



Management's Discussion and Analysis of Operations and Financial Condition

Marathon Gold Corporation ("we", "us", "the Company", or "Marathon") presents below management's review of the Company's results of operations and financial condition for the three and nine months ended September 30, 2014.

The MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 and 2013, including the notes thereto. This MD&A is presented as of November 11, 2014. All figures presented in this MD&A are expressed in Canadian dollars, unless specified otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A other than statements of historical fact are forward-looking statements based on certain assumptions and reflect the current expectations of Marathon's management. These statements include without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for economic and capital markets conditions for the current and subsequent fiscal years.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "considers", "intends", "targets", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". We provide forward-looking statements for the purpose of conveying information about our current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

Other than as specifically required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise.

NOTE TO U.S. INVESTORS

All references to mineral reserves and resources contained in this MD&A are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”) of the Canadian Securities Administrators (“CSA”) and Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards. While the terms “mineral resource,” “measured mineral resource,” “indicated mineral resource,” and “inferred mineral resource” are recognized and required by Canadian regulations, they are not defined terms under the Securities and Exchange Commission (“SEC”) standards in the United States (“U.S.”). As such, information contained in this MD&A concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. “Indicated mineral resource” and “inferred mineral resource” have a significant amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves.

1) STRATEGY

Marathon’s principal business is the acquisition, exploration and development of natural resource properties located in North America. At the date of this MD&A, Marathon owns interests in the following resource properties:

Newfoundland

- The 100%-owned Valentine Lake gold property in west central Newfoundland, Marathon’s flagship property and the focus of the majority of its current exploration efforts. The Valentine Lake property hosts two mineral resources, the Leprechaun Gold Deposit and the Victory Gold Deposit, and several mineralized zones which have not been advanced to the point of hosting mineral resources, including the J. Frank, Sprite, Rainbow, Narrows, Triangle, and Marathon zones.
- The 100%-owned Baie Verte gold property in western Newfoundland, an early-stage exploration property acquired by staking in 2008.

Idaho, United States

- The Golden Chest gold property, a historic former mine consisting of patented and unpatented mining claims covering a total of 515 hectares located near Murray, Idaho. Golden Chest is owned by Golden Chest LLC (“GCLLC”), an entity in which Marathon holds a 52.22% interest with New Jersey Mining Company (“NJMC”), the operator of the project, holding the remaining 47.78%.

Oregon, United States

- The Bonanza Mine, a historic former mine located in northeastern Oregon. Marathon owns a 100% interest in the property, which was acquired in 2011 and subsequently expanded by staking.

British Columbia

- The Gold Reef property, an exploration property located near Stewart, BC with existing underground workings and drill holes.

2) OVERVIEW

At September 30, 2014, Marathon had \$4.1 million in cash and working capital. During the period ended September 30, 2014, Marathon completed five private placements of common shares, units and flow through shares which generated aggregate gross proceeds of \$6,542,132. The proceeds of these financings and Marathon's existing cash reserves were used to fund a drilling program in the winter of 2014, which was completed in March 2014; a successful program of focused trenching and prospecting in the Rainbow, Sprite and Marathon Areas following up on magnetic lows interpreted as splays off the Valentine Lake Thrust Fault; and a renewed drilling program focused on the existing Rainbow and Sprite Zones and the highest priority targets in the newly discovered Marathon Area. At the date of this MD&A, Marathon's drilling program at Valentine Lake continues to focus on targets in the Marathon Area identified by prospecting in 2014 and subsequent channel sampling in early 2015.

3) SUMMARY OF MINERAL RESOURCES

The tables below set out the current mineral resources for the Leprechaun Gold Deposit, the Victory Gold Deposit and the Golden Chest Mine.

Leprechaun Gold Deposit (excerpted from press release dated August 1, 2013)									
Category	Open Pit (0.50 g Au/t cut-off)			Underground (1.5 g Au/t cut-off)			Total		
	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	3,523	2.18	247,000	108	4.83	17,000	3,631	2.26	264,000
Indicated	6,192	2.07	412,000	764	4.05	100,000	6,956	2.29	512,000
Total M&I	9,715	2.11	658,000	872	4.17	117,000	10,587	2.28	775,000
Inferred	1,206	1.82	71,000	349	6.13	69,000	1,555	2.79	140,000
Victory Gold Deposit (excerpted from press release dated August 1, 2013)									
Indicated	761	1.67	41,000	-	-	-	761	1.67	41,000
Inferred	199	1.47	9,000	-	-	-	199	1.47	9,000
Notes:									
1. CIM Definition Standards were followed for mineral resources.									
2. The Qualified Person for the Leprechaun Mineral Resource estimate is Wayne Valliant, B.Sc., P.Geo									
3. Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t Au. Pit optimizations were used to constrain the resources.									
4. Underground Mineral Resources are estimated at a cut-off grade of 2.0 g/t Au, outside the open pit constraint and using high grade wireframe vein models									
5. Mineral resources are estimated using an average long-term forecast, gold price of US\$1,350 per ounce and an exchange rate of US\$:C\$ of 1:1.									
6. Totals may not add correctly due to rounding.									

Golden Chest Mine: 52.22% Portion Attributable to Marathon (excerpted from press release dated January 17, 2013)									
Category	Open Pit (0.3 Au g/t cutoff)			Underground (2.0 Au g/t cutoff)			Total		
	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	688	1.47	32,376	-	-	-	688	1.47	32,376
Indicated	1,595	1.64	84,074	103	3.11	10,235	1,698	1.73	96,007
Total M&I	2,283	1.59	116,450	103	3.11	10,235	2,386	1.65	126,685
Inferred	1,237	1.33	52,742	386	3.48	43,082	1,623	1.83	95,824

Notes:

1. The mineral resource estimate reported at 0.3 g/t gold cut-off grade for a potential Open Pit is based on a number of parameters and assumptions including a gold price of US\$1,455 per troy ounce, 92% metallurgical gold recovery, mining costs of US\$2.00/tonne and process costs of US\$9.50/tonne, General & Administrative costs of US\$2.00/tonne and environmental rehabilitation costs of US\$0.20 per tonne treated.
2. The 2.0 g/t gold cut-off grade for a potential Underground mine was suggested by Marathon Gold Corporation and New Jersey Mining Corporation based on their experience. The mineral resource estimate is reported at that cut-off grade.
3. The quantity and grade of reported Inferred mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define the Inferred mineral Resources as Indicated or Measured mineral Resources. It is uncertain if further exploration will result in upgrading them to Indicated or Measured mineral Resource categories.
4. The mineral Resources in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council. The effective date of this mineral Resource Estimate is January 16, 2013.

4) EXPLORATION ACTIVITY IN THE PERIOD

a) Valentine Lake

In February 2014 Marathon received the results of a structural geology study completed by SRK Consulting, focused on gaining an understanding of the structural controls of gold mineralization on those sections of the Valentine Lake property currently subject to exploration. SRK integrated the results of historical drilling and surface work at Valentine Lake, including the surface work undertaken in the third and fourth quarters of 2013, with the results of an airborne electromagnetic survey undertaken on the property by a previous operator. This work identified a number of high priority targets located in magnetic lows on the property which SRK interpreted as splays off the Valentine Lake Thrust Fault, a structural control for gold mineralization on the property. A number of these magnetic lows are spatially related to the Leprechaun Gold Deposit, the Victory Gold Deposit and to targets developed in the Victory, Marathon and Sprite areas through prospecting and trenching in 2013.

Marathon commenced work on a winter drilling program focused on the Victory and Sprite areas in early January, with an initial objective of completing approximately 2,000 meters of shallow drilling in these areas. The program was expanded from its original scope as a result of favorable exploration results and when completed comprised a total of 39 holes covering 4,285 meters of drilling.

Drilling at the Victory Zone was focused on expanding the existing mineral resource and testing mineralization along strike to the northeast of the existing resource boundary and consisted of 10 holes covering 1,120 meters. Marathon encountered near surface gold intercepts with grades as high as 3.44 g/t Au over 6.75 meters including 19.16 g/t Au over 1.13 meters in VGD-14-029, 2.21 g/t Au over 7.88 meters including 5.19 g/t Au over 1.13 meters in VGD-14-029 and 3.59 g/t Au over 5.25 meters including 14.53 g/t Au over 0.75 meters (true thickness) in VGD-14-028. These results are seen as favorable.

At Sprite, drilling focused on testing targets identified in the 2013 prospecting program, which defined a mineralized alteration halo 1km in length and 200 meters wide. Drilling in the 28 holes completed in the Sprite Area covered approximately 700 meters of strike length and encountered numerous wide-interval, near-surface gold intercepts with good grades. These results are favorable to the potential development of an initial resource at Sprite, but more exploration work will be needed to determine the extent and continuity of mineralization in this area prior to completing an initial resource.

In late May, Marathon shifted the focus of surface work at Valentine Lake to concentrate on trenching, focused on magnetic low regions in two areas of the property without a mineral resource:

- The Sprite Zone, located approximately 1.5 km northeast of the Leprechaun Gold Deposit and 300 meters north of the Valentine Lake Thrust Fault, and
- The Rainbow Zone, located approximately 300 meters north of the northeast boundary of the Leprechaun Gold Deposit and approximately 500 meters north of the Valentine Lake Thrust Fault.

and prospecting in the Marathon Area, located to the northeast of the Sprite Zone.

In each exploration area, Marathon encountered occurrences of multiple stacked quartz-tourmaline-pyrite (“QTP”) veining similar to the mineralization at Leprechaun, with high grade samples obtained variously from outcrop, bedrock and trench sampling. More importantly, the high degree of correspondence between magnetic low regions identified in an airborne magnetic study completed by a previous operator, interpreted by SRK Consulting as being splays off the Valentine Lake Thrust Fault, and gold mineralization is prospective for the targeting of future drilling on the property, the expansion of existing resources at Leprechaun and Victory, and the development of new, near-surface resources.

Marathon resumed its drilling program in August while maintaining its trenching and prospecting programs. In late August and early September, channel sampling over a 1,100 meter strike length in the Sprite Zone and a 700 meter strike length in the Rainbow Zone encountered wide intervals of multiple stacked QTP-gold veins overlying magnetic low zones, and follow up drilling in both zones focused on testing the grade and continuity of mineralization below the channels. While the results of initial follow-up drilling at Rainbow did not justify further work in the area, infill drilling at the southwestern part of the Sprite Zone and northeastern of the Sprite Zone was considered a significant exploration success, with several drill holes encountering wide near-surface intercepts with good grades; for example, 4.14 g/t Au over 11.4 meters in hole VL-14-600, 20.2 g/t Au over 14.25 meters in hole VL-14-599, 1.48 g/t Au over 12.35 meters in hole VL-14-593, all in the southwestern portion of Sprite, and 3.05 g/t Au over 14.25 meters in hole VL-14-602 and 2.25 g/t Au over 5.70 meters in the northeastern area of Sprite (all lengths reported as true thickness). Further step-out drilling from these holes cannot take place until the onset of winter weather because of thick bog overburden in the area.

Marathon Area

In October, Marathon obtained permits to enable drilling in the Marathon Area, located 7 kilometers along strike north east from the Leprechaun Gold Deposit. This area, which was

discovered in 2014 as a result of prospecting and subsequent channel sampling, had received almost no attention by previous operators, and all of the occurrences of gold identified in the area prior to the start of drilling in October had been found by the Marathon exploration crew. All of the gold occurrences in the area occur over a 2 kilometer strike length. Extensive veining and good grade channel samples on the mineralization closest to the Leprechaun Gold Deposit justified diamond drilling. The first three holes intercepted extensive stacked QTP veins to a depth of 200 meters, proving continuity of the mineralization to depth. The best intercept in MA-14-001 was 24.8 meters true thickness grading 1.06 g/t Au. The best intercept in MA-14-002 was 44.4 meters true thickness grading 1.71 g/t and in MA-14-003 was 8.55 meters true thickness grading 1.03 g/t. Higher grade sections in the intervals were present as well as smaller parallel zones. Subsequent trenching and drilling indicates that the zone of mineralization is at least 200 meters long, up to 70 meters wide, begins at surface and goes to at least 200 meters in depth. This constitutes a new important discovery on the property. Like the Sprite Zone, the Marathon Area has rapidly progressed from discovery to resource drilling. The other occurrences in this area are targeted for preliminary drilling.

b) Golden Chest

Acquisition of Control of GCLLC

During May, June and July 2013, NJMC issued cash calls related to the ongoing operations of GCLLC, electing in each case not to fund its proportionate share. Marathon in each case funded NJMC's share as well as its own. This resulted in Marathon acquiring effective control of GCLLC on May 23, 2013. Consequently, Marathon began to consolidate the financial results of GCLLC. The impact on Marathon's financial statements arising from the acquisition of control is described in note 6(b) of the financial statements.

Restructuring of Promissory Note

As reported in the MD&A accompanying the financial statements for the year ended December 31, 2013, Marathon and NJMC negotiated a rescheduling of the instalment of US \$500,000 due December 15, 2012 on a promissory note issued to J. W. Beasley Interests, LLC ("Beasley") the "Beasley Note") and secured by title to the claims which make up the Golden Chest property. GCLLC paid two instalments each of US \$125,000 due on March 15 and June 15, 2013 and a partial payment of US \$50,000 on September 15, 2013.

In September 2013, Beasley agreed to defer payment of the remaining US \$75,000 due on the September 2013 instalment until November 30, 2013, which was paid by GCLLC on November 27, 2013; to reschedule the remaining balance of US \$2,250,000 into quarterly instalments, with the first such installment becoming due on December 15, 2013; and to extend the cure period for any payment default from 10 to 30 days, in return for GCLLC quitclaiming its title to the patented claims to Beasley. The note remains without recourse to GCLLC, NJMC or Marathon, and the forfeiture of any interest in these claims remains the only remedy available to Beasley in the event of an uncured default by GCLLC.

Optioning of the Skookum Lode

In September 2013, GCLLC entered into an option agreement with Juniper Resources (“Juniper”), a privately-held mining company based in Idaho. Under the terms of this agreement, Juniper may mine the Skookum Lode, a vein on the Golden Chest property, for its own account.

Juniper paid Marathon and NJMC an initial deposit of US \$50,000 on September 3, 2013. On November 27, 2013, Juniper elected to proceed under the terms of the option and paid an advance royalty of US \$200,000 to Marathon and NJMC on the basis of their relative interests in GCLLC at the time. Juniper subsequently paid the quarterly installments of US \$125,000 due December 15, 2013 and March 15, 2014 on the Beasley note.

Juniper has the right to mine the Skookum Lode from underground for a period of up to 36 months in return for the following consideration:

- The payment of instalments due on the Beasley note for so long as Juniper is mining the property, to a maximum of US \$1,500,000 if Juniper conducts mining operations for the full three-year term of this agreement; and
- A 2% net smelter returns royalty, payable quarterly to NJMC and Marathon on the basis of their relative interests in GCLLC at the time of each payment.

Exploration Activity at Golden Chest

There has been no significant exploration or development work undertaken at Golden Chest by NJMC, the operator of the project, either in the period ended September 30, 2014 or subsequently to the date of this MD&A.

During the period ended September 30, 2014, NJMC provided assistance to Juniper as it completed site preparations, including over-burden removal and the installation of high-voltage electrical power, in advance of completing a portal. The first portal blast took place in late July, and the first delivery of approximately 2,000 short tons of ore with an expected head grade of 7.5g/t gold to NJMC’s mill in Kellogg, Idaho is expected to take place in late November 2014 as Juniper’s operation ramps up to an eventual planned throughput of 9,000 tonnes per month. There is no timetable at present for the payment of royalties by Juniper, and the pace at which Juniper proceeds will depend on gold recoveries and milling and concentrate processing costs.

5) OUTLOOK

a) Valentine Lake

Marathon expects to suspend its fall drilling program in late November. This will be done to allow the results of the program to be evaluated with a view to optimizing the winter drilling program. Channel sampling and trenching is still under way at the date of this MD&A, focusing on the Marathon, Narrows and Triangle Zones.

In September 2014, Marathon entered into an agreement with Research & Development Corporation, Newfoundland & Labrador (“RDC”) regarding financial support for Marathon’s metallurgical test work program. The test work program is underway, with no results to report at the date of this MD&A, and is expected to be completed during the first quarter of 2015 at a total costs of approximately \$117,000, 75% of which is expected to be reimbursed by RDC.

In addition, Marathon expects to receive additional funding as reimbursement of its drilling expenses at Valentine Lake from the government of Newfoundland and Labrador through its Junior Exploration Assistance program. This reimbursement is expected to amount to \$86,000 and is expected to be received before the end of the first quarter of 2015.

b) Golden Chest

Both NJMC, the operator of the Golden Chest project, and Marathon have prioritized spending on their mineral projects to focus on those projects considered to have the best prospects of enhancing shareholder value in an environment where raising capital has been and continues to be difficult. This has resulted in a deferral of exploration activity at Golden Chest.

With Juniper having paid three installments on the Beasley Note in 2014 and expected to fund future installments due on the note throughout the term of its operations, to commence extracting ore from the Skookum Lode in the fourth quarter of 2014, and ultimately to pay royalties on gold production from the Skookum Lode, there are no plans to abandon the property. Holding costs on the patented and unpatented claims which make up the Golden Chest property are insignificant and will be funded by Marathon and NJMC in August 2014 in proportion to their respective interests in the property. The timing and extent of future exploration activity at Golden Chest will depend on NJMC's and Marathon's success in raising capital.

At the date of this MD&A, Juniper has not prepared a detailed mine plan, owing to the early stage of development work at Skookum. As a result, it is impossible to estimate the extent to which Juniper's mining activities will impact the existing mineral resource at Golden Chest, if any.

c) Other properties

There are no plans in place to carry out exploration work in 2014 or 2015 at Baie Verte or Bonanza.

All of the claims associated with the Finger Pond property are being allowed to lapse as results from fieldwork conducted by Marathon did not justify maintaining the property rights.

6) RESULTS OF OPERATIONS

The results of operations for the three and nine months ended September 30, 2014 and 2013 are summarized below.

	Three months ended		Nine months ended	
	September 30		September 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
Expenses:				
Exploration expenses	18,098	117,762	23,284	135,731
General and administrative expenses	329,457	218,661	914,412	1,101,561
Interest income	(1,797)	(5,503)	(5,953)	(25,395)
Other finance expense	-	-	1,903	-
Unrealized loss on warrants	-	-	-	3,208
Foreign exchange (gain) loss	-	-	(172)	568
Loss before taxes	345,758	330,920	933,474	1,215,673

Notes:

Three months ended September 30, 2014:

- i) Exploration expenses decreased to \$18,098 from \$117,762 in 2013. Marathon's reported exploration expenses are impacted by the timing of work on Marathon's properties other than Valentine Lake and Golden Chest. In 2013, the majority of the exploration expenses for the period related to preparations for a summer prospecting program at Finger Pond which took place in July 2013 and was a necessary expenditure to maintain Marathon's interest in the Finger Pond property. In 2014, Marathon's exploration activity was focused exclusively on Valentine Lake, with the exploration expense for the three months ended September 30, 2014 representing claim renewal costs related to the Bonanza property.
- ii) General and administrative expenses increased to \$329,457 from \$218,661 in 2013, reflecting the following:
 - a) Wages, salaries and director fees charged to operations decreased to \$120,800 from \$132,621 in 2013. This reflected a higher proportion of Marathon's costs being capitalized as a component of deferred exploration costs with respect to Valentine Lake, offset to some extent by increases in overall compensation costs in the quarter brought about by the cessation of voluntary salary forfeitures by Marathon's management in September 2014.
 - b) Professional fees increased to \$20,437 from \$210 in 2013 as the result of increased legal work.
 - c) Stock based compensation charged to operations increased to \$107,536 from \$5,045 in 2013, reflecting the issue of 798,500 options in 2014 compared to 110,000 options in 2013. The assumptions used to estimate the fair value of these option awards is disclosed in note 11 to the financial statements.

Nine months ended September 30, 2014:

- i) Exploration expenses decreased to \$23,284 from \$135,731 in 2013. As discussed above, Marathon's exploration activities in 2014 were focused exclusively on Valentine Lake, and the current period expense represents the write-off of security deposits associated with the Finger Pond property following management's decision to allow the Finger Pond claims to lapse and claim maintenance costs related to Bonanza.
- ii) General and administrative expenses decreased to \$914,412 from \$1,101,561, reflecting the following:
 - a) Wages, salaries and director fees charged to operations decreased to \$347,120 from \$507,761 in 2013. This reflects a higher proportion of Marathon's costs being capitalized as a component of deferred exploration costs with respect to Valentine Lake and an increase in the amount of voluntary forfeitures of compensation by management and directors, as these cutbacks were in place for eight months in 2014 compared to two in 2013.
 - b) Stock based compensation charged to operations increased to \$198,274 from \$157,868, mainly due to 1,668,500 options having been issued during the period compared to 1,354,000 in 2013.

7) QUARTERLY RESULTS

Selected quarterly information derived from Marathon's consolidated financial statements for each of the eight most recently completed financial periods is set out below.

	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Statement of Operations and Comprehensive Loss:								
Exploration expenses	18	5	-	2	118	17	1	9
General and administrative expenses	330	237	348	257	219	337	546	463
Other expenses			-	-	-	-	-	9
Other (income) loss	(2)	(1)	(1)	(4)	(6)	(8)	(8)	284
Loss before tax for the period	346	241	347	255	331	346	539	765
Balance Sheet:								
Cash, cash equivalents and short term investments	4,139	1,152	596	1,185	1,404	1,928	2,977	5,187
Working capital	3,792	1,091	507	1,174	1,475	1,917	3,012	5,169
Mineral exploration and evaluation assets	50,022	48,324	48,352	47,020	46,436	46,441	40,450	38,512

Marathon's reported exploration expenses reflect the timing of exploration activities at properties other than Valentine Lake and are not directly comparable from one accounting period to another.

Marathon's reported general and administrative expenses in the first quarter of 2013 and the first and third quarters of 2014 reflect the issuance of stock options in each period.

The significant increase in the carrying value of Marathon's mineral exploration and evaluation assets in the second quarter of 2013 reflects the acquisition of the net assets of GCLLC.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Marathon's cash at September 30, 2014 amounted to \$4,138,915. Marathon's working capital at September 30, 2014 was \$4,120,924.

Marathon's condensed interim consolidated financial statements are prepared on a going concern basis. The appropriateness of this approach is discussed in detail in note 1 to the financial statements.

In the period ended September 30, 2014 Marathon incurred a consolidated operating loss of \$703,698, excluding non-cash charges for stock based compensation, depreciation and unrealized investment losses. Marathon funded its operations in the period through the use of existing cash and five private placements which raised aggregate gross proceeds of \$6,543,132, the details of which are disclosed in note 9 to the financial statements.

9) CAPITAL ACTIVITIES

a) Rambler subscription agreement

On December 12, 2013, Marathon entered into a subscription agreement with Rambler Metals and Mining Canada Limited (“Rambler”) pursuant to which:

- Rambler subscribed irrevocably for Marathon common shares in two tranches priced at a premium to the market at the time of each tranche being subscribed for guaranteed proceeds of \$500,000, and
- Marathon granted Rambler the right to subscribe for additional shares in four quarterly tranches of \$375,000 each, for total non-guaranteed proceeds of \$1,500,000.

The particulars of the subscription, including the pricing mechanisms for the subscription and the exercise of the rights, are detailed in note 9 to the consolidated financial statements.

On April 1, 2014 Rambler completed the guaranteed portion of this subscription agreement by subscribing for 797,448 common shares at a price of \$0.3135 per share, for gross proceeds of \$250,000.

On August 5, 2014 Rambler exercised the first of the four subscription rights referred to above, and Marathon issued a total of 760,340 common shares at a price of \$0.4932, for proceeds of \$375,000.

Rambler has not given notice to the date of this MD&A of its intent to exercise the second subscription right, which expired on October 31, 2014. Rambler has the right to extend this subscription right for an additional three months, such that the right will expire on January 31, 2015. The exercise of this extended right is subject to Marathon’s consent.

b) Flow through shares

On February 7, 2014, Marathon closed a private placement of 1,456,300 flow through shares at a price of \$0.35 per share, for gross proceeds of \$509,705.

c) Non-brokered private placement of units and flow through shares

On April 22, 2014, Marathon announced its intention to raise up to \$2.5 million through a non-brokered private placement of flow through shares priced at \$0.44 per share and common share units priced at \$0.39 per unit, with each unit consisting of one common share and one half of one warrant exercisable for a period of two years at a price of \$0.50 per share.

On May 12, 2014, Marathon closed the first tranche of this financing and issued a total of 20,000 flow through shares and 2,181,283 units, for gross proceeds of \$859,500. Subsequently, Marathon issued an additional 380,000 units for gross proceeds of \$148,200.

d) Bought deal private placement of units and flow through shares

On August 21, 2014, Marathon closed a bought deal private placement underwritten by a syndicate of underwriters led by Canaccord Genuity Corp. and issued a total of 4,863,140 flow through common shares at a price of \$0.55 per flow through share and 3,450,000 units at a price of \$0.50, for total aggregate gross proceeds of \$4,399,727.

Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at a price of \$0.75 per share and expiring two years after issue.

10) OPTIONS

The terms of Marathon's option plan authorize the issue of share purchase options to employees, officers and directors, and third party service providers subject to a stipulation that total options issued at any point in time cannot exceed 10% of the number of common shares issued and outstanding at that time.

On February 24, 2014 Marathon awarded a total of 870,000 options to directors, officers and employees at an exercise price of \$0.32 per share. These options were awarded with immediate vesting.

On July 7, 2014, Marathon awarded a total of 798,500 options to directors, officers and employees at an exercise price of \$0.39 per share. These options were awarded with immediate vesting.

11) RELATED PARTY TRANSACTIONS

Marathon incurred the following compensation costs related to key management and directors in the normal course of business. At September 30, 2014, \$Nil was owing to these related parties for services received during the period.

	Three months ended		Nine months ended	
	September 30		September 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries paid to key management	120,583	80,187	336,083	372,687
Director fees	24,896	19,469	74,708	93,349
	145,479	99,656	400,791	466,036

12) FULLY DILUTED SHARE CAPITAL

Fully diluted share capital is comprised as follows:

Common shares	75,024,392
Unexercised stock options	6,590,500
Unexercised share purchase warrants	6,912,046
Fully diluted	88,526,938

13) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance sheet arrangements as at September 30, 2014 or subsequently to the date of this MD&A.

14) RISK FACTORS AND UNCERTAINTIES

Marathon is subject to the usual risks associated with a junior mineral exploration company. The Company competes for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom may be better capitalized. Prices for the commodities contained in Marathon's exploration properties have fluctuated significantly over the last few years and may continue to do so. Such volatility may affect the timing and magnitude of funds which Marathon may seek to raise to support further exploration of its properties or may make it difficult to complete an offering of securities.

It may not be possible to raise additional funds to complete development and achieve profitable production or to obtain the permits required to enable Marathon to commence mining operations on its properties.

Marathon participates in exploration joint ventures as a means of earning or acquiring interests in properties with existing mineral resources and subsequently increasing shareholder value through exploration and resource expansion. The ability of Marathon to influence the nature, extent, and timing of exploration and evaluation activities at properties where Marathon is not the 100% owner depends on a number of factors, including but not limited to decisions made by project operators, who typically have control over the scope of project budgeting and the pace of work against such budgets, and the financial health of Marathon's partners. The inability of a partner in any of Marathon's projects to continue to fund the ongoing exploration work or other obligations of the project could have a material impact on Marathon's finances and the reported values of its mineral exploration and evaluation assets. While management has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed.

For a more detailed discussion of risk factors, reference should be made to Marathon's Annual Information Form for the year ended December 31, 2013. This document may be obtained at www.sedar.com.

15) FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 Financial Instruments

IFRS 9, *Financial Instruments* was issued by the IASB and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). Where equity instruments are measured at fair value through other comprehensive income (loss), dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income (loss) indefinitely. Requirements for financial liabilities are included in IFRS 9 and they largely carry forward existing requirements from IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

In July 2013, the IASB tentatively decided to defer the mandatory effective date of IFRS 9. The IASB agreed that the mandatory effective date should no longer be annual periods beginning on or after January 1, 2015 but rather be left open pending the finalization of the impairment and classification and measurement requirements. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

16) INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at September 30, 2014.

17) DISCLOSURE CONTROLS

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's disclosure controls and procedures as of September 30, 2014 and have concluded that these controls and procedures are effective.

18) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and at the date of the financial statements and the reported amount of expenses and other income during the year. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience.

The following are the critical judgments that management has made in the course of applying Marathon's accounting policies and which have the most significant effect on the amounts recognized in these consolidated financial statements:

Mineral exploration and evaluation assets

Marathon capitalizes exploration and evaluation costs on mineral properties with an existing mineral resource and expenses exploration costs incurred with respect to properties without existing mineral resources.

The estimation of mineral resources and reserves is complex and requires significant subjective assumptions which are valid at the time of estimation. These assumptions may change significantly over time when new information becomes available and may cause the mineral resources and reserves estimates to change. Changes in the forecast prices of commodities, exchange rates,

production costs or recovery rates may have a significant impact on the economic assessment of the mineral resources and reserves and may result in their restatement.

Stock based compensation

The compensation cost associated with stock options granted under the terms of Marathon's stock option plan is measured at the grant date by using the Black-Scholes option pricing model to determine fair value. The Black-Scholes model requires the use of subjective estimates, in particular for the estimated life of options and the expected rate of volatility in Marathon's share price over the life of the options, which can materially affect the fair value estimate.

1,668,500 options were awarded in the period ended September 30, 2014. The key assumptions used to determine the fair value of options awarded in 2014 are detailed in note 11 to the financial statements.

19) ADDITIONAL INFORMATION

Additional information relating to Marathon can be found on SEDAR at www.sedar.com.

(Signed) "Phillip C. Walford"
Phillip C. Walford
President and Chief Executive Officer

(Signed) "James Kirke"
James Kirke
Chief Financial Officer