
15 November 2007

By Facsimile: 1300 300 021
By E-mail: ASX On-line

Manager Companies
Company Announcements office
Australian Stock Exchange Limited

Dear Sir/Madam,

**Marathon Resources Limited MTN
Chairman's Address to Shareholders**

We attach¹ the Chairman's Address and Presentation to Shareholders at the 2007 AGM on the morning of Thursday, 15 November 2007.

Yours faithfully



SM Appleyard
Company Secretary

¹ Chairman's Address & Presentation



CHAIRMAN'S ADDRESS
2007 ANNUAL GENERAL MEETING

Dear Shareholders,

Thank you for attending the fourth Annual General Meeting of Marathon Resources Limited today.

The past year has seen significant progress for your company and I would like to give you a brief overview of some of the highlights, together with our strategy to grow shareholder value.

I will then hand over to executive director Denis Wood, who will give an update on our key Mt Gee Uranium Project, following which our founding director, Dr John Santich, will outline the company's progress on exploration and new project development.

2006/07 HIGHLIGHTS

The 2007 financial year has seen remarkable growth for Marathon as we move along the path from explorer to producer.

The identification of a significant resource at Mt Gee saw our share price surge from 53 cents on 30 June 2006 to a peak of \$6.98 on 29 June 2007, and our market capitalisation now stands at around \$160 million.

Our shareholder base has expanded to comprise nearly 2,800 shareholders, and we were pleased to welcome the involvement of new substantial shareholders, CITIC Australia and the Talbot Group.

A scoping study conducted by independent consultants has confirmed the potential of underground mining at Mt Gee. The study assessed an operation processing approximately 1.5 million tonnes per annum at 760 parts per million uranium oxide concentrate (U_3O_8), with production of about 900 tonnes per annum and a 9 year mine life.

Under the revised resource estimate released in September 2007, Mt Gee has a 42.8 million tonne resource averaging 629 ppm U_3O_8 , yielding 26,900 tonnes of contained uranium oxide. This makes it one of the largest undeveloped uranium deposits in Australia.

A drilling program has identified significant mineralisation in both the eastern and western areas of Mt Gee, and we are on track for the launch of a pre-feasibility study next year.

Marathon has also executed a joint venture agreement with Primary Resources Limited over the Warburton project in Western Australia, which has potential for nickel and other commodities.

In addition, your company was involved in the highly successful IPO of uranium explorer UraniumSA Limited, in which we have a 7 per cent stake.

For those of you who have not seen Mt Gee, I'd like to refer you to some recent footage taken of the project area which lies in the Northern Flinders Ranges of South Australia.

STRONG CORPORATE PARTNERS

The past year has seen considerable corporate activity involving your company. I am pleased to say that we have emerged from it a stronger organisation with a brighter future.

On 15 August 2006, Marathon received an unsolicited takeover offer from Buttermere Australia Pty Ltd, a subsidiary of Hong Kong-based Crosby Capital Partners Inc. Your directors recommended the initial bid at 68 cents per share should be rejected as it was totally inadequate, opportunistic, and did not reflect Marathon's potential, in addition to being highly conditional and uncertain.

The bidder extended the offer six times without any change in conditions, until raising it to \$3.52 per share on 13 March 2007. The offer was extended again for the seventh time on 26 April and allowed to lapse on 4 July.

Despite the distraction and the cost of defending the takeover bid, Marathon continued with its drilling program at Mt Gee and with exploration work on other tenements during this time. We did not allow the bid to prevent us from our target of growing shareholder value.

Following the successful defence of the takeover bid, our growth plans received a considerable boost with the injection of both capital and expertise from our new substantial shareholders, CITIC Australia and the Talbot Group.

CITIC Australia is a subsidiary of the CITIC Group, one of the world's largest diversified investors with assets in excess of US\$100 billion. The Talbot Group has worked together with CITIC in some of its major resources projects, and has an asset base in excess of \$450 million.

We are fortunate to have now on our board Mr Denis Wood from Talbot Group and Mr Chen Zeng from CITIC Australia. Denis has a long and successful history in the Australian resources industry, including the development of the Coppabella Coal Project in Queensland, while Chen has overseen CITIC's successful Australian investments since 2002.

I would like also to thank our retiring founding directors Mr Bill Latimer and Mr Stuart Appleyard, who played key roles in establishing the subsidiary which holds the Mt Gee tenement.

NEW STRATEGY

On 1 November 2007, we put in place a new corporate structure which we regard as imperative to ensuring the successful development of our projects.

Denis has been appointed executive director in charge of the Mt Gee Uranium Project, which has been separated from Marathon's other exploration projects. Given his track record, we are extremely confident of success at Mt Gee.

In addition, our inaugural CEO and founder, Dr John Santich, is now lending his vast experience to leading exploration and new project generation, while Dr Vic Bogacz will provide his invaluable expertise to both directors.

Our change in structure followed a comprehensive strategic review of the company, which determined that this is the best way forward in growing shareholder wealth.

We announced in October 2007 an expanded in-fill drilling program at Mt Gee, with a 50-hole program aimed at increasing confidence in the Inferred Resource in Mt Gee East. Our goal is to upgrade a significant portion of the present resource to Inferred status.

Results from the new campaign are expected by the second quarter of 2008. In the meantime, data acquisition and pre-feasibility study activities are progressing rapidly.

By June 2008, we aim to have the mining plan and technical, metallurgical and engineering issues identified in preparation for the next phase of mine development.

Having added new, strategic and long-term partners in the Talbot Group and CITIC Australia, Marathon continues to consider further strategic alliances that add value to the company.

RIGHTS ISSUE

As part of the funding for our expanded drilling program at Mt Gee, in September 2007 we announced a one for five rights issue at \$2.50 per Marathon share, raising a maximum of \$27 million.

I am pleased to say that both the Talbot Group and CITIC Australia took up all their entitlements under the offer, while the directors also took up the majority of their entitlements. Marathon successfully raised \$15.5 million during a period of subdued market conditions, and is confident of placing the remaining equity.

The latest capital raising follows the \$7.15 million raised in a placement to Talbot Group and CITIC Australia in November 2006.

The company's ability to raise funds is crucial for our ongoing development plans. It is a great sign of confidence in Marathon that we continue to do so, despite market nervousness over the US sub-prime fallout, fluctuating spot uranium prices and rising interest rates in Australia.

COMMUNITY CONSULTATION

Marathon is also conscious of its need to gain a social "licence to operate". We are confident in our ability to develop and operate the Mt Gee project in a safe and environmentally benign manner with due consideration of the social, cultural and financial impact on local stakeholders.

As part of this process, we have established the North Flinders Community Consultative Committee, chaired by the Honourable Neil Andrew, former Federal Speaker of the House of Representatives.

Regular meetings will be held with the community to ensure concerns are addressed and issues raised in a transparent and open manner.

We have taken a four-pronged approach encompassing the community, environment, safety and human resources to ensure we gain stakeholder confidence and acceptance.

Building a world-class project with world-class environmental and safety standards is a challenging task, but we believe we have the right systems in place to achieve our goals.

URANIUM OUTLOOK

I would now like to examine the future for your company, which will be heavily influenced by the uranium outlook.

The spot uranium price has seen enormous volatility over the past year. Starting at US\$70 a pound in January, it hit US\$138 in June, and has since retreated to around US\$70 and now recovering to its present level of around US\$90.

While this volatility has taken some of the heat out of the uranium market, it is worth considering that just seven years ago the price was hovering at around US\$7 a pound. The long-term contract price has remained stable at around US\$95 a pound, and analyst forecasts suggest further price increases due to continued global demand and constrained supply.

World demand for electricity is expected to double over the next 25 years, with uranium demand set to rise by an estimated 50 per cent to reach over 100,000 tonnes a year.

This demand is a result of the continued industrialisation of the BRIC economies as well as population growth, in addition to the search for solutions to climate change. Nuclear energy

already provides around 16 per cent of the world's electricity and is set to account for an even greater share in the future.

China has announced plans for 114 new nuclear reactors, with the United States adding 32, Russia 25, Ukraine 22 and India 19. Planned and proposed nuclear reactors globally totalled 304 as of August 2007, compared with the 437 currently in operation worldwide.

In Australia, electricity demand is expected to more than double by the middle of the century. Having nearly 40 per cent of the world's low cost uranium resources, Australia is in an excellent position to answer the demand from an energy-hungry world.

Both the Australian federal government and South Australian state government have recognised the importance of our uranium resources. Strong regulatory controls ensure our exports are used for peaceful purposes in power generation, with adequate safety and storage in line with international safeguards.

We agree with the findings of the Switkowski report, which stated that nuclear power is an option Australia needs to consider seriously to meet growing energy demand and reduce its greenhouse gas signature.

Marathon Resources is proud to play its own small role in addressing these key challenges of the 21st century.

CONCLUSION

Summing up, Marathon Resources is well positioned for another year of successful growth in shareholder value.

Our new executive structure and strategic plan have given us a strong platform to take the company from exploration to mine development. The groundwork has been laid by our management and staff, who I would like to thank for their diligence and conviction amid the distraction of a takeover offer.

With the delivery of a pre-feasibility study in 2008, our key Mt Gee project is on track for production in the early part of the next decade.

There are now over 270 listed companies in Australia involved in the uranium sector, and analysts have urged investors to focus on quality: quality of management, quality of grade and quality of location.

We believe we offer all three of these factors, having generated returns far in excess of most of our uranium peers.

I look forward to helping grow these returns further in the year ahead for the benefit of shareholders.

PL Williams
Chairman
Adelaide, 15 November 2007



**A FEAT OF
ENDURANCE**



ANNUAL GENERAL MEETING 2007

CHAIRMAN'S ADDRESS PETER WILLIAMS

Disclaimer

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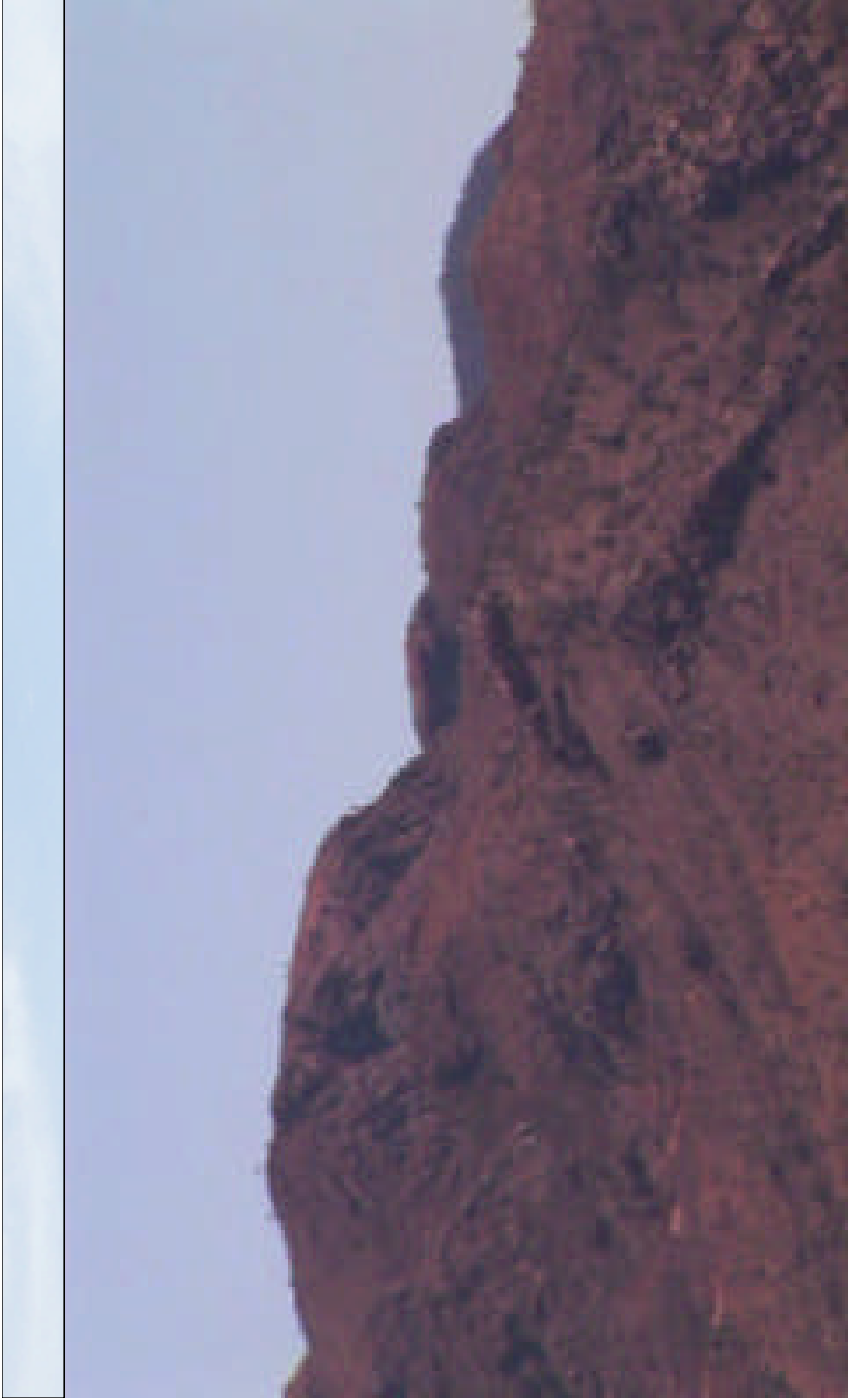
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2006/07 Highlights

- Growth in market capitalisation to approximately \$160 million
- Shareholder base now includes 2,800 shareholders, including new major shareholders CITIC Australia and Talbot Group
- Scoping study confirms potential for underground mining at Mt Gee – estimated production of 900 tonnes per annum U_3O_8 , 9 year mine life
- Mt Gee resource estimated at 42.8 million tonnes averaging 629 ppm U_3O_8
- Pre-feasibility study planned for Mt Gee in 2008
- Joint venture agreements executed with UraniumSA, Primary Resources
- 7% stake in UraniumSA Ltd (listed 18 October 2006)
- New directors (Denis Wood, Chen Zeng) and new strategy





marathon
RESOURCES LIMITED

The way forward

- Strong corporate partners – CITIC Australia, Talbot Group
- New executive structure and strategy – Denis Wood executive director in charge of the Mt Gee Uranium Project; Dr John Santich executive director in charge of exploration and new project generation
- Successful rights issue shows market's confidence in Marathon
- Stakeholder involvement, community consultation to guide development at Mt Gee



Strong uranium outlook

- Uranium spot price peaked at US\$138/lb in June 2007, compared with US\$7 in 2000
- Long-term uranium price steady at US\$95
- World demand for electricity to double over next 25 years
- Uranium demand forecast to rise 50%
- Australia has 40% of world's uranium resource
- Switkowski report: *“Australia is well positioned to increase production and export of uranium oxide to meet market demand”*



Conclusion

- Analysts urge investors to focus on quality: - quality of management
 - quality of grade
 - quality of location
- “*Marathon has generated returns far in excess of most of its uranium peers*”

(Fat Prophets, October 2007)

