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 twelve months ended December 31, 2012.

The MD&A should be read in conjunction with the consolidated financial statements for the year ended December 31, 2012, including the notes thereto.

This MD&A is presented as of March 27, 2013. 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 conditions and capital markets for the 2013 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. Prior to July 9, 2012 Valentine Lake was operated under a 50/50 joint venture with Mountain Lake Resources Inc. ("MOA"). On July 9, 2012 Marathon acquired the remaining 50% interest in the project it did not own.

- The 100%-owned Finger Pond gold property, an early-stage exploration property acquired by staking in 2010. Finger Pond is located approximately 30km southwest of the Valentine Lake property and on the same geological structure as Valentine Lake.

- 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"), a corporate joint venture in which Marathon holds an equal and undivided 50% interest with New Jersey Mining Company ("NJMC"), the operator of the project.

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 December 31, 2012, Marathon had $5.2 million in cash and working capital. Following a drilling program undertaken in advance of a revised mineral resource estimate on the Leprechaun Gold Deposit, the work program at Valentine Lake was refocused to concentrate on prospecting, trenching and mapping programs in other areas of the property, with limited drilling on targets identified in the J. Frank Zone.

The operational highlights of the year include:

- Becoming the 100% owner of the Valentine Lake gold project, following the acquisition in July 2012 of the net assets of Mountain Lake Resources Inc.
- Completion of an updated mineral resource estimate at the Leprechaun Gold Deposit within the Valentine Lake property incorporating the results of 19,800 meters of drilling during the 2012 drilling program, the first resource for the project to estimate pit-constrained and underground mineral resources. The updated measured and indicated resource (in pit and underground) amounted to 9,540,000 tonnes grading 2.22 g/t representing 682,000 ounces of gold, and an additional inferred resource of 1,960,000 tonnes grading 2.30 g/t representing 145,000 ounces of gold.
- Completion of an updated open-pit and underground mineral resource estimate for Golden Chest, incorporating the results of 7,900 meters of drilling completed in 2012. The updated global measured and indicated resource amounted to 4,627,000 tonnes grading 1.71 g/t representing 254,000 ounces of gold, and an additional global inferred resource of 3,862,000 tonnes grading 1.8 g/t representing 223,000 ounces of gold.

3) ACQUISITION OF MOUNTAIN LAKE

On May 24, 2012, Marathon and MOA entered into an arrangement agreement (the “Arrangement”) pursuant to which:

- Marathon agreed to acquire the common shares of MOA by means of a share exchange on the basis of 0.4 Marathon common shares for each MOA common share, and

- MOA agreed to transfer certain liabilities and its mining property interests other than its 50% interest in Valentine Lake into Mountain Lake Minerals Inc. ("MLM"), a new entity created for the purpose of the Arrangement, and subsequently transfer its shares in MLM to MOA's shareholders.

In addition, Marathon agreed to subscribe for a total of 1,500,000 common share units issued by MLM at a price of $0.20 per unit.

The Arrangement closed on July 9, 2012, and Marathon issued a total of 20,309,586 common shares to complete the acquisition of the net assets of MOA. The net assets of MOA acquired by Marathon, and the consideration paid, are summarized below.

Net assets acquired:

	$
Cash	45,261
Amounts receivable	50,734
Prepaid expenses	69,725
Mineral exploration and evaluation assets	16,769,870
Trade payables	(11,367)
Net assets acquired	16,924,223

Consideration:

	$
Common shares issued	16,247,669
Warrant obligations assumed	112,827
Professional fees and other transaction costs	563,727
	16,924,223

As a result of this transaction Marathon now controls 100% of the Valentine Lake property.

4) MINING PROPERTIES

a) Valentine Lake

Drilling and Exploration:

Leprechaun Gold Deposit:

Marathon commenced work on the 2012 Valentine Lake exploration program in mid-January 2012, with drilling focused primarily on the Leprechaun Gold Deposit from January to the end of July 2012. In this phase of drilling, a total of 69 drill holes covering 19,800 meters was drilled at Leprechaun in a combination of infill, step-out and exploration drilling intended to expand the boundaries of the existing mineral resource envelope and to improve the classification of the resource.

Step-out and infill drilling was successful in establishing down dip extensions of the existing Main Zone mineralization with multiple interceptions of high-grade gold and new hanging wall and footwall mineralization, confirming the continuity of the deposit and identifying underground mining targets to be examined. A portion of the infill drilling mitigated the impact of the exclusion of certain historical holes from the database used to compile the mineral resource estimate released in March 2012.

The drilling results at the Leprechaun Gold Deposit were incorporated into a mineral resource estimate prepared by Roscoe Postle Associates ("RPA"). The tonnages and grades reported by RPA and communicated in Marathon's press release dated October 22, 2012 reflect the initial application of economic constraints in the estimation of potential open pit and underground resources at Leprechaun. The resource estimate is shown below, as excerpted from Marathon's press release.

Leprechaun Gold Deposit Mineral Resources as at October 22, 2012

	Open Pit (0.50 g Au/t cut-off)			Underground (1.5 g Au/t cut-off)			**Total**		
Category	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	2,890	2.25	209,000	141	3.34	15,000	3,033	2.30	224,000
Indicated	5,270	2.07	352,000	1,230	2.69	106,000	6,505	2.19	458,000
Total M&I	**8,166**	**2.14**	**561,000**	**1,371**	**2.75**	**121,000**	**9,537**	**2.22**	**682,000**
Inferred	**900**	**1.93**	**56,000**	**1,062**	**2.60**	**89,000**	**1,962**	**2.30**	**145,000**

Notes:

1. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
2. The quantity and grade of reported Inferred mineral resources in this estimate 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.

Following the release of the updated mineral resource estimate, Marathon drilled 4 additional deep holes covering a total of 1,550 meters focused on targeting extensions of high-grade intercepts encountered in drilling in the Main Zone of the Leprechaun Gold Deposit earlier in the year, up to 100-meters down-dip. This drilling was successful, providing further validation of Marathon's geological model and demonstrating that the Leprechaun Gold Deposit is open to depth and that the Main Zone mineralization continues down to depth with good grades. These results are favourable to the future expansion of the Leprechaun resource.

Valentine Lake - Other areas:

In July 2012, the focus of work at Valentine Lake shifted to concentrate on prospecting, trenching and mapping at areas other than the Leprechaun Gold Deposit, including:

- the J. Frank Zone located 0.5km to the southeast of Leprechaun, discovered through trenching in 2011;
- the existing Valentine East prospect located 13 km to the northeast of Leprechaun, a gold zone with the potential to host wide zones of low grade near-surface mineralization; and
- identification of new potential drilling targets.

At the J. Frank Zone, prospecting and subsequent sampling identified two distinct high grade gold systems – the J. Frank and Galley vein system, which is comprised of south dipping quartz-tourmaline-pyrite veins similar to the Main Zone of the Leprechaun Gold Deposit, and the Repeater Hill and Adam Vein system, comprised of north dipping sulphide-rich quartz-tourmaline-pyrite veins with gold, silver, lead, zinc and copper mineralization. After allowing for these new discoveries, the J. Frank Zone now has a combined strike length of 1.2km.

The focus of the drilling work completed after July 2012 was changed to concentrate on the J. Frank Zone in an effort to test the targets identified through surface work in 2011 and 2012. A total of 55 holes covering 8,199 meters of drilling was completed in 2012, focused primarily on shallow exploration holes near the Galley veins in the southwest past of the zone and along a 370-meter strike length between the Adam and Frank Veins to the northwest. This drilling encountered intersections of near surface mineralization similar to the main zone of the Leprechaun Gold Deposit.

At Valentine East, prospecting and channel sampling identified two new areas of gold mineralization to the northeast and southwest of the historical Valentine East prospect in areas which had not seen focused exploration activity previously, increasing the size of Valentine East to 3km in strike length.

b) Golden Chest

Marathon completed the funding of its 50% interest in the Golden Chest property in November 2011. At December 31, 2012 and subsequently to the date of this MD&A, Marathon held and continues to hold a 50% undivided interest in this property.

Under the terms of the Golden Chest joint venture agreement, NJMC is the operator.

Drilling and Exploration:

The 2012 drilling program carried out by NJMC in 2012 consisted of 7,900 meters of step-out and infill drilling focused on expanding the boundary of the existing potential open pit resource to the north into the Katie-Dora area and on testing new targets, including the expansion of the Idaho vein mineral resource, the down dip extension of the high-grade Katie-Dora veins below the No. 3 level of the past-producing mine, and the southern extension of the Idaho fault into the Joe Dandy claims acquired by GCLLC in 2011.

Drilling was successful in expanding and improving the resource potential of the property. Surface infill drilling focused on the open pit resource encountered significant intercepts with grades from 1.14 to 1.26 g/t Au, in an area which currently hosts an inferred resource. Surface drilling focused on underground targets succeeded in extending the strike length of the Idaho vein system to the south of the existing resource envelope in an area with no previous drilling results. In addition, a limited amount of drilling was completed in the Katie-Dora area, following on from the results of an exploration crosscut completed early in the year which encountered a high grade vein with chip samples assaying 29.4 g/t Au over 1.4 meters, and this vein was drifted on for 40 meters with similar grades, based on chip sampling, and vein continuity.

Resource Estimate:

The results of the Golden Chest drilling program were incorporated into an updated open-pit and underground mineral resource estimate, which was prepared by Micon International Ltd. The resource is set out below and is excerpted from Marathon's press release dated January 17, 2013.

Golden Chest Mine Resource Estimate Update	Description	Measured and Indicated	Inferred
	Global Resource @ 0.4 g/t gold cut-off		
Idaho Vein System (Main body)[1]	Tonnes	**4,552,000**	**3,065,000**
	Grade (g/t Au)	**1.67**	**1.48**
	Ounces of gold	**245,000**	**145,000**
Other Veins[2]	Tonnes	**75,000**	**797,000**
	Grade (g/t Au)	**3.69**	**3.04**
	Ounces of gold	**9,000**	**78,000**
Grand Total[1+2]	Tonnes	**4,627,000**	**3,862,000**
	Grade (g/t Au)	**1.71**	**1.80**
	Ounces of gold	**254,000**	**223,000**
	In Open Pit @ 0.3 g/t gold cut-off		
Idaho Vein System + Other Veins	Tonnes	**4,371,000**	**2,369,000**
	Grade (g/t Au)	**1.59**	**1.33**
	Ounces of gold	**223,000**	**101,000**
	Underground Potential @ 2.0 g/t gold cut-off		
Idaho Vein System + Other Veins	Tonnes	**196,600**	**738,300**
	Grade (g/t Au)	**3.11**	**3.48**
	Ounces of gold	**19,600**	**82,500**

1. The Global Resource above includes the open pit and underground resources.
2. The 0.4 g/t gold cut-off grade for the Global Resource numbers has not been constrained by economic parameters and it may be compared to the initial resource estimate of March, 2012.
3. 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.
4. 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.
5. 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.
6. 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.

Compared to the mineral resource estimate prepared at the end of the 2011 drilling program, the current global resource represented an increase of measured and indicated contained ounces of 73% and an increase in inferred ounces of 84%, with improvements in gold grades in each category.

In December 2012, 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 and secured by title to the claims which make up the Golden Chest property into four instalments of US $125,000 due on each of December 15, 2012; March 15, 2013; June 15, 2013; and September 15, 2013. At December 31, 2012, following completion of the rescheduling and the payment of the instalment due on December 15, 2012, the remaining balance of the note is repayable according to the following schedule:

Date	Amounts Due US$
March 15, 2013	125,000
June 15, 2013	125,000
September 15, 2013	125,000
December 15, 2013	500,000
December 15, 2014	500,000
December 15, 2015	500,000
December 15, 2016	500,000
December 15, 2017	250,000
Total	**2,625,000**

c) Finger Pond

Marathon completed a limited initial prospecting program in the third quarter of 2011. This was the first work on Finger Pond since acquiring the property in 2010.

This work included a surface sampling program that yielded 128 grab samples. The program identified copper and silver showings in chalcopyrite and chalcocite veins, with grab samples grading as high as 24.6% Cu and 34.1 g/t Ag, and 45.6% Cu and 15.3 g/t Ag.

Marathon carried out an airborne geophysical surveying program during the second quarter of 2012. The survey identified a major conductive fault structure over 10 kilometers in length with splays off this structure and several conductive trends with shorter strike lengths not related to the major structure. In addition, other discrete anomalies indicated by the survey coincide with known gold and base metal occurrences noted by previous operators on the property. These anomalies warrant future investigation.

d) Baie Verte

No significant work program was undertaken at Baie Verte in 2012.

e) Bonanza

On December 15, 2011, Marathon acquired a 100% interest in the Bonanza Mine, a historic high-grade producing property consisting of 13 patented lode claims and one patented parcel totaling approximately 300 acres (121 hectares) and located in the Greenhorn Gold District in northeastern Oregon. Marathon paid the vendor US $126,711 and issued 300,000 common shares with a fair value of $345,000 for the property, and the vendor retained a 2% NSR royalty, of which 1% can be purchased for US $1,000,000.

During 2012, Marathon acquired additional unpatented claims surrounding the property. These claims are not subject to any royalty. No work was carried out at the Bonanza property during 2012 or subsequently to the date of this MD&A other than the completion of an initial NI 43-101 compliant technical report on the property.

The technical report prepared by Micon international Ltd. recommended a two-phase initial work program focused first on ground geophysics, surface sampling and geological mapping, and an initial round of 7,500 meters of drilling, to be followed if results warranted by further drilling, mineralogical and metallurgical studies, and surface and underground surveys of the existing historical mine workings. Marathon has no plans at present to implement this program.

5) OUTLOOK

a) Valentine Lake

Marathon commenced work in January 2013 on a planned 10,000 meter winter drilling program designed to drive an update of the Leprechaun Gold Deposit and to drill-test targets at:

- the Valentine East area,
- the Sprite Zone, and
- the J. Frank Zone.

To the date of this MD&A, approximately 54 holes, comprising 9,847 meters of drilling, had been completed, with assays for this work only partially complete.

Marathon was unable to drill at the J. Frank Zone as a result of local access conditions. At Leprechaun, drilling focused on high-grade shoots in the Main Zone encountered high grade intercepts ranging from 50 to 150 meters down-dip of earlier drilling. These results are favourable to the expansion of the underground portion of the resource.

At Valentine East and the Sprite Zone, shallow drilling encountered near-surface gold intercepts with good intervals and several occurrences of localized high grade gold, all in quartz-tourmaline-pyrite veining similar to that found in the Main Zone of the Leprechaun Gold Deposit. These drilling results will be incorporated into an updated mineral resource estimate, expected to be completed in the third quarter of 2013. The update of the Leprechaun Gold Deposit resource will also determine whether enough drilling information exists to support initial stand-alone resources at the Valentine East, Sprite and J. Frank Zones.

Upon completion of the 2013 drilling program, Marathon expects to shift the focus of work at Valentine Lake to prospecting, geological mapping and trenching to identify targets with the potential to host additional resources. In addition to the drilling and ground work programs, Marathon is continuing with environmental baseline studies.

b) Golden Chest

At GCLLC, plans are underway to process gold-bearing development muck and potentially a small amount of ore from an undercut vein identified in 2012. This material will be milled at a milling operation owned by NJMC and located in Kellogg, Idaho. While this work is being undertaken to generate short term positive cash flow to defray holding and exploration costs on the property, there can be no assurance that this activity will in fact result in positive cash flow for the project.

c) Other properties

Management plans to carry out a limited program of prospecting at Finger Pond during the third quarter of 2013 focused on targets identified by the geophysical survey completed in 2012.

Marathon has no immediate plans to carry out any significant work on the Baie Verte or Bonanza properties.

6) RESULTS OF OPERATIONS

The results of operations for the three and twelve months ended December 31, 2012 and 2011 are summarized below.

	Three months ended December 31		Year ended December 31	
	2012	2011	**2012**	2011
	$	$	**$**	$
Expenses:				
Exploration expenses (i),(vi)	**8,971**	22,639	**427,599**	237,405
General and administrative expenses (ii), (vii)	**462,468**	634,442	**1,812,862**	1,898,261
Other expense (iii)	**9,356**	143,916	**9,356**	143,916
Interest income	**(5,118)**	(5,372)	**(48,520)**	(29,198)
Unrealized loss on investments (iv), (viii)	**288,607**	(11,757)	**392,516**	189,474
Foreign exchange loss	**884**	2,450	**1,785**	4,381
Loss before taxes	**765,168**	786,318	**2,595,598**	2,444,239
Income taxes (v)	**(145,450)**	-	**(1,334,075)**	-
Loss for the period	**619,718**	786,318	**1,261,523**	2,444,239

Three months ended December 31, 2012:

i) Exploration expenses are impacted by the timing of work on Marathon's properties other than Valentine Lake. In 2011 and 2012, there was little work carried out other than at Valentine Lake.

ii) The decrease in general and administrative expenses in the fourth quarter of 2012, compared to 2011, is primarily the result of a decrease in stock based compensation costs, to $Nil in 2012 from $253,533 in 2011, as no stock options were awarded in 2012, compared to 657,000 options awarded in December 2011.

iii) Share issue costs incurred in connection with the issue of flow-through shares and reasonably allocable to the premium paid by investors in these securities for the associated tax benefits are charged to operations in the period in which they are incurred. Although Marathon issued flow-through shares in both 2011 and 2012, the premium was significantly lower in 2012, resulting in a lower charge to operations.

iv) At December 31, 2012 Marathon assessed the losses in its available for sale investments in equity securities of NJMC and MLM as being other than temporary and accordingly transferred $244,996 in accumulated unrealized losses, charged previously to Other comprehensive income from 2010 to 2012, to operations.

Mark to market losses in the fourth quarter of 2012 associated with Marathon's investments in warrants issued by NJMC and MLM amounted to $43,311 compared to $92,229 in 2011. The unrealized mark to market gains and losses associated with Marathon's investment in warrants issued by NJMC and MLM are derived by revaluing the warrants at each reporting period using the Black-Scholes option pricing model and are impacted by the price of the underlying security, the remaining term of the investment, and other assumptions which drive the model.

v) Marathon renounced the tax benefits associated with the issue in 2011 of 5,256,000 flow-through common shares to its investors in February 2012 and released a portion of the liability set up during 2011 in respect of these benefits to the 2012 tax recovery, based on Canadian exploration expenses incurred in the three and twelve month periods ended December 31, 2012.

Year ended December 31, 2012:

vi) Marathon's exploration expenses for the year ended December 31, 2012 included a geophysical surveying program which followed on the results of the 2011 prospecting work at Finger Pond and costs associated with claim maintenance costs and the preparation of an initial technical report on the Bonanza property. In 2011, exploration costs related primarily to the cost of an initial prospecting program at Finger Pond and ground work at Barachois Brook, an early stage exploration property which was dropped in 2011.

vii) The decrease in general and administrative expenses in 2012 is mainly due to the decrease in stock based compensation from $346,576 to $253,503, largely as a result of significantly lower exercise prices for the options issued during 2012, and decreases in professional fees and investor relations costs reflecting lower levels of investor relations activity. These cost reductions were offset in part by reduced operator fees earned from Mountain Lake.

viii) As explained in note iv above, Marathon charged a total of $244,996 in accumulated unrealized losses related to its available for sale investments to operations during the fourth quarter. The remainder of the loss in 2012, amounting to $147,220, relates to unrealized losses in the fair value of Marathon's investments in warrants issued by NJMC and MLM and compares to $201,231 in similar losses recognized in 2011. The decrease is due both to the fact that the NJMC warrants were nearing the end of their contractual life and to the low value attributed to the MLM warrants upon commencement of fair value accounting for this security.

7) QUARTERLY RESULTS

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

	2012	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Statement of Operations and Comprehensive Loss:								
Exploration expenses	9	67	349	2	23	175	34	6
General and administrative expenses	463	614	376	360	634	403	426	435
Other expenses	9	-	-	-	144	-	-	-
Other (income) loss	284	10	6	46	(15)	84	109	(14)
Loss before tax for the period	765	691	731	408	786	662	569	427
Balance Sheet:								
Cash, cash equivalents and short term investments	5,187	2,037	3,988	6,950	9,545	3,182	6,089	7,606
Working capital	5,169	2,069	3,967	7,376	9,573	3,134	6,008	7,183
Mineral exploration and evaluation assets	38,512	37,046	19,285	16,487	14,777	12,322	9,755	9,007

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 fourth quarter of 2011 and the third quarter of 2012 reflect the issuance of stock options in each period.

The significant increase in the carrying value of Marathon's exploration and evaluation assets in the third quarter of 2012 reflects the completion of the acquisition of the net assets of MOA.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash at December 31, 2012 amounted to $5,187,475. Marathon's working capital at December 31, 2012 was $5,091,410.

Marathon's 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 year ended December 31, 2012 Marathon incurred an operating loss of $1,883,650, 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.

After adjusting its work plans for Valentine Lake and Finger Pond and allowing for necessary costs to maintain its interest in Golden Chest, Marathon has sufficient cash to fund its planned exploration and investment activities and administrative costs to the end of 2013, but will require additional financing to further advance its projects. While Marathon has been successful to date in obtaining the financing it requires to move its projects forward, it remains dependent on such financing and will continue to depend on financing as its sole source of cash inflows for the foreseeable future.

There can be no assurance that the Company will continue to be able to obtain financing in the future.

9) CAPITAL ACTIVITIES

During the year ended December 31, 2012, Marathon issued a total of 20,309,586 common shares with a deemed value of $16,247,669 pursuant to the Arrangement to acquire the net assets of MOA; an additional 410,397 common shares with a fair value of $300,000 as payment of a professional advisory fee related to the Arrangement; and a total of 3,873,000 flow-through shares and 5,474,500 non flow-through units, with a combined value of $4,897,162.

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.

During the year ended December 31, 2012 Marathon awarded a total of 1,690,000 options to directors, officers and employees. These options were awarded with immediate vesting.

11) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	59,939,411
Unexercised stock options	5,430,000
Unexercised share purchase warrants	5,262,101
Shares issuable upon exercise of warrants issued by MOA	1,309,655
Fully diluted share capital – March 27, 2013	**71,941,167**

12) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance sheet arrangements as at December 31, 2012 or subsequently to the date of this MD&A.

13) RELATED PARTY TRANSACTIONS

During the year ended December 31, 2012, Marathon paid fees totaling $Nil (2011 - $97,958) to a company controlled by Marathon's former chairman, James Frank, for management services. These transactions were charged to operations and were in the normal course of business. At December 31, 2012 there were no amounts due in respect of these services.

Following the death of Mr. Frank during the fourth quarter of 2011, Marathon's board approved an ex gratia posthumous bonus amounting to $120,000 in recognition of Mr. Frank's services to the Company. This bonus was expensed in 2011 and paid in 2012.

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, 2012. 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.

IFRS 10 Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements* was issued by the IASB to replace IAS 27, Consolidated and Separate Financial Statement and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Adoption of this standard is not expected to have a significant impact on Marathon's financial statements.

IFRS 11 Joint Arrangements

IFRS 11, *Joint Arrangements* supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Adoption of this standard is not expected to have a significant impact on Marathon's financial statements.

IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 *Disclosures of Interests in Other Entities* was issued by the IASB to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Adoption of this standard is not expected to have a significant impact on Marathon's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13, *Fair Value Measurement* is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Adoption of this standard is not expected to have a significant impact on Marathon's 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 December 31, 2012.

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 December 31, 2012 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:

a) 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.

b) 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.

The key assumptions used to derive the fair value of options awarded in 2011 and 2012 are detailed in note 9 to the consolidated financial statements.

c) Warrant derivatives

Warrant derivatives held as investments are measured at fair value using the Black-Scholes option pricing model. The fair value estimates derived through the use of this model are subject to the use of subjective assumptions similar to those described for stock based compensation.

The key assumptions used to estimate the fair value of these investments are detailed in note 7 to the consolidated financial statements.

19) ADDITIONAL INFORMATION

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

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