledging the support of all shareholders especially our two majors. The continued support of Talbot Group Holdings and CITIC has been of upmost importance and I look forward to the potential of the company being realised to justify their contribution. It is appropriate to acknowledge the untimely death of Mr Ken Talbot, the founder and principal of Talbot Group Holdings. The tragedy which occurred in the border region of the Congo and Cameroon is a salutary

reminder of the risks associated within this industry. Ken's support and enthusiasm for Marathon Resources were highly valued by us all – we will miss him.

One of the most interesting changes in 2010 relevant for Marathon Resources was the elevation of our Director Mr Chen Zeng to the main board of CITIC – one of the largest conglomerates in China. Chen continues to be on the Marathon board as a non-executive Director and his continuing support for the company secures a strategic interest between China and Australia. Further, he has been promoted to Executive Chairman of CITIC Australia Limited which is the investor in Marathon.

In September 2010, Chen Zeng also became President and CEO of CITIC Resources based in Hong Kong. The subsidiary of CITIC is responsible for all the direct resources investments made throughout Asia and Australia by CITIC. As a major shareholder, CITIC continues to play a critical role in our future development and I commend their contribution to you.

In closing, I thank you for your patience. I assure you of our commitment and determination and I look forward to reporting progress next year. Thank you.