



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 period ended September 30, 2011.

Marathon adopted International Financial Reporting Standards ("IFRS") with effect from January 1, 2011 and a transitional date of January 1, 2010. The MD&A should be read in conjunction with the following documents:

- The audited Canadian GAAP financial statements for the year ended December 31, 2010;
- The unaudited interim financial statements for the three months ended March 31, 2011, including the notes thereto; and
- The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2011, including the notes thereto.

These financial statements have been prepared using accounting policies conforming to IFRS and IAS 34 – Interim Financial Reporting. A reconciliation of the previously disclosed comparative periods prepared in accordance with Canadian generally accepted accounting principles to IFRS is set out in note 17 of the financial statements.

This MD&A is presented as of November 10, 2011. 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 in North America for 2011 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 great 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 outright or is earning interests in the following resource properties:

Newfoundland

- The Valentine Lake gold property optioned from Mountain Lake Resources Inc. (“MOA”) in the fourth quarter of 2009. Valentine Lake is being operated as a 50/50 joint venture with MOA. Marathon is the operator.
- The Finger Pond gold property, an unexplored gold 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 Finger Pond property is outside the area of interest specified in the Valentine Lake Joint Venture Agreement.

- The Baie Verte gold property in western Newfoundland, an early-stage exploration project.
- The Barachois Brook gold property, an early-stage exploration property acquired by staking early in 2011.

Idaho, United States

- The Golden Chest gold property, a non-producing former mine consisting of patented and unpatented mining claims covering a total of 497 hectares located near Murray, Idaho. Golden Chest is owned by Golden Chest LLC ("GCLLC"), a corporate joint venture in which Marathon holds a 50% interest, with New Jersey Mining Company as the operator. Marathon Gold has the option to earn up to 60% of the joint venture and to become the operator with a further property contribution of \$3,500,000 by November 30, 2012.

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, 2011, Marathon Gold had \$3.2 million in cash and \$3.1 million in working capital.

The operational highlights of the period include:

- In January 2011, completion of the earn-in for a 50% interest in the Valentine Lake gold property by making a payment of \$3,000,000 to Richmond Mines Inc. and triggering the formation of the Valentine Lake 50/50 joint venture with Mountain Lake Resources Inc.
- Completion of updated NI43-101 resource estimate on Valentine Lake based on drilling results from the 2010 drilling campaign, which included measured and indicated resources of 3.3 million tonnes grading 2.6 g/t gold, representing a total of 277,000 ounces of gold, and an additional inferred resource of 4.4 million tonnes grading 2.0 g/t gold, representing an inferred resource of 285,000 ounces.
- Completion of an extensive 2011 work program at Valentine Lake, focused on expanding the existing resource at Leprechaun Pond and preliminary drilling at the Valentine East and Sprite zones, including 25,000 meters of drilling.
- Funding a total of US \$2 million in cash contributions to GCLLC, as stipulated under the operating agreement among Marathon and New Jersey Mining Company, out of a total of US \$3 million due to be paid during 2011.
- Closing a private placement of flow-through common shares in March 2011 of 2,528,500 flow-through shares that generated gross proceeds of \$4,551,300.
- Completion of initial prospecting and ground exploration programs at the Finger Pond and Barachois Brook exploration stage properties in Newfoundland.

3) BASIS OF PRESENTATION

On September 7, 2010, Marathon PGM Corporation (“MPGM”), Marathon’s then-parent company, and Stillwater Mining Company (“Stillwater”) entered into an Arrangement Agreement (the “Arrangement”), which was subsequently amended on October 4, 2010. Under the terms of the Arrangement, MPGM proposed to:

- transfer certain capital assets, the rights and title to MPGM’s Valentine Lake, Baie Verte, Finger Pond, and Gold Reef properties, and up to \$6 million in cash (“the Transferred Assets”) to Marathon in exchange for common shares,
- reorganize the share capital of MPGM into two classes of shares, Class A and Class B,
- distribute the common shares of Marathon it acquired as a result of the asset transfers described above to redeem the Class A shares, and
- list Marathon’s common shares for trading on the Toronto Stock Exchange.

On November 30, 2010, the various transactions contemplated by the Arrangement were executed, and Marathon acquired the Transferred Assets by issuing a total of 17,816,428 common shares with a deemed value of \$9,853,564. Because MPGM’s shareholders at the time the Arrangement closed became the shareholders of Marathon immediately after closing, from the perspective of a shareholder there was no change in the control of these assets, and consequently Marathon’s consolidated financial statements were prepared using continuity of interest accounting. This is explained in note 4 of the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011.

4) MINING PROPERTIES

a) Valentine Lake

Drilling:

We started work at the Valentine Lake Property in January 2010 and focused initially on the Leprechaun Gold Deposit, a small part of the property that hosted a NI43-101 compliant 443,000 ounce inferred gold resource. The winter drilling program concentrated on drilling at the edges of Leprechaun Pond, as abnormally warm winter conditions made it impossible to drill through ice on the pond.

In this initial campaign, we completed a total of 33 holes covering 3,998 meters with the majority of the holes intersecting gold mineralization either on the margins or outside of the existing resource envelope. In addition, we encountered many intersections where no gold had been indicated before and several significant intersections of high-grade gold, including 38.3 g/t gold over 9 meters, with very high grades encountered over much shorter intercepts.

The first drilling program was completed in March 2010. In June, we resumed work at Valentine Lake with an extensive summer program including:

- A drilling program, planned to total approximately 8,000 meters, to complete the drill work required to support the updating of the Leprechaun Gold Deposit mineral resource estimate. This program included barge-supported drilling in Leprechaun Pond itself to complete the holes originally planned to be completed in the winter.
- A detailed IP survey, followed by trenching and drilling, to be performed along the 2 km long structure hosting the Leprechaun Gold Deposit and the Sprite prospect, as well as the Valentine East prospect located 13 km along strike to the northeast.
- Enlarging and expanding the existing all-weather camp facilities.

Fieldwork for this program was completed in September 2010, with a total of 6,910 meters drilled over 62 holes. Drilling encountered multiple intercepts of near-surface gold mineralization with visible gold noted in several holes and it extended the boundaries of mineralization from depth to surface. These results increase the potential of the deposit to host an economic open-pit ore body.

Metallurgy:

Prior to our entering into the option agreement, MOA had concluded that metallurgical testwork commissioned by a previous operator had likely been impacted adversely by improper handling of samples at the laboratory that carried out this work. Accordingly, in 2010 we engaged G&T Metallurgical Services Ltd. of Kamloops, British Columbia to carry out a new program of bench-scale metallurgical testwork on a representative composite sample from the Leprechaun Gold Deposit with an average grade of approximately 4 g/t gold. The results of this preliminary work suggested that recoveries over 93% could be achieved using a combination of gravity separation and cyanide leaching, with gravity recoveries ranging from 45% to 58%.

Following completion of the 2010 fieldwork, we focused on planning the 2011 exploration program in conjunction with MOA and working with Micon International to complete an updated mineral resource estimate on the property reflecting the results of the 2010 drilling program. The resource was completed on December 16, 2010, with a NI43-101 compliant technical report filed on Sedar on January 31, 2011. The resource estimate below is excerpted from the technical report.

Leprechaun Gold Deposit Mineral Resource Estimate

(Cut-off Grade 0.5 g/t Au)

Classification	Tonnes	Gold Grade (g/t Au)	Contained Gold (oz)
Measured	2,104,000	2.77	187,000
Indicated	1,180,000	2.36	90,000
Measured + Indicated	3,284,000	2.62	277,000
Inferred	4,409,000	2.01	285,000

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 resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

On January 24, 2011, we paid a total of \$3,000,000 to Richmond on behalf of MOA, thereby satisfying the terms of both Richmond's option agreement with MOA and MOA's sub-agreement with Marathon, terminating that sub-agreement, and triggering the formation of the Valentine Lake 50-50 Joint Venture.

The Valentine Lake Property is subject to two overlapping royalties. Xstrata Canada retains a 2% net smelter return royalty on base metals and a 1.5% net smelter return royalty on the first 250,000 oz. of gold produced, increasing at that point to 3%. In addition, the Reid Newfoundland Company Ltd. ("Reid") retains a 7.5% net profits interest that accelerates the increase in Xstrata's net smelter return royalty on gold to 3%, should a net profits interest royalty become payable prior to the first 250,000 oz. produced. Any amount payable to Reid for the net profits interest royalty reduces the net smelter royalty on gold payable to Xstrata. The Reid and Xstrata agreements do not cover all of the property.

We resumed drilling at Valentine Lake in January 2011, with plans for a program of approximately 25,000 meters of drilling focused on expanding the existing mineral resource at Leprechaun Pond and delineating, if possible, a new resource at the Valentine East and Sprite zones. At the date of this MD&A, the 2011 drilling program is complete, with a total of 150 holes over 25,249 meters. Throughout the program, drilling was very successful in expanding the extent of known mineralization down dip and along strike. These results, which include wide intercepts with gold grades of approximately 2 g/t containing narrower intercepts of high grade gold, are expected to expand the current resource.

In addition, trenching approximately 1.5 km southwest along strike from the current resource boundary of the Leprechaun Gold Deposit resulted in a new discovery of multiple stacked quartz-tourmaline veins. Grab samples collected from outcrop in this area returned spectacular gold

grades as high as 581.88 g/t, making this area a focus for future exploration and drilling activity. A short drilling program consisting of 12 holes was done on this new zone, referred to as the J. Frank Zone, with assay results outstanding at the date of this MD&A. The results of this drilling will not impact the mineral resource estimate.

An updated mineral resource is expected to be completed either in the fourth quarter of 2011 or early in 2012. The delay in the expected completion timetable for this work resulted from unforeseen weather conditions and the loss of one of two drills on the property in the latter stages of the program. This resource will, in turn, form the basis for a Preliminary Economic Assessment of the project, expected to be completed in the first half of 2012.

b) Golden Chest

On December 16, 2010, we announced the formation of Golden Chest LLC, a joint venture with New Jersey Mining Company (“NJMC”) established to explore and develop the Golden Chest mining property, located approximately 2 miles east of Murray, Idaho in the Coeur d’Alene mining district.

The Golden Chest is a mesothermal deposit, similar to deposits in the Mother Lode district of California and the Abitibi region of Quebec, which are known for their continuity to depth and their size, and is located on the west limb of the Trout Creek anticline, a major north-trending fold of the Prichard formation. Mineralization is controlled by a thrust fault known as the Idaho Fault, at the contact of Prichard formation units G and H.

The Idaho Fault strikes to the north and dips at 50 degrees to the west. Most of the gold mineralization found by NJMC and previous operators is located in the Idaho Vein (that occupies the Idaho Fault), in veins running parallel to the Idaho Fault, or in the Katie/Klondike veins in the footwall rocks. These veins were reported to have a grade of 17 g/t gold and were the source of most of the historical production from the mine.

We considered this property to present an attractive opportunity to add shareholder value. The following factors influenced this assessment.

- The historic mine is located on patented land.
- The property was already fully permitted for underground drilling and underground mining.
- There was an existing SEC-compliant proven and probable mineral reserve of 231,713 tonnes grading 5.10 g/t, for a total reserve of 37,885 ounces of gold.
- Although there are 3,900 meters of existing underground workings on three mining levels, NJMC had drilled only three underground holes since gaining its interest in the property in 2003 and had not drilled at depth. The ease of access to the Idaho Vein and the high-grade Katie and Dora shoots presented good potential to increase the extent of underground reserves.
- NJMC had also carried out additional drilling from surface but had made no attempt to compile their results into a mineral resource estimate, as such estimates are not permitted under the rules of the US Securities and Exchange Commission.

- The Idaho Vein outcrops on surface and represented an obvious area of emphasis in evaluating the open-pit potential of near-surface mineralization on the property.

To maintain our 50% interest in GCLLC, we agreed to make a total of US \$4,000,000 in funding contributions.

At September 30, 2011 and at the date of this MD&A, we had made the first four of five scheduled contributions amounting to US \$3,000,000, including a payment of US \$1 million made in 2010. The remaining \$1,000,000 is due on or before November 30, 2011.

We are not obligated to make this payment. In the event that we fail to make the payment, our interest in GCLLC will be diluted.

Under the terms of the joint venture agreement, NJMC is the operator. After Marathon has funded the initial US \$4,000,000 stipulated under the joint venture agreement, we may elect to become the operator by committing to contribute an additional \$3,500,000 on the property prior to November 30, 2012, thereby increasing our interest in GCLLC to 60%.

NJMC started its 2011 exploration program in January 2011 focused initially on underground exploration, and to the date of this MD&A had reported completion of the following drilling activity:

- A total of 14 surface drill holes which successfully extended the existing SEC compliant underground reserve down-dip and to the north, and intercepted the H vein, a hanging wall vein located above the Idaho vein, four times with encouraging values. The results of this drilling were communicated in press releases dated March 16, June 9, July 13, and August 10, 2011. These results included intercepts of 33.00 g/t over 2.2 meters in hole GC-11-2, 14.93 g/t over 0.8 meters in hole GC-11-3, 6.25 g/t over 4.4 meters in hole GC-11-01, 4.74 g/t over 4.7 meters in hole GC-11-10 and 8.26 g/t over 5.5 meters in hole GC-11-11, that focused on a 230 meter gap between the Idaho reserve and the Katie-Dora area, which is largely unexplored and in which no drilling has ever been done.
- 11 underground holes which were designed to test the Katie vein. Drilling in this area encountered difficult conditions with highly fractured mineralized rock, and core recoveries in several holes were poor. However, this drilling returned very encouraging grades including 54.60 g/t over 1.1 meters in hole and GCU-11-07 and 35.44 g/t over 1.4 meters in hole GCU-11-08.
- An open pit definition drilling program consisting of 56 holes on a 25m by 25 m grid, which was completed in October. Drilling has begun to step out from the open pit resource target area on 50 meter spacing, but will cease before the end of November with the onset of winter in the area.

Drilling to the date of this MD&A encountered near surface mineralization, with mineralization encountered as little as 2 meters below surface and included intercepts of:

- 1.38 g/t over 14.5 meters in hole GC-11-14;
- 1.56 g/t over 29.6 meters in hole GC-11-16;
- 1.29 g/t over 24.9 meters in hole GC-11-19;
- 2.34 g/t over 16.1 meters in hole GC-11-23R;
- 1.48 g/t over 22.7 meters in hole GC-11-28;
- 5.07 g/t over 21.6 meters in hole GC-11-34;
- 2.05 g/t over 30.8 meters in hole GC-11-52; and
- 5.15 g/t over 29.2 meters in hole GC-11-41.

These drill intercepts follow the slope of the hillside and present the potential for a low strip ratio.

New Jersey Mining also carried out rehabilitation work throughout the period on the existing underground workings and prepared underground drill stations in preparation for the re-commencement of underground drilling this winter. In addition, Micon International conducted site visits during May and July 2011 in preparation for the planned resource estimate and accompanying NI 43-101 technical report.

c) Finger Pond

Marathon completed a short prospecting program in the third quarter of 2011. This was the first work on Finger Pond since acquiring the property in 2010 and was necessary to enable Marathon to retain its interest in the claims which make up the property.

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% copper and 34.1 g/t silver, and 45.6% copper and 15.3 g/t silver.

d) Barachois Brook

Marathon completed a prospecting program in the third quarter of 2011. This work included surface sampling which yielded 37 grab samples. Marathon's prospectors identified zinc and silver showings in a limited area, with grab samples grading as high as 10.5% zinc and 18.8 g/t silver, and an isolated gold showing with a grab sample grading 7.01 g/t gold. These grades did not reproduce the historical prospecting results which originally made this property attractive as an exploration target.

e) Baie Verte

Similarly, Marathon carried out a short prospecting program at Baie Verte in the third quarter. This program included 17 grab samples collected from outcrop on the property, assays for which are pending at the date of this MD&A.

5) OUTLOOK

Change in Management

On October 15, 2011, Mr. Jim Frank, Marathon's chairman and the founder of MPGM, passed away after a short illness. At a meeting of the Board of Directors held on October 18, 2011, Mr. George Faught, an independent director of Marathon and the Chairman of Marathon's audit committee, was appointed as non-executive Interim Chairman. Marathon does not anticipate any changes in its business strategy as a result of this change.

Valentine Lake

The bulk of our Canadian exploration efforts will be focused on Valentine Lake for the remainder of the year and into 2012. For the remainder of the year, we expect to focus on:

- Incorporating the results of the recently completed drill program in an updated resource for the Leprechaun Gold Deposit and initial resources for the Valentine East and Sprite zones;
- Continuing environmental baseline studies;
- Winterizing the Valentine Lake camp and making improvements to access roads;
- Preparing for a Preliminary Economic Assessment, which we expect to complete in the first half of 2012.
- Planning for a 2012 exploration program, the nature and extent of which will depend on Marathon's success in raising new equity capital.

Golden Chest

At Golden Chest we expect to incorporate the results of drilling into an initial NI43-101 compliant underground and open pit mineral resource estimate early in the new year.

Marathon has the right to elect to increase its share of Golden Chest to 60% by making a capital contribution of US \$3.5 million before November 30, 2012. Any decision by Marathon on increasing the Company's interest in Golden Chest will depend on Marathon's success in raising additional equity.

Finger Pond

Based on the results from Finger Pond, Marathon plans to undertake a program of airborne geophysics and ground work in the winter of 2012.

Barachois Brook

With the results of the initial prospecting program at Barachois Brook failing to meet management's expectations, Marathon does not have any further work planned for the property.

Baie Verte

At Baie Verte, we plan to complete a 1,000 meter drilling program in the first quarter of 2012.

6) RESULTS OF OPERATIONS

The results of operations for the three and nine month periods ended September 30, 2011 and 2010 are summarized below.

	Three months ended		Nine months ended	
	September 30		September 30	
	2011	2010	2011	2010
	\$	\$	\$	\$
Expenses:				
Exploration expenses	175,364	6,027	214,766	11,624
General and administrative expenses	403,071	180,019	1,263,819	868,972
Total expenses	578,435	186,046	1,478,585	880,596
Interest income	(10,443)	(8,794)	(23,826)	(22,313)
Unrealized loss on warrant derivatives	92,229	-	201,231	-
Foreign exchange loss (gain)	2,308	(186)	1,931	245
Loss for the period	662,529	177,066	1,657,921	858,528

Marathon undertook prospecting programs at its Finger Pond and Barachois Brook properties in the quarter, which resulted in the sharp increase in exploration expense in 2011 in both the three and nine month periods ended September 30, 2011 compared to the corresponding periods in 2010, where the Company's resources were focused almost exclusively on Valentine Lake. The increase in reported administrative expenses in 2011, compared to 2010, is primarily the result of allocating 52% of shared MPGM expenses to Marathon in 2010, as described in note 4 of the interim consolidated financial statements.

The derivation of the reported consolidated results of operations of Marathon for the period ended September 30, 2010 is detailed in note 4 to the consolidated financial statements and is based on allocations of shared MPGM administrative costs which were allocated between Marathon and MPGM based on relative levels of spending on the exploration and development properties attributable to Marathon and MPGM.

Such allocations are not indicative of expenses that would be expected to be incurred by Marathon on a stand-alone basis.

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. The reported summarized results for 2010 are reported under IFRS, while the results for 2009 were prepared under CGAAP.

	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 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	175	34	5	9	6	1	5	49
General and administrative expenses	403	426	435	1,366	180	453	235	65
Operating loss	578	460	441	1,375	186	454	240	114
Other (income) loss	84	109	(14)	(159)	(9)	(7)	(5)	(2)
Loss for the period	662	569	427	1,216	177	447	235	112
Balance Sheet:								
Cash, cash equivalents and short term investments	3,182	6,089	7,606	7,583	-	-	-	-
Working capital	3,134	6,008	7,183	7,881	-	-	-	-
Mineral exploration and evaluation assets	12,322	9,755	9,007	4,642	3,391	1,681	1,014	-

As mentioned above, the reported administrative expense amounts in all periods prior to Q4 of 2010 are based on allocations of shared expenses incurred originally by MPGM. The significant increase in administrative expenses in 2010, compared to 2009, is due to the allocation of a much greater share of MPGM's expenses in 2010.

The sharp increase in general and administrative expenses in the fourth quarter of 2010 is due to the granting of 1,770,000 options in the quarter and subsequent recognition of \$972,742 in stock based compensation costs, of which \$802,375 was charged to operations.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash at September 30, 2011 amounted to \$3,181,912. Our working capital at September 30, 2011 was \$3,134,352.

Our 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, 2011 Marathon incurred an operating loss of \$1,347,624, excluding non-cash charges for depreciation and stock based compensation. Marathon funded its operations in the period through the use of existing cash reserves and from a private placement of flow-through common shares which closed on March 1, 2011, generating net cash proceeds of \$4,099,577.

After taking its existing cash reserves and its expectations regarding the intention of MOA to participate fully in funding the exploration activities of the Valentine Lake Joint Venture into account, Marathon has

sufficient cash to fund its planned exploration and investment activities and administrative costs to the end of 2011, but will require additional financings to move Valentine Lake and Golden Chest toward production. While Marathon has been successful to date in obtaining the equity financing it requires to move its projects forward, it remains dependent on such financings and will continue to depend on financings as its sole source of cash inflows for the foreseeable future. There can be no assurance that Marathon will continue to be able to obtain financing in the future.

9) CAPITAL ACTIVITIES

On March 1, 2011 we closed a brokered private placement of 2,528,500 flow-through common shares that generated net cash proceeds of \$4,099,577. These funds will be used exclusively to fund exploration on Marathon's Canadian exploration properties.

10) OPTIONS

The terms of our 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 period ended September 30, 2011, we awarded a total of 296,000 options to a director of the Company, employees and an external consultant. These options were granted with immediate vesting.

No options were exercised during the period.

11) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	22,915,928
Unexercised stock options	2,036,000
Unexercised broker warrants	176,995
Fully diluted share capital – November 10, 2011	25,128,923

12) OFF-BALANCE SHEET ARRANGEMENTS

We had no off balance sheet arrangements as at September 30, 2011 or subsequently to the date of this MD&A.

13) RELATED PARTY TRANSACTIONS

- a) The details of the Arrangement in November 2010 pursuant to which MPGM transferred to Marathon its gold exploration property interests and \$6,000,000 in cash are explained in note 4 to the consolidated financial statements.

- b) We engage Marathon's chairman to provide administrative, financial, and public relations services pursuant to a renewable consulting agreement for these services. The value of such services was determined by negotiations between the related parties and the compensation committee of the board of directors based on a review of amounts charged by third parties for similar services. Payment in respect of such services is not in excess of market value.

In the period ended September 30, 2011, we paid \$88,038 for these services.

14) RISK FACTORS AND UNCERTAINTIES

Marathon is subject to the usual risks associated with a junior mineral exploration company. We are competing for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom are 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 we 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.

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, 2010. This document may be obtained at www.sedar.com.

15) ADOPTION OF ACCOUNTING STANDARDS AND PRONOUNCEMENTS UNDER IFRS

The Canadian Accounting Standards Board (AcSB) announced its decision to replace Canadian generally accepted accounting principles ("CGAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises in 2006. The effective changeover date for Marathon was January 1, 2011, at which time CGAAP was replaced by IFRS. Marathon's first financial statements prepared under IFRS were the interim financial statements for the three months ended March 31, 2011, which included full disclosure of its new IFRS policies in Note 4 to the financial statements. The March 31, 2011 financial statements also included reconciliations of the previously disclosed comparative periods financial statements prepared in accordance with Canadian GAAP to IFRS.

The condensed unaudited consolidated financial statements for the period ended September 30, 2011 were prepared in accordance with IFRS for interim financial statements and contain less disclosure than the financial statements for the period ended March 31, 2011. These financial statements were

prepared in accordance with the same accounting policies as those described in Note 4 to the unaudited consolidated financial statements for the period ended March 31, 2011.

16) FUTURE ACCOUNTING PRONOUNCEMENTS

In May 2011, the IASB issued the following standards which have not yet been adopted by Marathon: IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13) and amended IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9 - Financial Instruments: Classification and Measurement

IFRS 9, effective for annual periods beginning on or after January 1, 2013 introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2013 and does not consider the effect of the changes will have a significant impact.

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it 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 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

The Company has not yet assessed the impact of the standards or determined whether it will adopt the standard early.

IFRS 11 - Joint Arrangements

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 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 13 - Fair Value Measurement

IFRS 13 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 in many cases does not reflect a clear measurement basis or consistent disclosures.

The Company has not yet assessed the impact of the standards or determined whether it will adopt the standard early.

International Accounting Standard 28, Investments in Associates and Joint Ventures (IAS 28)

In addition, there have been amendments to existing standards, including IAS 28, Investments in Associates and Joint Ventures. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 11 – 13 which are discussed above.

The Company will assess the impact of the amendment in conjunction with assessments made for IFRS 11-3.

17) 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, 2011.

18) 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, 2011 and have concluded that these controls and procedures are effective.

19) 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

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.

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.

20) 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