Marathon Resources Ltd
Unit 8, 53 - 57 Glen Osmond Road, Eastwood SA 5063
PO Box 181, Fullarton SA 5063
T +61 (0)8 8348 3500
F +61 (0)8 7225 6990
www.marathonresources.com.au
ABN 31 107 531 822

Wednesday 6th November 2013

COMPANY ANNOUNCEMENTS OFFICE

AUSTRALIAN SECURITIES EXCHANGE

ASX CODE MTN

Market Announcement

On-Market bid for Marathon Resources Limited
Target's Statement

Marathon Resources Limited (ASX:MTN)("Marathon") refers to the on-market bid by Bentley Capital Limited (ASX:BEL)(Bidder) for all of the ordinary shares in the capital of Marathon the Bidder does not already own, at a price of 2.5 cents per share, announced to the market on 25 October 2013.

In compliance with its obligations under the Corporations Act (*Cth*) 2001, Marathon's Target's Statement accompanies this correspondence.

SM Appleyard
Company Secretary

ABN 31 107 531 822

TARGET'S STATEMENT

IN RESPONSE TO THE ON-MARKET OFFER TO ACQUIRE ALL THE ORDINARY SHARES OF MARATHON RESOURCES LIMITED BY BENTLEY CAPITAL LIMITED ACN 008 531 218

YOUR DIRECTORS ADVISE YOU TO

REJECT

THE OFFER FOR YOUR MARATHON SHARES

TO REJECT THE OFFER SIMPLY **DO NOTHING** AND **DO NOT SELL** YOUR MARATHON SHARES AT THE OFFER PRICE OF 2.5 CENTS PER SHARE

THIS IS AN IMPORTANT DOCUMENT. IF YOU DO NOT UNDERSTAND IT, OR ARE IN DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Legal Adviser to Marathon

Watsons Lawyers

Financial Adviser to Marathon

TC CORPORATE

Corporate & Financial Advisers

IMPORTANT INFORMATION

TARGET'S STATEMENT

On 25 October 2013 Bentley Capital Limited (**Bidder**) announced an on-market offer (**Offer**) for 100% of the issued capital of Marathon Resources Limited (**Marathon**) at 2.5 cents per Marathon Share (**Offer Price**). The Directors of Marathon recommend that you **REJECT** the Offer.

The Offer will be open from 11 November to 11 December 2013 (**Offer Period**). However, the Bidder has said it will stand in the market, at the Offer Price, from 25 October 2013 until the Offer opens on 11 November 2013. The Offer extends to all ordinary shares in Marathon that exist or will exist at any time during the Offer Period (**Marathon Shares**). The Offer includes any Marathon Shares that result from the exercise of any options over Marathon Shares during the Offer Period (**Marathon Options**), but excludes all Marathon Shares held by the Bidder. The Bidder holds 18,432,337 Marathon Shares (representing 19.98% of the Marathon Shares on issue as at 5 November 2013[1]).

This Target's Statement, dated 6 November 2013 (**Target's Statement**), is given by Marathon in response to the Bidder's Statement dated 25 October 2013 (**Bidder's Statement**), under Part 6.5 of Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**), in compliance with Section 638 of the Corporations Act. A copy of this Target's Statement has been lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**). None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

This Target's Statement contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements, particularly those statements in respect of the future prospects of Marathon and any forecasts. Shareholders in Marathon (**Marathon Shareholders**) should note that those forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements.

Marathon does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

None of Marathon, Marathon's officers and employees, any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or anticipated results, performance or achievements expressed or implied in any forward looking statement, except to the extent required by law. Marathon Shareholders are cautioned not to place undue reliance on forward looking statements. The forward looking statements in this Target's Statement reflect views held only as at 5 November 2013[2].

NO ACCOUNT OF PERSONAL CIRCUMSTANCES

This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of each Marathon Shareholder and it does not contain personal financial and taxation advice. Marathon encourages you to seek independent financial advice from your taxation or other professional adviser if you are in doubt how to act with respect to the Offer.

---

[1] This was the last practical date before the date of this Target's Statement

[2] See footnote 1.

DISCLAIMER AS TO INFORMATION

The information on the Bidder in this Target's Statement has been prepared by Marathon using publicly available information (including that contained in the Bidder's Statement). The information in this Target's Statement concerning the Bidder has not been independently verified by Marathon. Accordingly, subject to the Corporations Act, none of Marathon, Marathon's officers and employees, any person named in this Target's Statement with their consent nor any person involved in the preparation of this Target's Statement make any representation or warranty, express or implied, as to the accuracy or completeness of such information and none of them take any responsibility for that information.

ROUNDING

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value or fractions may differ from the figures set out in this Target's Statement.

NOTICE TO FOREIGN HOLDERS

The distribution of this Target's Statement may, in some jurisdictions, be restricted by law or regulation. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

GLOSSARY

You will find a glossary in section 8 of this Target's Statement. Expressions used in this Target's Statement with an upper case initial letter are defined in that glossary.

CORPORATE DIRECTORY

Directors

Peter Williams (Non-Executive Chairman)
Chen Zeng (Non-Executive Director)
John G (Shad) Linley (Director and Chief Executive Officer)
Christopher Schacht (Non-Executive Director)

Company Secretary

Stuart Appleyard

Registered office

Unit 8, 53-57 Glen Osmond Road
Eastwood SA 5063

Internet address

www.marathonresources.com.au

ASX code

MTN

Legal Adviser to Marathon

Watsons Lawyers
Ground Floor, 60 Hindmarsh Square
Adelaide SA 5000

Financial Adviser to Marathon

TC Corporate Pty Ltd
Level 10, 167 Macquarie Street
Sydney NSW 2000

KEY POINTS

- The Directors recommend that you **REJECT** the Offer. **To do this** you should simply **do nothing** and **do not** sell your Marathon Shares at the Offer Price.
- The Bidder is only offering 2.5 cents for each Marathon Share you hold. The Offer Price is substantially less than the cash backing of each Marathon Share.
- The Directors consider the Offer to be inadequate and highly opportunistic.
- Each Director currently intends to reject the Offer in respect of the Marathon Shares he owns or controls.
- The Offer is an on-market offer and is accordingly unconditional. This means that **if you do accept the Offer** (or if you otherwise sell your Marathon Shares) **you will not be able to benefit** from any higher offer made by the Bidder (**Increased Offer**) or any superior offer that could emerge from a third party (**Superior Offer**) or any other initiative that Marathon may pursue in the interests of all Shareholders.
- Although the Offer officially opens on 11 November 2013, the Bidder has said it will stand in the market, at the Offer Price, from 25 October 2013 until that date. Accordingly, if you do not wish to sell your Marathon Shares to the Bidder, do not sell your Marathon Shares on the market at the Offer Price at any time between now and the time when the Offer closes on 11 December 2013.
- The Offer expires at 4pm (Eastern Daylight Saving Time) on 11 December 2013 unless extended or withdrawn beforehand as permitted under the Corporations Act.
- Exploration is inherently risky. The key risks of continuing to hold Marathon Shares are outlined in section 6 of this Target's Statement. There is no guarantee that following the expiry of the Offer, Marathon Shares will continue to trade at current levels.

DATES FOR KEY EVENTS

Key Events	**Date**
Announcement of the Offer	25 October 2013
Bidder's Statement served on Marathon and lodged with ASIC	25 October 2013
Target's Statement lodged with ASIC and ASX and served on Bidder	6 November 2013
Bidder's Statement sent to Marathon Shareholders	8 November 2013
Target's Statement sent to Marathon Shareholders	8 November 2013
Offer Period commences	11 November 2013
Close of Offer Period (unless withdrawn or extended before)	4.00pm (EDST) 11 December 2013

MARATHON INFORMATION LINE

Marathon has set up an information line for Marathon Shareholders to address any questions you may have in relation to the Offer. The number to call is +61 8 8348 3550 during office hours.

CHAIRMAN'S LETTER

6 November 2013

Dear Marathon Shareholder,

Bentley Capital Limited, an ASX listed investment company, has made an on-market offer for all of your Marathon Shares at a price of 2.5 cents per Marathon Share. The Offer extends to all Marathon Shares that aren't already held by the Bidder.

Your Directors unanimously recommend that you **REJECT** the Offer.

The reasons for this recommendation are explained in detail in this Target's Statement. Your Directors strongly believe that the Offer:

- is inadequate and highly opportunistic and was announced at a time when Marathon Shares were trading very close to their 12 month low;
- is marginally more than half the current cash backing per Marathon Share of 4.84 cents;
- ignores the prospectivity of Marathon's recent investments and Marathon's potential; and
- is below the current market price of 3.8 cents as at the close of trading on ASX on 5 November 2013[3].

Furthermore, and importantly, selling your Marathon Shares now will deny you the opportunity to participate in any Increased Offer, Superior Offer or any other initiative that Marathon may pursue in the interests of all Shareholders.

As previously disclosed to the market, Marathon has been actively pursuing investment opportunities that it believes will add value for Shareholders. To date, Marathon has entered into:

- a Letter of Intent with SAEX Pty Ltd under which Marathon may conduct exploration within SAEX's Walparuta Project in the Curnamona Province of South Australia with a view to acquiring a 75% interest in this base and precious metals project (see paragraph 3.1 of this Target's Statement for further information); and

- a Heads of Agreement under which Marathon has an option to acquire Australian Desalinated Water Pty Ltd which has mineral sands and other minerals prospects across a portfolio of assets in South Australia and Victoria, including the Oakvale Project (see paragraph 3.2 of this Target's Statement for further information).

The Directors consider that Marathon is in a very strong position in the junior sector of the resources market in that it currently has a significant amount of cash (including term deposits) totalling $4,458,830. This cash position provides Marathon with the opportunity to review many resource deals that are being offered in the market at the present time. The Directors continue to consider potential opportunities for Marathon (further detail on which is provided in paragraph 3.3 of this Target's Statement).

[3] This was the last practical date before the date of this Target's Statement

In summary, with the prospects that Marathon has to add shareholder value through its investment and exploration efforts and its cash backing per Marathon Share being almost double the Offer Price, the Directors consider that 2.5 cents per Marathon Share does not reflect fair value for your Marathon Shares.

Accordingly, your Directors recommend that you **REJECT** the Offer and **DO NOT** sell your Marathon Shares at the Offer Price**.**

I encourage you to read the Bidder's Statement and this Target's Statement in full. If you are in any doubt as to what to do, you should consult your financial or other professional adviser immediately.

If you have any questions regarding the Offer please call Marathon on +61 8 8348 3550 during office hours.

Yours sincerely

Peter L Williams
Chairman

Table of Contents

1. MARATHON DIRECTORS' RECOMMENDATION 2
1.1 The Marathon Directors 2
1.2 Directors justified in making recommendations 2
1.3 Recommendation 2
1.4 Directors' current intentions 2
1.5 Personal circumstances 2
2. WHY MARATHON DIRECTORS RECOMMEND THAT YOU REJECT THE OFFER 3
2.1 Introduction 3
2.2 The Offer is inadequate 3
2.3 The Offer is highly opportunistic 3
2.4 The Offer does not reflect Marathon's prospects 5
2.5 The Offer Price is a substantial discount to Marathon's cash backing 6
2.6 Acceptance of the Offer will prevent you participating in any Increased Offer, Superior Offer or other initiatives currently being pursued by Marathon 6
3. OVERVIEW OF MARATHON AND ITS POTENTIAL 7
3.1 Walparuta Project 7
3.2 Oakvale Project 8
3.3 Other initiatives 9
4. YOUR CHOICES AS A MARATHON SHAREHOLDER 10
4.1 Introduction 10
4.2 Acceptance of the Offer 10
4.3 Selling your Marathon Shares on the market to another purchaser 10
4.4 Choices in respect of Marathon Options 11
5. RISKS OF ACCEPTING OFFER 12
6. RISKS ASSOCIATED WITH HOLDING MARATHON SHARES 13
6.1 Risks regarding the Proposal 13
6.2 Mineral industry risks 13
6.3 Economic risks 16
6.4 Market conditions 16
6.5 Requirements for capital 17
6.6 Key management 17
6.7 Speculative investment 17
6.8 General risk factors 17
7. ADDITIONAL INFORMATION 19
7.1 Recommendation of the Directors 19
7.2 Directors' Relevant Interests in Marathon 19
7.3 Intentions of Marathon Directors 19
7.4 Authorisation of Target's Statement 20

7.5 Directors' Relevant Interests in the Bidder 20
7.6 Directors' dealings in Bidder's marketable securities 20
7.7 Directors' dealings in Marathon Shares and Marathon Options 20
7.8 Payments and benefits 20
7.9 No agreement with any Marathon Director 20
7.10 Changes in financial position 20
7.11 Other information 21
7.12 ASIC modifications 21
7.13 Consents 21
7.14 Publicly available information 22
8. GLOSSARY 23
8.1 Defined terms 23
8.2 Interpretation 24
9. PRIVACY 25
10. APPROVAL 25

WHY YOU SHOULD REJECT THE OFFER

➢	**The Offer is inadequate**	**See paragraph 2.2**
➢	**The Offer is highly opportunistic**	**See paragraph 2.3**
➢	**The Offer does not recognise Marathon's prospects**	**See paragraph 2.4**
➢	**The Offer Price is a substantial discount to Marathon's cash backing**	**See paragraph 2.5**
➢	**Acceptance of the Offer will prevent you participating in any Increased Offer, Superior Offer or other initiative**	**See paragraph 2.6**

[Note: Paragraph references above are to paragraphs in this Target's Statement]

TO REJECT THE OFFER SIMPLY **DO NOTHING** AND **DO NOT SELL** YOUR MARATHON SHARES AT THE OFFER PRICE OF 2.5 CENTS PER SHARE

If you have any questions regarding the Offer please call Marathon on +61 8 8348 3550 during office hours.

1. MARATHON DIRECTORS' RECOMMENDATION

1.1 The Marathon Directors

As at the date of this Target's Statement, the Directors are:

Name	Position
Peter Williams	Non-Executive Chairman
Chen Zeng	Non-Executive Director
John G (Shad) Linley	Chief Executive Officer
Christopher Schacht	Non-Executive Director

1.2 Directors justified in making recommendations

Each of Mr Peter Williams, Mr Chen Zeng, Dr Shad Linley and Mr Christopher Schacht desires to make, and feels justified in making, a recommendation to you in relation to the Offer.

1.3 Recommendation

The Directors unanimously recommend that you REJECT the Offer in respect of all your Marathon Shares. To **REJECT** the Offer simply **DO NOTHING** and **DO NOT SELL YOUR MARATHON SHARES AT THE OFFER PRICE**.

See section 2 of this Target's Statement for the detailed reasons for this recommendation.

1.4 Directors' current intentions

Each Director currently intends to **REJECT** the Offer in respect of all Marathon Shares in which he has a relevant interest.

1.5 Personal circumstances

It is not possible for the Directors' recommendation to take into account the personal circumstances of each Marathon Shareholder, such as the size or nature of your holding, your investment strategy or your tax position. However, the Directors consider the Offer is inadequate, highly opportunistic and ignores Marathon's cash backing and prospects. You should read this Target's Statement carefully and, if in doubt as to how to act with respect to the Offer, Marathon encourages you to seek independent advice from your financial, taxation or other professional adviser.

2. WHY MARATHON DIRECTORS RECOMMEND THAT YOU REJECT THE OFFER

2.1 Introduction

The Directors consider the Offer is inadequate, highly opportunistic and ignores Marathon's cash backing and prospects.

The Directors consider the Offer to be strategically timed to take advantage of the pressure on the Marathon Share price and discount to cash at which Marathon has been trading.

2.2 The Offer is inadequate

The Offer Price is 2.5 cents per Marathon Share. Marathon currently holds cash and term deposits totalling $4,458,830 and the cash backing per Marathon Share is 4.84 cents. This means that the Offer is valuing Marathon's cash at only 52 cents in every dollar.

Furthermore, a junior resource company with cash and a spread of shareholders, such as Marathon, has the prospect of becoming a target for a back door listing of resource assets. In transactions of that kind, which are typically friendly and negotiated, a value is often placed on the listed status of the junior, to the benefit of its shareholders, at a premium to the value of its cash. That value may be significant. The Offer Price is substantially less than Marathon's cash backing per Marathon Share and therefore effectively does not reflect any value for Marathon's listed status.

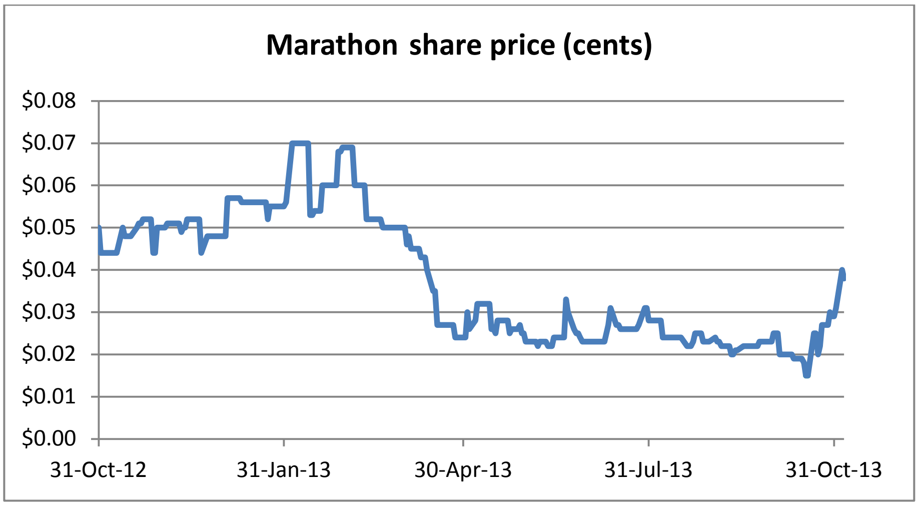
In addition, Marathon's recent investments (see paragraphs 2.4, 3.1 and 3.2 of this Target's Statement) have given it new exploration interests which the Directors consider are prospective for discoveries of mineralisation and should be recognised in the value of Marathon notwithstanding the inherent risks of exploration.

2.3 The Offer is highly opportunistic

The Directors consider that the Offer is highly opportunistic and takes advantage of Marathon's depressed share price and the fact that both of Marathon's existing projects are reaching important milestones which could be material to their value.

Marathon Share price

As can be seen by the chart below, the price of Marathon Shares hit a twelve month low for trading on ASX of 1.5 cents on 17 October 2013. This was only several days before the Bidder acquired its shareholding in Marathon.



Source: IRESS[4]

From 1 October 2013 to 17 October 2013 Marathon's Share price fell from 2.5 cents to 1.5 cents (a fall of 40%). On the day the Bidder acquired its shareholding in Marathon (21 October 2013), trading in Marathon Shares opened at 1.8 cents.

The Directors believe that the depressed Marathon Share price provided the Bidder with the opportunity to acquire a 19.98% stake in Marathon at a substantial discount to its cash backing.

In summary, the Offer is highly opportunistic and does not reflect the cash backing of your Marathon Shares.

Since the Offer was announced on 25 October 2013 Marathon Shares have consistently traded above the Offer Price of 2.5 cents per Marathon Share. The last sale price of Marathon Shares on ASX on 5 November 2013[5] was 3.8 cents. The Directors cannot guarantee that once the Offer lapses Marathon Shares will maintain current trading prices.

[4] As permitted by ASIC Class Order 07/429 IRESS has not consented to the use of this table in this Target's Statement.

[5] This was the last practical date before the date of this Target's Statement.

Existing projects

Selling your Marathon Shares now will deny you the opportunity to benefit from up-coming exploration at the Walparuta Project and the Oakvale Project should exploration be successful.

Further details on the nature and potential of these projects can be found in paragraphs 2.4, 3.1 and 3.2 of this Target's Statement.

2.4 The Offer does not reflect Marathon's prospects

Marathon has recently made two investments which it considers to be prospective (see paragraphs 3.1 and 3.2 of this Targets Statement for details). These investments involve:

- **The Walparuta Project:** The Walparuta Project comprises Exploration Licences 4520 and 5306 located 140 kilometres west of Broken Hill within the southern remnant of the Palaeoproterozoic Pb-Zn belt known as the Curnamona Province. The two tenements encapsulate almost all the Walparuta Inlier. The area is considered prospective for base and precious metals; and

- **The Oakvale Project:** The Oakvale Project comprises Exploration Licence 5202 located 45 kilometres south of Cockburn on the South Australian side of the border with New South Wales and on the northern end of the Murray Basin where previous drilling intersected unusually coarse-grained mineral sands.

As noted in Marathon's Quarterly Report released to ASX on 31 October 2013, both these projects are about to enter periods which could provide significant insight into the potential value of Marathon's investment in them.

With respect to the Walparuta Project, Marathon will commence an electromagnetic survey on or shortly after the date of this Target's Statement.

With respect to the Oakvale Project, subject to approvals, Marathon will commence a drilling program before the end of 2013.

With each project Marathon holds the exclusive right to proceed, at its cost, to the bankable feasibility study (BFS) stage or it may withdraw without penalty.

Accordingly, Shareholders who accept the Offer or sell now will lose the opportunity to participate in any upside these two projects may deliver.

Exploration is a high risk activity and the making of a commercially viable discovery is far from certain.

2.5 The Offer Price is a substantial discount to Marathon's cash backing

The Directors believe that the Offer is an attempt to gain control of Marathon's cash for significantly less than its value.

As at the close of business on 5 November 2013[6] Marathon had cash at bank (including term deposits) of $4,458,830 which represents cash backing for each Marathon Share on issue of 4.84 cents. The Offer Price of 2.5 cents per Marathon Share represents only 52% of that cash backing.

Marathon's strong net cash position provides it with sufficient capital to meet all existing commitments including its currently planned exploration expenditure.

2.6 Acceptance of the Offer will prevent you participating in any Increased Offer, Superior Offer or other initiatives currently being pursued by Marathon

Acceptance of the Offer will result in the irrevocable sale of your Marathon Shares. In respect of any Marathon Shares you sell, you will lose the opportunity to participate in any Increased Offer that may emerge. You will also not be able to participate in any Superior Offer that could arise from a third party, or realise any upside from any other initiatives Marathon may pursue in the interests of all Shareholders (see paragraph 3.3 of this Target's Statement).

[6] This was the last practical date before the date of this Target's Statement.

3. OVERVIEW OF MARATHON AND ITS POTENTIAL

When Marathon settled its litigation with the South Australian Government on 13 February 2012 over the ban on mining in Arkaroola, it became a company with the cash resources to search for attractive opportunities to regain value for Marathon Shareholders. In the 20 months which have followed, many opportunities have been presented to, evaluated and considered by Marathon.

Many opportunities have been rejected and detailed negotiation in relation to others has failed to result in final agreement. Marathon has adopted a cost effective approach to exploration by pursuing "earn in" opportunities. Adopting this approach means that when Marathon finds a tenement of interest, an initial assessment program and equity/expenditure commitments are agreed with the proprietor. If the initial assessment is unsuccessful, Marathon can exit from the arrangement without further financial obligations. However, if the initial assessment is successful, for a small outlay of exploration costs, Marathon has an established arrangement for ongoing activities.

3.1 Walparuta Project

As recently advised in its exploration update released to ASX on 30 September 2013, Marathon secured agreement with SAEX to farm-in to Exploration Licences 4520 and 5306 in the Curnamona Province in northern South Australia, known as the Walparuta Project.

These Exploration Licences occur 140 kilometres west of Broken Hill within the southern remnant of the Palaeoproterozoic Pb-Zn belt known as the Curnamona Province. The two tenements encapsulate almost all the Walparuta Inlier. The area is considered prospective for base and precious metals.

The tenements are held by SAEX. Marathon has secured the exclusive right to conduct exploration at its cost and Marathon retains the right to cease exploration without further commitment if it decides that the Walparuta Project does not meet commercial criteria. Under the terms of the agreement, Marathon will pay all exploration and development costs up to and including a BFS when it can acquire, at its option, a 75% interest in the tenements. SAEX will be free-carried to the BFS stage and will receive a $50,000 payment. SAEX will then hold a 25% participating interest in the tenements.

Despite some exploration over the past four decades, the Walparuta Inlier is considered to be significantly under-explored. Most detailed exploration had focussed on the Walparuta deposit located on the south-eastern margin of EL 4520. However, Marathon's main areas of interest are in the northern portions of the tenements on two prospects known as Copper Ridge and Creagh Dhubh.

Copper Ridge

Previous explorers have located a coincidental geochemical and a magnetic anomaly. The largest Cu-Au geochemical anomaly covers an area of 500 x 500 metres. The largest magnetic anomaly is a semi-circular feature with similar dimensions to the geochemical anomaly. Previous mapping has identified haematite (IOCG) type alteration over the area. The target area is located in proximity to the major Walter

Outalpa Shear Zone. This prospect has never been drilled and represents a highly prospective Cu-Au target.

Marathon has committed to an airborne electromagnetic survey that will cover the Copper Ridge prospect and the majority of the strike length of the Walter Outalpa Shear Zone. Follow-up drilling will be dependent on the results of the electromagnetic survey.

Creagh Dhubh

Mapping by government geologists and a previous tenement holder has delineated a highly prospective sequence of iron formation facies and meta-exhalite rock types, indicative of stratiform Broken Hill Type (BHT) style mineralisation. The Creagh Dhubh prospect outcrops on a hilly ridge over a strike length of 350 metres. However, the sequence of rocks can be intermittently traced to the northeast for three kilometres. In 1982, Esso drilled one hole west of the Creagh Dhubh outcrop but the placement of the drill hole was such that it did not intersect any possible extension of the prospect.

The outcropping Creagh Dhubh prospect and potential north-eastern extension have never been drilled. This sequence of rocks is considered highly prospective for BHT Pb-Zn-Ag mineralisation. Marathon has committed to an airborne electromagnetic survey over the entire potential strike extension of the Creagh Dhubh sequence of rocks. Follow-up drilling will be dependent on the results of the electromagnetic survey.

As of 30 October 2013, the HoistEM apparatus had been assembled on site. The survey will be undertaken as soon as the helicopter arrives.

The collective cost of the electromagnetic survey for both the Copper Ridge and Creagh Dhubh prospects totals $50,000.

3.2 Oakvale Project

The Oakvale Project involves Exploration Licence 5202 which is located approximately 45 kilometres south of Cockburn on the South Australian side of the border with New South Wales and on the northern end of the Murray Basin.

Previous drilling intersected unusually coarse-grained mineral sands. Magnetic, Digital Terrain Modelling and Radiometric data is available and has delineated a number of prospective strand lines.

There are 4 tenements, including the Oakvale Project, and one tenement application dealt with in the Heads of Agreement under which Marathon has an option to acquire ADW. Marathon may exercise its option to acquire ADW at any time up to 30 June 2017 (or a later agreed date), subject to Marathon having completed a BFS on the commercial development of mineralisation on any one of the target areas. Marathon has an exclusive right to explore and evaluate all 4 tenements (including the Oakvale Project) and once granted the tenement the subject of the tenement application pending exercise of the option to acquire ADW.

Marathon may withdraw from the Oakvale Project or any other project contemplated by the Heads of Agreement at any time. If Marathon exercises the option it is required by the Heads of Agreement to position the relevant projects in an entity listed on ASX or which is listed on ASX within 120 days of the exercise of the option, with the vendor of ADW to receive a 22% post listing shareholding in either that entity or its ultimate holding company (at Marathon's discretion). The vendor of ADW will also retain a gross overriding royalty on any minerals produced from the ADW tenements.

On 15 September 2013, Marathon undertook a Work Area Clearance survey with the Wilyakali People's traditional owner representatives and their anthropologist. As a consequence of that field inspection a proposed air core drilling program along existing tracks has been cleared by the Wilyakali Native Title claimants. A 30 hole drilling program (615 metres) will take place as soon as all remaining statutory approvals are granted.

Total drilling costs are estimated to be $20,000.

3.3 Other initiatives

In addition to the transactions referred to in sections 3.1 and 3.2 of this Target's Statement, Marathon continues to review and consider further investment and corporate opportunities. As part of this process Marathon has considered backdoor listings of various resources projects, investments in existing projects and merger or business combinations with other ASX listed entities. As at 5 November 2013[7], Marathon has yet to conclude successfully its investigation of any of these other opportunities.

However, Marathon is well advanced with one project which could have a substantial impact on Marathon's business and future prospects. This opportunity (**Proposal**) is still under negotiation, with draft documentation currently under consideration. The specific details of the Proposal are confidential while negotiations proceed and must remain so in order to protect the opportunity for Marathon to conclude the Proposal. Should those negotiations come to fruition, it is likely Marathon Shareholder approval would be required to allow the Proposal to proceed.

The successful completion of the Proposal, while dilutive to existing Marathon Shareholders, could, in the Directors' opinion, deliver a significant increase in value for existing Marathon Shareholders and return Marathon to being near to commencement of project development. There is no certainty that negotiations in relation to the Proposal will lead to agreement being reached or, if agreement is reached, that the necessary approvals and third party commitments that may be required to complete the Proposal would be obtained.

Separately, Marathon has also received correspondence from an ASX listed company advising that this company was considering a combined cash and scrip offer to acquire all Marathon Shares as part of an aggregation strategy in the small cap uranium sector. This entity has indicated that it would like to use an existing listed uranium company such as Marathon (which would continue as an ASX listed company) as the lead vehicle for this strategy. Subsequent correspondence advised that this company was still considering making an offer for all Marathon Shares. No further details have been provided to enable Marathon to enter into discussions or negotiations with this company.

[7] This was the last practical date before the date of this Target's Statement.

4. YOUR CHOICES AS A MARATHON SHAREHOLDER

4.1 Introduction

Marathon Directors believe that there is only one appropriate response to the Bidder's inadequate and highly opportunistic Offer. That is to **REJECT** it by doing nothing and **NOT SELLING** any of your Marathon Shares at the Offer Price.

If, in spite of the arguments advanced, and recommendation made, in this Target's Statement, you decide that you now want to realise your investment in your Marathon Shares there are two ways for you to do that on ASX. You can either accept the Offer or sell your Marathon Shares to other purchasers on the market.

4.2 Acceptance of the Offer

The instructions for acceptance of the Offer are set out in the Bidder's Statement.

If you do accept the Offer, you will receive the Offer Price of 2.5 cents for each Marathon Share for which you accept the Offer in cash on a T+3 basis (as with any transaction on the market). Brokerage and any other transaction costs will be at your cost.

You should, however, if you wish to accept the Offer, consider the timing of the acceptance in light of the following factors:

(a) a Superior Offer may emerge which you would be precluded from accepting in respect of those of your Marathon Shares for which you have already accepted the Offer; and

(b) an Increased Offer may emerge but you will not receive the higher Offer Price in respect of those of your Marathon Shares for which you have already accepted the Offer.

The Directors are not aware of a proposal by any other party to make a higher offer. See however the matters discussed in paragraph 3.3 of this Target's Statement.

If you do accept the Offer there may be taxation implications for you and you should contact your tax adviser to determine the tax implications of accepting the Offer.

4.3 Selling your Marathon Shares on the market to another purchaser

You may elect to sell all or some of your Marathon Shares on the market to a purchaser other than the Bidder through ASX for cash, provided you have not already accepted the Offer for those Marathon Shares.

During the ASX trading days since the Announcement, up to and including 5 November 2013[8], Marathon Shares have traded at between 2.7 cents and 4.1 cents representing a premium to the Offer Price of between 8% and 64%. Your ability to sell all or some of your Marathon Shares on the market to a purchaser other than the Bidder through the ASX will depend on the demand, if any, for Marathon Shares at a price in excess of the Offer Price.

[8] This was the last practical date before the date of this Target's Statement.

If you sell your Marathon Shares on the market:

- you will receive a cash amount according to the prevailing market price of Marathon Shares, less any brokerage or other transaction costs payable;
- you will, in respect of the Marathon Shares you sell, preclude yourself from the opportunity of benefiting from:
    - any Superior Offer or Increased Offer that might emerge;
    - any increase in the value of Marathon Shares that could arise from Marathon's on-going exploration efforts or from the Proposal (should it eventuate) or another business opportunity; and/or
    - any other initiative that Marathon may pursue in the interests of all Shareholders; and
- there may be taxation implications for you.

If you are considering taking this alternative you should contact your stock broker for information on how to sell your Marathon Shares through ASX and your tax adviser to determine the tax implications from such a sale.

4.4 Choices in respect of Marathon Options

The Offer does extend to any Marathon Shares issued on the exercise of Marathon Options. As the Offer Price is in all cases much less than the exercise price of the Marathon Options on issue it does not make financial sense for the holder of a Marathon Option to exercise it in order to accept the Offer and receive a payment which is substantially less than what would be paid to exercise the Marathon Option.

The Bidder can, under the Corporations Act, compulsorily acquire Marathon Options but only in limited circumstances, including if the Bidder has at least 90% of the voting power of Marathon and it, either alone or with a related body corporate, holds full beneficial interests in at least 90% (by value) of all the securities in Marathon that are either Marathon Shares or securities convertible into Marathon Shares (i.e. Marathon Options).

The Corporations Act also gives holders of Marathon Options a right to be bought out if the Bidder, either alone or with a related body corporate, becomes the holder of 90% of the Marathon Shares.

In the passage headed "What is the effect of the Offer on Marathon Options" on page 7 of the Bidder's Statement the Bidder says "No separate takeover offer is being made for Marathon Options". In paragraph 5.2 of the Bidder's Statement the Bidder states that "If it is required to do so under Section … 663A of the Corporations Act, Bentley [sic the Bidder] will give notice to … holders of Marathon Options offering to acquire their … Marathon Options in accordance with Section… 663B of the Corporations Act".

The Directors recommend that you do nothing in respect of your Marathon Options because of the Offer.

5. RISKS OF ACCEPTING OFFER

If, contrary to the Directors' recommendation that you **do nothing** in response to the inadequate and highly opportunistic Offer, you choose to accept the Offer, you will immediately have become bound to sell your Marathon Shares for 2.5 cents each and will be paid for them on a T+3 basis. Brokerage and any other transaction costs will be at your cost.

Once your Marathon Shares are sold on the market you will be unable to withdraw from the sale of your Marathon Shares and will be locked out of the opportunity to benefit from:

- any further increase in the Marathon Share price;
- any Increased Offer;
- any Superior Offer;
- any success Marathon has with its exploration activities;
- the Proposal, should negotiations come to fruition and the Proposal be successfully implemented (or another opportunity that may come to Marathon that is value accretive to Marathon Shareholders occurs); and/or
- any other initiative that Marathon may pursue in the interests of all Shareholders.

If you intend to accept the Offer, contrary to the Marathon Directors' recommendation, you should read this Target's Statement carefully and if in doubt as to how to act, you should consult your financial or other professional adviser immediately.

6. RISKS ASSOCIATED WITH HOLDING MARATHON SHARES

As a Marathon Shareholder you are exposed to a wide range of business risks through your existing holding of Marathon Shares. Many of these risks are inherent in investing in shares generally and others stem from investing in a minerals exploration business like that of Marathon.

Marathon's management has identified the key risks currently facing Marathon which Marathon's management monitors and endeavours to manage. Please note that the following is not an exhaustive list or explanation of the risk factors to which Marathon and its Shareholders are exposed.

Additionally the Directors give no assurances or guarantees that the risks set out in this section 6 will not change. There may be other material risks of remaining a Marathon Shareholder which are not disclosed in this section 6 because they were not known by the Directors or were not considered to be material at the date of this Target's Statement.

The risk profile of an exploration company like Marathon should be taken into account when considering the Offer and, in particular whether to remain a Marathon Shareholder as the Directors recommend; however, such risks may have been known to you, or taken into account by you, when you decided to invest in Marathon or have from time to time considered whether to, and have decided to, remain a Marathon Shareholder. In the Directors' view, risks of the kind usually associated with exploration companies are more to be regarded as reflecting opportunities for reward than risks to be avoided.

Notwithstanding the risks associated with holding your Marathon Shares, there is nothing in the Bidder's Statement or otherwise that justifies, in the opinion of the Directors, Marathon Shareholders accepting the Bidder's inadequate and highly opportunistic Offer.

6.1 Risks regarding the Proposal

As detailed in paragraph 3.3 of this Target's Statement there is considerable risk that the Proposal will not be successfully negotiated or it will not be capable of implementation or, if implemented it will not be value accretive to Marathon Shareholders.

There is also the risk, if the Proposal does not come to fruition, that despite Marathon's best efforts, another value accretive corporate transaction will not emerge.

6.2 Mineral industry risks

(a) Licences and title

Interests in mining and exploration tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Continuing title to a lease or licence is conditional on the holder meeting the requirements under which the title is granted and failure to meet those requirements places the holder's on-going rights to that title, and therefore the tenement, at risk.

Marathon does not currently hold any mining or exploration tenements, however, the titles held by ADW and by SAEX which are relevant to the Oakvale Project and the Walparuta Project respectively and any future lease or licence held by Marathon, or in which Marathon has an interest, could be lost if the lease or licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Delay in the renewal of a lease or licence could impact the on-going conduct of exploration.

In the case of some States renewal of leases and licences is a matter for the discretion of the relevant Minister of that State.

(b) Exploration

Marathon's business is currently mineral exploration. Mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Oakvale and Walparuta Projects, or any other project in which Marathon may become interested in the future, will result in the discovery of an economic mineral deposit.

If Marathon makes a discovery, there can be no assurance that the technical, financial, statutory and regulatory hurdles can be cleared and profitable, commercial production achieved.

Delays may be experienced in the commencement or conduct of exploration due to factors beyond Marathon's control, including lack of available drilling equipment or skilled personnel.

(c) Requirement for Access Agreements

Delays can be encountered in obtaining access to land for the conduct of exploration due to the need to obtain the consent of the relevant landholder and typically compensation is paid. In some instances proceedings need to be commenced in order to determine access disputes. There are currently no access issues in respect of the Oakvale and Walparuta Projects.

(d) Native Title

It is possible that Marathon has an interest, or will in the future acquire an interest, in areas over which legitimate common law Native Title rights of Aboriginal Australians exist. If Native Title rights do exist, the ability of Marathon to gain access to land for exploration (through obtaining consent of any relevant Native Title holder or claimant), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The land the subject matter of the exploration tenements held by ADW and SAEX (see paragraphs 3.1 and 3.2 of this Target's Statement) is subject to Native Title claims. An agreement for access with the Native Title claimants of the land relevant to the Oakvale Project is in the course of negotiation. There is no agreement with the Native

Title claimants to the land relevant to the Walparuta Project nor are there current negotiations for such an agreement. To date the work undertaken in relation to this project has not involved ground work so no such agreement is presently required. An agreement with Native Title claimants will be required in respect of the Walparuta Project land in due course.

(e) Operating risks

Marathon's future operations may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve extraction of predicted grades in mining, operational and technical difficulties encountered in exploration or mining including those leading to an inability to mine, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs or the extractability of metals or mineral sands, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, or increases in the costs of, consumables, spare parts, plant and equipment.

(f) Resource estimates

Should Marathon be successful in exploration, it will be required to make and report resource estimates. Resource estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should Marathon encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect Marathon's operations at the time.

(g) Commodity price volatility and exchange rate risk

If Marathon achieves exploration success leading to mining and production, the revenue it will derive through the sale of commodities will be exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of Marathon. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of many commodities are denominated in United States dollars, while the income and expenditure of Marathon are taken into account in Australian currency, potentially exposing Marathon to fluctuations in the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) Environmental risks

Exploration and mining activities are subject to both Australian Federal and State laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly if advanced exploration or mine development proceeds.

It is Marathon's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and mining activities, Marathon's operations are expected to have an impact on the environment, particularly if mine development proceeds. There are also risks inherent in exploration and mining activities including accidental leakages, spills, or other unforeseen circumstances that could subject Marathon to extensive liability.

Marathon may inherit environmental issues requiring remediation from previous exploration in areas it decides to explore, including in areas owned by ADW should Marathon elect to acquire it and in areas the subject matter of the letter of intent with SAEX should Marathon decide to acquire a 75% interest in them. Such environmental issues, if they are found to exist may also influence Marathon's decision whether to acquire ADW or a 75% interest in any of the areas the subject matter of that letter of intent with SAEX.

Furthermore, Marathon may require approval from relevant authorities before undertaking activities that are likely to impact on the environment. If Marathon were to fail to obtain such approvals it would be prevented from undertaking those activities.

Marathon cannot predict what future legislation and regulations may govern exploration or mining, and may impose significant environmental obligations on Marathon.

6.3 Economic risks

General economic conditions and movement of interest, inflation and currency exchange rates may have an adverse effect on Marathon's current or future exploration and future development and production activities and on its ability to fund those activities. If activities cannot be funded there is a risk that exploration or mining tenements may have to be surrendered or not renewed.

6.4 Market conditions

The market price of Marathon Shares will fluctuate and may be subject to varied and unpredictable influences on the market for equities in general, and resource exploration stocks in particular. Neither Marathon nor the Directors warrant the future performance of Marathon, Marathon Shares or any return on an investment in Marathon Shares.

Furthermore, share market conditions may affect the value of the Marathon Shares regardless of Marathon's operating performance.

Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and

- terrorism or other hostilities.

6.5 Requirements for capital

Marathon's capital requirements depend on numerous factors including its ability to generate income from its operations and possible acquisitions or other corporate opportunities. Marathon will most likely require further financing in addition to its present cash and cash equivalents totalling $4,458,830 at some time in the future. However, Marathon's strong net cash position provides it with sufficient capital to meet all existing commitments including its currently planned exploration expenditure.

Capital raised by future equity financing will dilute shareholdings, and debt financing may involve restrictions on financing and operating activities. If Marathon is unable to obtain additional financing as needed, it may have to reduce the scope of its operations or scale back its exploration or other programs.

6.6 Key management

The Directors are responsible for overseeing the operations and the strategic management of Marathon. Responsibility for the day-to-day operations of Marathon rests with the Chief Executive Officer and specialist consultants (including the Chairman) engaged on an as needed basis. There can be no assurance that there will be no detrimental impact on Marathon if one or more of the Directors no longer act as a Director of Marathon or the Chief Executive Officer resigns or is removed from that office or if the employment outlook for geologists and other mining industry specialists is tight for any reason and Marathon needs to employ such people for its on-going operations at any time.

6.7 Speculative investment

The above list of risk factors is not exhaustive of the risks faced by Marathon or by holders of Marathon Shares. The above factors, and others which may be unknown or not regarded as significant at this time, may in the future materially affect the performance of Marathon and the value of Marathon Shares. Therefore, Marathon Shares which Marathon Shareholders elect to own carry no guarantee with respect to the payment of dividends, returns of capital or their market value.

Continuing to own Marathon Shares remains speculative.

6.8 General risk factors

In addition to the specific business risks above, there are a number of general risks associated with holding Marathon Shares including, but not limited to, the following risks which may impact the operations or financial performance of Marathon, the market for its products or the price of Marathon Shares:

(a) changes to government, legislation, regulations and policy (including taxation laws and policies, accounting laws, policies and standards and practices, fiscal, monetary and regulatory policies and changes in government "climate-change" policy);

(b) the condition of the Australian and overseas economies (including the aggregate investment being undertaken and economic output occurring in those economies, inflation and interest rates and the prices of products which are inputs used in the operations of Marathon);

(c) investor sentiment, local and international stock market conditions, adverse industry publicity and recommendations by brokers and analysts; and

(d) global geo-political events, hostilities and acts of terrorism.

7. ADDITIONAL INFORMATION

7.1 Recommendation of the Directors

The Marathon Directors at the date of this Target's Statement are Mr Peter Williams (Non-Executive Chairman), Mr Chen Zeng (Non-Executive Director), Dr John G (Shad) Linley (Director and Chief Executive Office) and Mr Christopher Schacht (Non-Executive Director)

See sections 1 and 2 of this Target's Statement for information concerning the desire of each Marathon Director to make, and that Director's view as to being justified in making, a recommendation and the recommendations of the Directors.

7.2 Directors' Relevant Interests in Marathon

The only marketable securities that Marathon has on issue are Marathon Shares and Marathon Options. The description and amount of marketable securities of Marathon each Director controls are:

Name of Director	**Number of Marathon Shares**	**Number and Details of Marathon Options**	
		Number	*Expiry date and exercise price*
Mr Peter Williams	899,360	250,000	Expiring 28 December 2014 and exercisable at \$1.077
		750,000	Expiring 1 November 2014 and exercisable at \$1.227
		750,000	Expiring 1 November 2015 and exercisable at \$1.727
Mr Chen Zeng	Nil	250,000	Expiring 28 December 2014 and exercisable at \$1.077
Dr John G (Shad) Linley	375,000	250,000	Expiring 28 December 2014 and exercisable at \$1.077
Mr Christopher Schacht	61,050	250,000	Expiring 28 December 2014 and exercisable at \$1.077

7.3 Intentions of Marathon Directors

Each Marathon Director intends to reject the Offer in respect of the Marathon Shares in which they respectively have a relevant interest by doing nothing in respect of the Offer.

7.4 Authorisation of Target's Statement

No Marathon Director voted against the resolution authorising this Target's Statement.

7.5 Directors' Relevant Interests in the Bidder

No Marathon Director is entitled to any marketable securities of the Bidder.

7.6 Directors' dealings in Bidder's marketable securities

There have been no acquisitions or disposals of marketable securities in the Bidder by Marathon or, to the knowledge of Marathon or any Director, by any Director, in the period of four months immediately preceding the date of this Target's Statement.

7.7 Directors' dealings in Marathon Shares and Marathon Options

To the knowledge of any Director, no Marathon Shares or Marathon Options were acquired or disposed of (other than by expiry of Marathon Options) by a Director, within the period of four months immediately preceding the date of this Target's Statement.

7.8 Payments and benefits

As a result of the Offer, no benefit (other than a benefit permitted by Section 200F or 200G of the Corporations Act) has been or will be given to a person:

(a) in connection with that person's retirement from a board or managerial office in Marathon or a related body corporate of Marathon; or

(b) who holds, or has held a board or managerial office in Marathon or a related body corporate, or a spouse, relative or associate of such a person, or a relative of the spouse of such a person, or the spouse of an associate of such a person, in connection with the transfer of the whole or any part of the undertaking or property of Marathon.

7.9 No agreement with any Marathon Director

There is no agreement made between any Director and any other person in connection with, or conditional on the outcome of, the Offer.

7.10 Changes in financial position

So far as known to any Director, the financial position of Marathon has not materially changed since 30 June 2013 (the date of Marathon's last audited financial statements) and 5 November 2013[9], except as disclosed in:

(a) Marathon's 2013 Annual Report (dated 25 September 2013);

(b) this Target's Statement; and

---

[9] This was the last practical date before the date of this Target's Statement

(c) Marathon's Quarterly Activities Report and Quarterly Cash Flow Report to Marathon Shareholders in respect of the calendar quarter ended on 30 September 2013, lodged with ASX on 31 October 2013,

and except for:

(d) any change in the financial position of Marathon solely as a result of fluctuations in commodity prices, exchange rates, interest rates and inflation rates since 30 June 2013; and

(e) expenditures by Marathon of available cash in the ordinary course of business.

7.11 Other information

This Target's Statement is required to include all the information that Marathon Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any of the Marathon Directors.

The Marathon Directors are of the opinion that the information that Marathon Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- the information contained in the Bidder's Statement dated 25 October 2013;
- the information contained in this Target's Statement;
- Marathon's 2013 Annual Report; and
- the information contained in Marathon's releases to ASX prior to the date of this Target's Statement, and news releases and announcements made by the Bidder on and since 25 October 2013.

7.12 ASIC modifications

Marathon has not sought any modifications to, or exceptions from, the Corporations Act by ASIC in respect of the Offer or this Target's Statement.

7.13 Consents

Watsons Lawyers has given and not withdrawn its consent before the date of this Target's Statement to being named in this Target's Statement as legal adviser to Marathon. Watsons Lawyers does not make or purport to make any statement that is included in this Target's Statement and there is no statement in this Target's Statement which is based on any statement of Watsons Lawyers. Watsons Lawyers specifically disclaims responsibility for any statement included in this Target's Statement.

TC Corporate Pty Limited has given and not withdrawn its consent before the date of this Target's Statement to being named in this Target's Statement as financial adviser to Marathon. TC Corporate does not make or purport to make any statement that is included in this Target's Statement and there is no statement in this Target's Statement which is based on any statement of TC Corporate. TC Corporate specifically disclaims responsibility for any statement included in this Target's Statement.

This Target's Statement contains statements which are made by, or statements said to be based on statements made by, the Directors. Each of the Directors has consented to the inclusion of each statement they have made in the form and context in which the statement appears and has not withdrawn that consent as at the date of this Target's Statement.

As permitted by ASIC Class Order 01/1543, this Target's Statement contains statements which are made, or based on statements made, in the Bidder's Statement by the Bidder. Pursuant to the Class Order, the consent of the Bidder is not required for the inclusion of such statements in this Target's Statement.

As permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

(a) fairly representing a statement by an official person; or

(b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains share price trading data sourced from the ASX and IRESS without their respective consents.

7.14 Publicly available information

This Target's Statement contains statements which are made in or based on statements made in documents lodged by various parties, including the Bidder and Marathon, with ASIC or given to ASX.

As required by ASIC Class Order CO 01/1543, Marathon will make available a copy of these documents (or relevant extracts from these documents), free of charge, to Marathon Shareholders who request it during the Offer Period.

To obtain a copy of these documents please call Marathon on +61 8 8348 3550 during business hours.

8. GLOSSARY

8.1 Defined terms

In this Target's Statement, the following words have these meanings unless the contrary intention appears:

ADW means Australian Desalinated Water Pty Limited (ACN 008 064 211).

Announcement means the announcement issued by the Bidder on 25 October 2013 regarding the market bid for Marathon Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means the stock market conducted by ASX Limited (ACN 008 624 691).

BFS means bankable feasibility study.

Bidder means Bentley Capital Limited (ACN 008 531 218).

Bidder's Statement means the Bidder's Statement dated 25 October 2013.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of Marathon and **Directors** means all or some of the directors of Marathon.

Increased Offer means any higher offer made by the Bidder before the end of the Offer Period.

IRESS means IRESS Limited (ACN 060 313 359).

Marathon means Marathon Resources Limited (ACN 107 531 822).

Marathon Option means an option to subscribe for a Marathon Share.

Marathon Share means one fully paid ordinary share in the issued capital of Marathon and **Marathon Shares** means all or some of the fully paid ordinary shares in the capital of Marathon.

Marathon Shareholder and **Shareholder** mean the holder of Marathon Shares.

Oakvale Project means the project in which Marathon has made an investment which is described in section 3.2 of this Target's Statement.

Offer means the Bidder's on-market offer to acquire all the Marathon Shares that exist or will exist at any time during the Offer Period (including as the result of the exercise of any Marathon Options), but excluding all Marathon Shares held by the Bidder.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the terms of the Offer, which is 11 November 2013 to 11 December 2013, unless extended or withdrawn in accordance with the Corporations Act.

Offer Price means 2.5 cents per Marathon Share.

Proposal means the proposal referred to in paragraph 3.3 of this Target's Statement.

related body corporate has the meaning given in Section 9 of the Corporations Act.

Relevant Interest means an interest in holding, or controlling, a security as defined in the Corporations Act.

SAEX means SAEX Pty Limited (ACN 154 922 728).

Superior Offer means an Offer made by a third party which is superior to the Offer made by the Bidder.

Target's Statement means this Target's Statement dated 6 November 2013 given by Marathon in response to the Bidder's Statement.

Walparuta Project means the project in which Marathon has made an investment which is described in section 3.1 of this Target's Statement.

8.2 Interpretation

The following rules of interpretation apply unless specified otherwise or unless the context requires otherwise:

(a) all words and phrases in this Target's Statement shall have the meanings given to them (if any) in the Corporations Act;

(b) a gender includes all genders and wording denoting the singular includes the plural and vice versa;

(c) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;

(d) the table of contents and headings are used for convenience only and do not affect interpretation;

(e) a reference to any instrument (such as an agreement, announcement or statement) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented from time to time;

(f) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning and "including" and similar expressions are not and must not be treated as words of limitation;

(g) **$** is a reference to the lawful currency of Australia; and

(h) all references to time in this Target's Statement are to Eastern Daylight Saving Time (EDST).

9. PRIVACY

Marathon has collected your information from the Marathon Register of Security Holders for the purpose of providing you with this Target's Statement. The type of information Marathon has collected about you includes your name, contact details and information on your security holding in Marathon. Without this information Marathon would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of security holders to be held in a public register. Your information may be disclosed on a confidential basis to Marathon's related bodies corporate and external service providers (such as the share registry of Marathon and print and mail service providers) and may be required to be disclosed to regulators and to the Bidder. If you would like the details of the information held by Marathon about you, please contact Computershare Investor Services Pty Limited at Level 5, 115 Grenfell Street, Adelaide, South Australia or phone +61 8 8236 2300.

10. APPROVAL

Signed for and on behalf of Marathon Resources Limited by Peter Williams being a Director authorised to sign this Target's Statement pursuant to a resolution passed by the Marathon Directors.

DATED: 6 November 2013

Peter Williams
Chairman
Marathon Resources Limited