



Marathon Resources Ltd

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www.marathonresources.com.au

ABN 31 107 531 822

21 October 2014

Manager Companies
Companies Announcements Office

Australian Securities Exchange Ltd

ASX Code: MTN : 2014 Annual General Meeting

The Company's 2014 Annual General Meeting will be held on Thursday 20 November 2014.

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

- Notice of Annual General Meeting and
- Proxy Form

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sam Appleyard', with a stylized flourish at the end.

Sam Appleyard
Company Secretary

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 Marathon Resources Ltd Unit 8/53-57 Glen Osmond Road Eastwood South Australia 5063 on Thursday 20th November 2014 at 9.30 am (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 2014.

Resolution 1 - Re-election of Mr Peter Williams as a Director

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

“That Mr Peter Williams, 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 re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 2 - Re-election of Mr Christopher Ryan as a Director

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

“That Mr Christopher Ryan, having retired 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 re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 3 – Approval of Additional 10% Placement Capacity

To consider, and if thought fit, pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders authorise the Company to have the additional capacity to issue Equity Securities comprising up to 10% of the issued capital of the Company under Listing Rule 7.1A calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement- Resolution 3

The Company will disregard any votes cast on Resolution 3 by a person who may participate in a proposed issue of Shares under the 10% Placement Capacity, and a person who might obtain benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 3 is passed and any of their respective associates. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides.

Resolution 4 - Adoption of the Remuneration Report for the year ended 30 June 2014

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 2014 as set out in the Directors’ Report section of the 2014 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 4

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 4 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 4 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.

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 18 November 2014.

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 www.investorvote.com.au 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
15 October 2014

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 **Marathon Resources Ltd Unit 8/53-57 Glen Osmond Road, Eastwood South Australia 5063** on **Thursday 20th November 2014** at **9.30 am** (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 Peter Williams 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 re-appointment 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, Christopher Schacht, Christopher Ryan 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 Peter Williams is the Director who has been longest in office since the last re-appointment of each of the Directors, and as such, Mr Peter Williams is the Director who retires by rotation at the Annual General Meeting. He has offered himself for re-election.

Mr Williams is a chartered accountant with extensive professional and commercial experience. He has broad experience as managing director and chairman of public companies. He was a partner of Deloitte for 17 years and managing director of the Lloyd Helicopter Group then Enterprise Solutions Asia Pacific Limited. Since then he has acted as a Non-Executive director of venture capital company Playford Capital Pty Ltd and formerly Chairman of Aqua Oysters Limited and Steriline Racing Pty Ltd. He is a member of the Company's Audit Committee.

Mr Williams is currently Non-Executive Chairman of the Company, but has been providing services to the Company well beyond his role as Non-Executive Director.

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

Resolution 2 - Re-election of Mr Christopher Ryan as a Director

In accordance with clause 44 of the Constitution a director appointed to fill a casual vacancy must retire at the first Annual General Meeting following his appointment, and is eligible for re-election. Mr Ryan was appointed by the Board as a non-executive Director of Marathon on 26 February 2014 following the retirement of Mr Chen Zeng. He has offered himself for re-election.

Mr Ryan holds a BEcon (UWA) and an MBA (UNSW). He is the Principal of Westchester Corporate Finance, a Sydney based corporate advisory firm specialising in advising listed companies on fund raising, mergers and acquisitions and associated transactions. Prior to forming Westchester in July 1996, Christopher was with Schrodgers Australia for 27 years. At Schrodgers, he served 3 years in the investment division, 2 years as an economist monitoring influences on interest and exchange rates and 22 years in

the corporate finance division of which he was a director for 19 years specialising in advising on project financing and mergers and acquisitions mainly in the Australian minerals and oil and gas sectors.

Mr Ryan is a Non-Executive Director of Bentley Capital Ltd (BEL) (since 5 February 2004), Non-Executive Director of Molopo Energy Limited (MPO) (since 8 April 2014) and Non-Executive Chairman of Boulder Steel Limited (BGD) (since 20 June 2013; Non-Executive Director since 18 June 2013).

Mr Ryan is a Non-Executive Director of Bentley Capital Limited (BEL). BEL was the holder of 18,432,337 Marathon shares (20.98%), following its acquisition of 19.98% from the Mt Kellett Group 21 October 2013, and a further 1% following close of its On-market Takeover Bid 18 December 2013. BEL advised disposal of its entire holding in Marathon 13 October 2014. The Directors (other than Mr Ryan) consider the on-going appointment of Mr Ryan is no longer warranted. The Directors (other than Mr Ryan) recommend Shareholders vote against Resolution 2. The Chairman intends to vote undirected proxies against this Resolution.

Resolution 3 – Approval of Additional 10% Placement Capacity

Background to Resolution 3

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalization as at 10 October 2014 was \$2,305,195 (92,207,789 issued Shares at \$0.025 closing price per Share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. It is the Company's intention that funds received under the 10% Placement Capacity may be used to fund investigations into or acquire interests in base or precious metals prospects, energy resources or related technologies, or to satisfy the price of a strategic alliance for the Company, and generally to fund working capital requirements. Further, the shares may be issued to satisfy the consideration for the acquisition of new resources, assets and investments by the Company.

Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities being listed Shares and unlisted Options.

c) Formula for calculating 10% Placement Capacity

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of Shares on issue 12 months before the date of issue or the date of agreement to issue:

- 1) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of partly paid Shares that became fully paid in the 12 months;
- 3) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- 4) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 92,207,789 Shares and therefore (assuming Resolution 3 is approved by Shareholders) has a capacity to issue:

- 1) 13,831,168 Equity Securities under Listing Rule 7.1; and
- 2) subject to Shareholder approval being sought under Resolution 3 9,220,778 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Capacity as consideration for the acquisition of a new asset, resource or investment, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

10% Placement Period

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the Annual General Meeting at which the approval is obtained; or

- 2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

(1) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

- 1) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(2) Effect of issue on other Shareholders

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:

- 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
- 3) the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or script issued under a takeover) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0125 50% decrease in issue price	\$0.025 Issue price	\$0.05 100% increase in issue price
Current Variable A 92,207,789 Shares	10% voting dilution	9,220,778 Shares	9,220,778 Shares	9,220,778 Shares
	Funds raised	\$115,260	\$230,519	\$461,039
50% increase in current Variable A 138,311,683 Shares	10% voting dilution	13,831,168 Shares	13,831,168 Shares	13,831,168 Shares
	Funds raised	\$172,890	\$345,779	\$691,558
100% increase in current Variable A 184,415,578 Shares	10% voting dilution	18,441,557 Shares	18,441,557 Shares	18,441,557 Shares
	Funds raised	\$230,519	\$461,039	\$922,078

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
 - ii. no unlisted Options are exercised into Shares before the date of the issue of the Equity Securities;
 - iii. the 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - iv. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting;
 - v. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well;
 - vi. the issue of Equity Securities under the 10% Placement Capacity consists only of Shares;
 - vii. the issue price is \$0.025 being the closing price of the Shares on ASX on 10 October 2014.
- 3) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
 - 4) the Company may seek to issue the Equity Securities for the following purposes:
 - i. non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii. cash consideration. In such circumstances, the Company intends to use the funds raised to fund investigations into or acquire interests in base or precious metals prospects, energy resources or related technologies, or to satisfy the price of a strategic alliance for the Company, and generally to fund working capital requirements.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

- 5) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - ii. the effect of the issue of the Equity Securities on the control of the Company;
 - iii. the financial situation and solvency of the company; and
 - iv. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Capacity will be the vendors of the new assets.

If Resolution 3 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Capacity during the Placement Period as and when the circumstances of the Company require.

- 6) the Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2013 Annual General Meeting but has not issued any Equity Securities pursuant in the 12 months preceding the date of the Annual General Meeting.
- 7) a voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the Notice of Meeting, the Company has no plans to use the 10% Placement Capacity should it be approved. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3. The Chairman intends to vote all undirected proxies in favour of Resolution 3.

Resolution 4 - Adoption of the Remuneration Report

The Annual Report for the period ended 30 June 2014 either accompanies this Notice or is available on the Company's website: www.marathonresources.com.au

The Remuneration Report is contained in the Directors' Report in the 2014 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 4 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.

A vote on Resolution 4 must not be 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 4 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 4 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 4 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 4 by marking the appropriate box on the proxy form.

Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 4 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 4.

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 2013 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:

"10% Placement Capacity" is defined in the notes about Resolution 2 in the Explanatory Memorandum.

"Annual Report" means the annual report of the Company for the year ended 30 June 2013.

"Auditors" means the Company's duly appointed auditors.

"ASX" means ASX Limited ACN 008 624 691.

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

"Chair" or **"Chairman"** means the chairman of the Company who will chair the Meeting.

"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.

"Directors' Report" means the report entitled "Directors' Report" in the Annual Report of the Company.

"Equity Securities" in relation to the securities of the Company means a Share, an option over an issued or unissued security, any right to a Share or option over an issued or unissued security, or a convertible security.

"Exception" means an exception under the Listing Rules.

"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.

"Managing Director" means the managing director of the Company and Dr John G (Shad) Linley is the current managing director.

"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.

"Remuneration Report" means the remuneration report contained in the Directors' Report section of the Annual Report.

"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.

"Trading Day" means a day determined by ASX to be a trading day in accordance with the Listing Rules.

"VWAP" means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code MTN.

Lodge your vote:



Online:

www.investorvote.com.au



By 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

 <p>Vote and view the annual report online</p> <ul style="list-style-type: none"> • Go to www.investorvote.com.au or scan the QR Code with your mobile device. • Follow the instructions on the secure website to vote. 	
<p>Your access information that you will need to vote:</p> <p>Control Number: 9999999</p> <p>SRN/HIN: I9999999999 PIN: 99999</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 9:30 am (Adelaide time) Tuesday 18 November 2014**

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 or abstain as they choose (to the extent permitted by law). 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 help tab, "Printable 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 →**

☐

Change of address. If incorrect, 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 mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Marathon Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



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 individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Marathon Resources Limited to be held at Unit 8/53-57 Glen Osmond Road, Eastwood, South Australia 5063 on Thursday 20 November 2014 at 9:30 am (Adelaide time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 4** (except where I/we have indicated a different voting intention below) even though **Item 4** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 4** by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

		For	Against	Abstain
1	Re-election of Mr Peter Williams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*2	Re-election of Mr Christopher Ryan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*The Chairman of the Meeting intends to vote undirected proxies **in favour** of each item of business, with the **exception** of Item 2 where the Chairman of the Meeting intends to vote **against**. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /