

16 February 2011

Manager Companies
Companies Announcements Office
Australian Securities Exchange Ltd

E-Lodgement via ASX On-Line

Dear Sir/Madam

ASX Code: MTN
Appendix 3B

Enclosed, please find Appendix 3B detailing rights issue shares.

Yours sincerely



Sam Appleyard
Company Secretary

Appendix 3B

**New issue announcement,
application for quotation of additional securities
and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

MARATHON RESOURCES LTD

ABN

31 107 531 822

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 8,808,898 (maximum based on the undiluted share capital of the company, without taking into account the impact of rounding) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Fully Paid Shares pursuant to a non renounceable pro-rata rights issue on the basis of 1 share for every 10 shares held |

| | | | |
|---|--|--|-----------------|
| 4 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Rank Equally with the existing class of quoted securities. | |
| 5 | Issue price or consideration | 50 cents per share | |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | To fund Marathon's general working capital requirements and further exploration and development of its mining tenements. | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 24 March 2011 | |
| 8 | Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable) | Number | +Class |
| | | 96,897,876 | ordinary shares |

| | | Number | +Class |
|---|---|-----------|---|
| 9 | Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | 3,000,000 | unlisted \$1.037 options expiring 30/6/2011 |
| | | 1,000,000 | unlisted \$0.80 ^c options expiring 02/09/2012 |
| | | 1,000,000 | unlisted \$1.10 ^c options expiring 28/12/2012 |
| | | 490,000 | unlisted \$0.34 ^c options expiring 15/10/2013 |
| | | 50,000 | unlisted \$0.75 options expiring 15/10/2013 |
| | | 2,000,000 | unlisted options to acquire ordinary shares in 3 tranches 500,000 at \$0.876 exercisable between 01/11/2012 and 01/11/2013 750,000 @ \$1.25 exercisable between 01/11/2013 and 01/11/2014 750,000 @ \$1.75 exercisable between 01/11/2014 and 01/11/2015 |

| | | | |
|----|--|-----|--|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | |
|----|--|-----|--|

Part 2 - Bonus issue or pro rata issue N/A

| | | | |
|----|---------------------------------------|----|--|
| 11 | Is security holder approval required? | No | |
|----|---------------------------------------|----|--|

| | | | |
|----|--|------------------|--|
| 12 | Is the issue renounceable or non-renounceable? | Non-renounceable | |
|----|--|------------------|--|

| | | | |
|----|--|--------------------|--|
| 13 | Ratio in which the +securities will be offered | 1 for each 10 held | |
|----|--|--------------------|--|

| | | | |
|----|--|-----------------|--|
| 14 | +Class of +securities to which the offer relates | Ordinary shares | |
|----|--|-----------------|--|

| | | | |
|----|--|------------------|--|
| 15 | +Record date to determine entitlements | 24 February 2011 | |
|----|--|------------------|--|

| | | | |
|----|--|-----|--|
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A | |
|----|--|-----|--|

| | | |
|----|---|--|
| 17 | Policy for deciding entitlements in relation to fractions | Round up to next whole number |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | China Canada France Hong Kong Hungary Japan Malaysia Singapore Taiwan United Kingdom United States of America Vietnam |
| 19 | Closing date for receipt of acceptances or renunciations | 16 March 2011 |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | 1 March 2011 |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 14 February 2011 |

| | | |
|----|--|---------------|
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | 29 March 2011 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

| |
|-------|
| _____ |
|-------|

39 Class of +securities for which
quotation is sought

| |
|--|
| |
|--|

40 Do the +securities rank equally
in all respects from the date of
allotment with an existing
+class of quoted +securities?

If the additional securities do
not rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next
dividend, (in the case of a trust,
distribution) or interest
payment
- the extent to which they do
not rank equally, other than in
relation to the next dividend,
distribution or interest payment

| |
|---|
| / |
|---|

41 Reason for request for
quotation now

Example: In the case of restricted securities,
end of restriction period

(if issued upon conversion of
another security, clearly
identify that other security)

| |
|---|
| / |
|---|

| | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) | _____ | _____ |

Quotation agreement

- 1 Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX:
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012 C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
COMPANY SECRETARY

Date: 16 February 2011

Print name:S M APLEYARD

== == == == ==