



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, 2018 and 2017.

The MD&A should be read in conjunction with Marathon's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 and 2017, including the notes thereto. This MD&A is presented as of November 12, 2018. 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.

CAUTIONARY STATEMENT

The preliminary economic assessment discussed in this MD&A was prepared in accordance with NI 43-101. Readers are cautioned that the preliminary economic assessment is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

QUALIFIED PERSON

This MD&A has been reviewed by Phillip Walford, P.Geol. Mr. Walford is a Qualified Person in accordance with NI 43-101 and has approved the technical content within this MD&A related to disclosures concerning Marathon’s mineral projects, mineral resource estimates, and economic studies on behalf of Marathon.

1) STRATEGY

Marathon's strategy is the acquisition, exploration and development of mineral properties, particularly gold properties located in North America, with a primary focus on the development of the Valentine Lake project through Feasibility, Construction, Commissioning and Operations. At the date of this MD&A, Marathon owns 100% interests in the following resource properties:

Newfoundland

- The Valentine Lake Gold project in central Newfoundland, Marathon's flagship property and currently the sole focus of its exploration and development efforts. The property includes four zones with existing mineral resources, the Leprechaun, Marathon, Sprite and Victory Deposits. The property also includes mineralized areas which have not been advanced to the point of hosting mineral resources, including the 3.5-kilometer area between the Marathon and Sprite Deposits; the J. Frank, Narrows, Rainbow and Victory SW zones; and numerous untested drilling targets.
- The Baie Verte gold property in western Newfoundland, an early-stage exploration property acquired by staking in 2008.

Oregon, United States

- The Bonanza Mine, a historic former mine located in Baker County in northeastern Oregon.

British Columbia

- The Gold Reef property, an exploration property consisting of approximately 12 hectares of claims located near Stewart, BC with existing underground workings and drill holes.

2) OVERVIEW

With the completion of the initial preliminary economic assessment ("PEA") on the Valentine Lake project in May 2018 and the updated PEA in October 2018, Marathon's focus with respect to Valentine Lake is on the exploration and development of the project. Marathon completed the following activities in the period ended September 30, 2018, and subsequently to the date of this MD&A:

Financing and Liquidity:

At September 30, 2018, Marathon's cash position was \$5.9 million compared to \$7.2 million at December 31, 2017. In July 2018, Marathon closed a bought deal prospectus financing of common shares and flow through shares which generated aggregate gross proceeds of \$8.1 million and net proceeds of \$7.3 million.

Mineral Resource Estimate:

In October 2018, Marathon released an updated mineral resource estimate which serves as the foundation for the updated PEA, the highlights of which were communicated in a press release dated October 30, 2018. This revised resource estimate incorporated the results of drilling on the property through October 6, 2018.

At the date of this MD&A, the Valentine Lake property hosts a total Measured and Indicated resource of 2.7 million ounces of gold at a grade of 1.85 g/t and an additional Inferred resource of 1.5 million ounces at a grade of 1.77 g/t.

Updated Preliminary Economic Assessment:

In October 2018 Marathon completed an update to its initial PEA on the Valentine Lake project. This work was led by John T. Boyd Company and Lycopodium Minerals Canada. The results of the PEA were communicated in a press release dated October 30, 2018 and an accompanying NI 43-101 compliant report is expected to be filed on Sedar by November 30, 2018.

The main driver for this update was the significant increase in mineral resources. The update was completed to reflect the impact of 23,000 meters of additional drilling at the Marathon Deposit since March 2018, the cutoff for the resource used in the May 2018 PEA; the results of metallic screen assays completed on samples from 2017 and 2018 drilling to more accurately determine gold grade where coarse gold was present; the preliminary results of enhanced metallurgical test work on mineralized material from the Marathon and Leprechaun deposits; and continuing review and consideration of multiple scenarios for the potential exploitation of the Valentine Lake mineral resources. The results of this study represent a significant improvement over the results of the May 2018 PEA, confirming a potential mining operation involving heap leaching and conventional mill processing, producing an average of 225,100 ounces of gold per year during the first 12 years of operation at an all-in sustaining cost ("AISC") of US\$666 per ounce and generating an after-tax IRR of 30% on estimated pre-production costs of US\$355 million. The project is anticipated to produce an after-tax NPV (5%) of US\$493 million. The after-tax payback period is a desirable 2.5 years in a 12-year mine life.

As a follow-up to the results of the PEA, metallurgical work being carried out by SGS Lakefield and underway at the date of this MD&A will drive optimized recoveries for use in a pre-feasibility study.

Drilling:

Diamond drill programs, which ran from January to March and May to November 2017, January to March 2018, and May 2018 to October 2018, focused on:

- expanding and upgrading the Marathon and Leprechaun resources in support of the May and October 2018 PEA's;
- infill drilling at the Marathon Deposit intended to upgrade inferred resources to the measured and indicated categories and additional drilling in the hanging wall and footwall of the main area of the deposit intended to decrease the strip ratio and deepen the Marathon open pit by bringing portions of the underground resource into the pit-constrained resource – a result of lowering the strip ratio;
- completing a program of widely spaced exploration holes in the 3.5-kilometer bog zone between the Sprite and Marathon Deposits to determine the potential of this area of the property, which has seen little in the way of exploration activity, to host mineral resources; and
- initial exploration drilling in the area between the Marathon and Victory deposits, following on from promising results obtained from a summer program of prospecting and trenching.

3) UPDATED PRELIMINARY ECONOMIC ASSESSMENT

Marathon completed a revised PEA on the Valentine Lake project which updated the results of the initial May 2018 PEA on the project in October 2018 and announced the results of this study in a press release dated October 30, 2018. The economic highlights of the updated PEA and the change in each economic measure from the May 2018 PEA are summarized below and are excerpted from this press release. All figures reported in the table below are expressed in US dollars.

	October 2018	May 2018	Change
Preproduction Capital	\$355 Million	\$380 Million	-\$25 Million
Pre-Tax NPV (5%)	\$834 Million	\$ 597 Million	+\$ 237 Million
Pre-Tax IRR	44%	34%	+10%
After-Tax NPV (5%)	\$493 Million	\$367 Million	+\$126 Million
After- Tax IRR	30%	25%	+5%
Pre-Tax Payback Period	1.7 years	2.3 years	-0.6 years
After-Tax Payback Period	2.5 years	2.8 years	-0.3 years
Mine Life	12.2 years	10.2 years	+2 years
Recovered Gold Ounces	2,723,300	1,896,300	+827,000
Average Annual Production	225,100 ounces (12-year average)	188,500 ounces (10-year average)	+68,000 ounces (12- year average)
LOM Average Cash Cost	\$603 / oz Au	\$557 / oz Au	+\$46 / oz Au
LOM Average AISC – All in Sustaining Costs	\$666 / oz Au	\$595 / oz Au	+\$71 / oz Au
Throughput (tonnes per day) – Mill and Heap Leach	9,000 tpd / 9,000 tpd	7,500 tpd / 9,000 tpd	+1,500 tpd to the mill
Mill Grade & Recovery	2.2 g/t / 95%	2.2 g/t / 95%	No change
Heap Leach Grade & Recovery	0.5 g/t / 59%	0.5 g/t / 53%	+6% recovery
Initial Production	2022	2022	No change
Gold Price	\$1,250 / oz Au	\$1,250 / oz Au	No change
FX Rate (CDN\$/US\$)	\$0.769	\$0.787	-\$0.018

The improvements in the production profile and economic performance of the project reflect a combination of heap leaching of lower grade mineralized material and milling/flotation/carbon-in-leach processing of higher-grade material, focused only on the open pit mineral resource estimates for the Marathon, Leprechaun and Victory deposits. The Sprite Deposit was excluded from the PEA because of its relatively small resource, and underground resources were excluded because of a lack of sufficient drill

results to establish continuity. However, the project benefitted significantly from identifying areas of the Marathon deposit where focused drilling could succeed in increasing the aggregate near-surface mineral resources, lowering the overall strip ratio. In addition, infill drilling succeeded in deepening the pit, effectively bringing some underground mineral resources situated outside the May 2018 open pit into the October 2018 pit and increasing the life-of-mine production profile. Finally, efforts were made to reduce the impact of pre-production and life-of-mine capital expenditures, and internal studies were completed to improve production and infrastructure utilization.

The results of the updated PEA were a significant improvement in further establishing the potential for Valentine Lake to support a low-cost, robust open-pit operation with an attractive return on investment. Future drilling will study the viability, if any, of underground mining at Valentine Lake.

In addition, the updated PEA identified a number of areas where the performance of the Valentine Lake project could be enhanced and the risk associated with the project reduced. These include:

- Drilling to expand the overall resources associated with the Marathon Deposit along strike to the northeast and southwest and to upgrade mineral resources from the inferred category into measured and indicated, a necessary step toward an eventual feasibility study on the project;
- Drilling focused at the Marathon Deposit to expand open pit resources along strike to the southwest and infill drilling to reduce inferred resources in the pit shell;
- Exploration drilling at the Sprite Deposit to continue to extend the mineralized zone northeast towards the Marathon Deposit;
- Infill drilling to improve the continuity of the underground resource, which, as mentioned previously, could contribute additional ounces of gold to the life-of-mine production profile, potentially mineable using underground mining methods;
- Geotechnical and hydrogeological work to enable improved open-pit and underground pit designs;
- Metallurgical testing on material representative of the feedstock for both heap leaching and milling to confirm and possibly improve recoveries. This work is being undertaken by SGS Lakefield and is underway at the date of this MD&A, with encouraging early results of bottle roll and column tests confirming the results of metallurgical testing completed by Thibault & Associates in 2015. This work will continue into 2019 and has the potential to improve gold recoveries and the resulting project economics, particularly with respect to heap leach processing of lower-grade material. The results of this work will be integrated into a pre-feasibility study; and
- Ongoing engineering studies and permitting work to continue to de-risk the project in support of a proposed pre-feasibility study that is planned for 2019.

4) SUMMARY OF MINERAL RESOURCES

An updated resource estimate incorporating assay data received to October 6, 2018 was completed by John T. Boyd Company (“Boyd”) in October 2018 and is the most current resource associated with the Valentine Lake property. This resource estimate was the foundation for the October 2018 PEA.

The summary table below sets out the combined current mineral resource estimates for the Leprechaun, Marathon, Sprite, and Victory Deposits at the Valentine Gold Camp, as excerpted from Marathon’s press release dated October 30, 2018:

Combined Resources – Valentine Lake Gold Camp (Leprechaun, Marathon, Sprite and Victory Deposits)

Deposit / Category	Open Pit			Underground			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
		(g/t)	(oz.)		(g/t)	(oz.)		(g/t)	(oz.)
Valentine Lake Gold Camp Summary									
Total Measured & Indicated	44,335,000	1.79	2,557,700	811,000	5.13	133,700	45,146,000	1.85	2,691,400
Total Inferred	24,429,000	1.57	1,230,200	2,428,000	3.86	301,400	26,857,000	1.77	1,531,600

Detailed information concerning the tonnages, grades, resource classifications and underlying assumptions for each of these deposits is presented in Section 5 of this MD&A.

5) EXPLORATION ACTIVITY IN THE PERIOD

a) Valentine Lake

Drilling Programs 2017 to present

During 2017 and 2018 to the date of this MD&A, Marathon carried out a total of 99,629 meters of drilling on four discrete areas of the Valentine Lake property. For clarity, this drilling is summarized below.

	<u>Leprechaun Deposit</u>		<u>Sprite Deposit</u>		<u>Victory Deposit</u>		<u>Marathon Deposit</u>	
	# of holes	Meters	# of holes	Meters	# of holes	Meters	# of holes	Meters
January to April 2017	7	2,560	16	2,174	-	-	21	9,940
May to November 2017	16	6,806	-	-	-	-	84	36,870
January to April 2018	-	-	14	3,206	-	-	29	12,668
June to October 2018	-	-	8	1,768	13	1,832	56	21,805
	23	9,366	38	7,148	13	1,832	190	81,283

2017 Drilling and Exploration Programs

Marathon's initial 2017 drilling activity ran from January to April 2017, with the bulk of the drilling focused on the Marathon Deposit. Marathon had numerous successes arising from this drilling program, including:

- Drilling of three sub-vertical holes through the Marathon mineralized corridor that were allowed to run to a maximum of 1,001 meters, stopping in weak mineralization. These holes, which were the deepest holes ever drilled by Marathon at Valentine Lake, intercepted abundant QTP veining, which was associated with wide intervals of intermittent moderate to high-grade gold to depths of 966 meters. These results illustrated clearly the potential for resource expansion beneath the lower limits of the existing Marathon resource boundary.

- Intersecting high grade mineralization in wide intervals 80 to 100 meters down-dip of previous drilling, further proving that the mineralized corridor associated with the Marathon area extended to depth.
- Intercepting significant mineralization in step-out holes drilled southwest of the 2015 resource boundary.
- Successful infill drilling along the southwest end of the 2015 resource boundary and into the hanging wall to the northwest of the 2015 resource boundary.

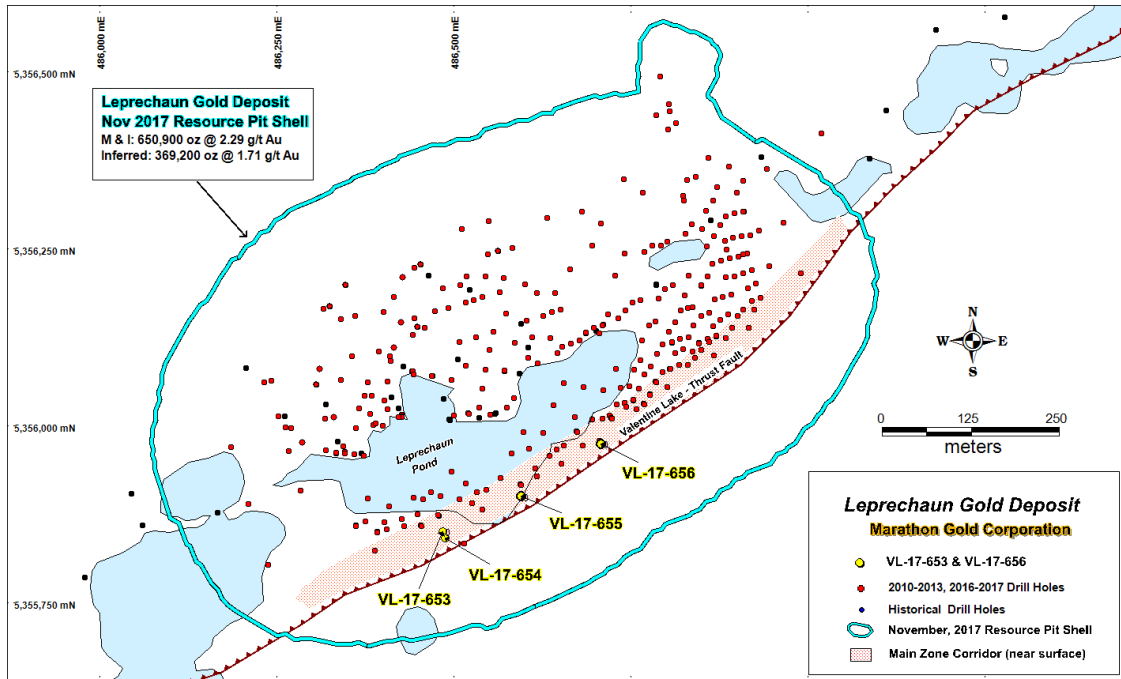
Marathon resumed drilling in May 2017 following the closing of its prospectus financing with a plan to complete an additional 60,000 meters of drilling. The planned scope of this drilling program included:

- Down-dip extension drilling at the Leprechaun Deposit intended to test the extension of high grade intercepts below 300 meters.
- Infill drilling at the Marathon Deposit for 1,200 meters along strike, intended to increase drill density in areas drilled with widely spaced holes in 2016, to upgrade resources from inferred to indicated, and to expand the Marathon Deposit resource to the southwest.
- Extension drilling to test mineralization at the Marathon Deposit along strike and to depth, beneath the current resource pit.
- Exploration drilling to test the potential of showings between the Victory and Leprechaun Deposits to host near-surface resources.

Upon resumption of drilling, the pace of drilling activity at Valentine Lake accelerated from May to November 2017. Drilling at the Marathon Deposit, with three drills early in the summer and later four drills, focused on expanding the open pit resource to the southwest of the existing resource boundary, increasing the depth of the pit in the central portion of the deposit, and expanding the underground resources. A more modest program using a single drill at the Leprechaun Deposit focused on expanding the down-dip extension of the existing high-grade underground resource and testing the geological model.

At the Leprechaun Deposit, drilling intercepted continuous, wide high-grade gold intervals in holes designed to penetrate down through the stacked QTP veining of the Main Zone corridor of the Leprechaun Deposit.

The location map below illustrates the location of drilling from the summer 2017 program at the Leprechaun Deposit within the February 2017 resource pit shell.



Buy-back of Net Smelter Returns Royalty

The Valentine Lake property was subject in the period from January 1, 2017 to November 14, 2017 to a net smelter returns royalty held by Glencore Canada amounting to 2% on base metal production and 3% on precious metal production (collectively, the “NSR”). The NSR covered a land package on the Valentine Lake property that encompassed all of the current resources associated with the Valentine Lake property.

On October 30, 2017, Glencore offered to sell the NSR to Marathon for cash proceeds of US \$8.7 million, pursuant to Marathon’s right of first offer stipulated in the NSR agreement, in advance of a planned transfer of this royalty into a new investment vehicle. Management analyzed the potential improvements in the economics of the Valentine Lake project, based in part on an early stage economic model prepared by an independent engineer earlier in 2017, and concluded that the buy-back of the NSR was accretive to the net asset value of the project at the offered price. On November 14, 2017 Marathon closed the buy-back of the NSR for cash consideration of \$11,246,525 including transaction costs.

The royalty buy-back was a one-time opportunity that management expects will have a significant positive impact on the value of the Valentine Lake project.

Winter 2018 Drilling

Drilling at Valentine Lake re-commenced in mid-January 2018 and was suspended in early April 2018 because of spring break-up in the area.

Marathon’s drilling focused on two areas:

- infill and step-out drilling using two drills intended to expand the Marathon Deposit resource and add to the PEA, and
- a series of 14 widely-spaced exploration holes extending to the northeast of the Sprite Deposit resource boundary in the 3.5-kilometer boggy area between the Marathon and Sprite Deposits.

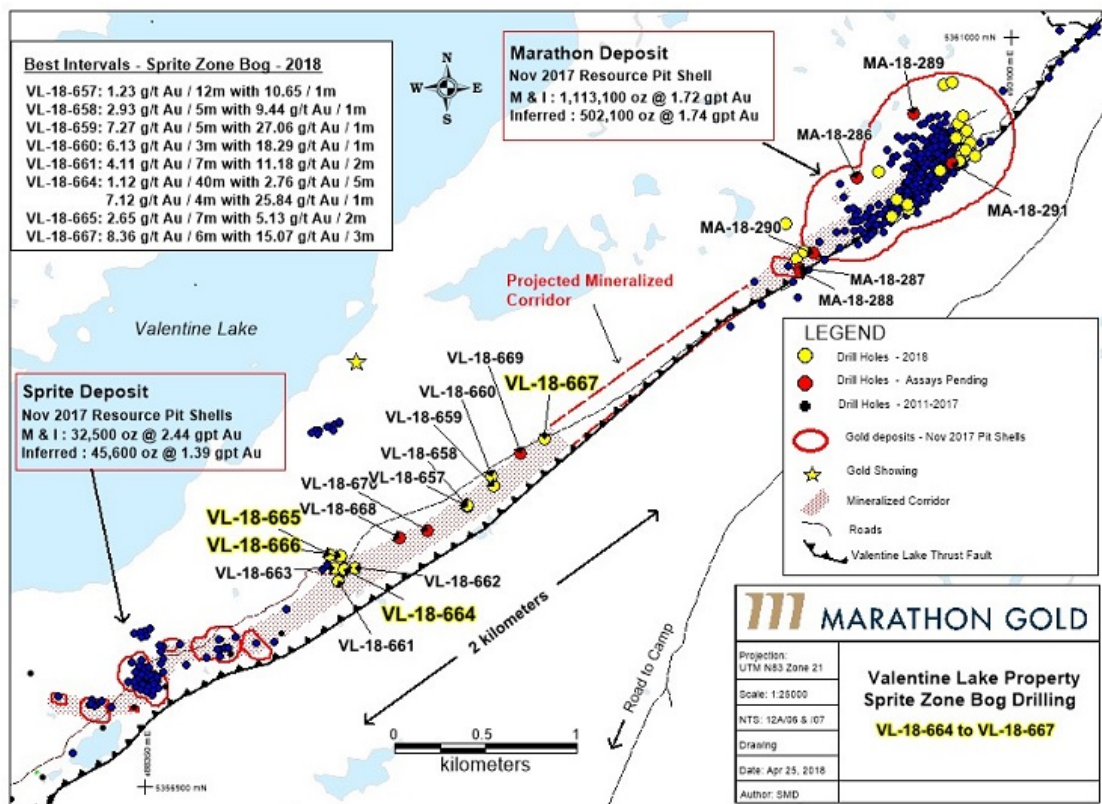
Drilling in this area of the property took advantage of frozen ground to test a high potential area between the Marathon and Sprite Zones.

Drilling at each deposit and in the bog between the Marathon and Sprite Deposits generated excellent results in line with management’s objectives.

At the Marathon Deposit, drilling completed in 2018 prior to March 5, 2018 was incorporated into the March 2018 updated resource estimate for the Marathon Deposit. Notable drilling results included:

- Numerous intercepts of high-grade gold intervals encountered in drilling across the main mineralized corridor in the northeastern and southwestern portions of the deposit, with the potential to deepen the open pit and expand underground resources.
- Intercepts of high grade mineralization along the outer margin of the mineralized corridor in the southwestern area of the Marathon Deposit, some of which were in areas with little previous drilling.

The location map below illustrates the approximate date and location of drilling completed at the Marathon Deposit within the existing November 2017 resource pit shell.



The drilling completed in the bog zone between the Sprite and Marathon deposits was not intended to contribute immediately to a change in mineral resources but instead to assess the potential for this ground to host additional mineral deposits. Management considers the results of drilling in this area of the property a success. All fourteen holes intercepted mineralization with intervals of mineralization sufficient to justify further drilling to potentially develop open pit resources, and drilling succeeded in extending the mineralized corridor associated with the Valentine Lake property by 2 kilometers.

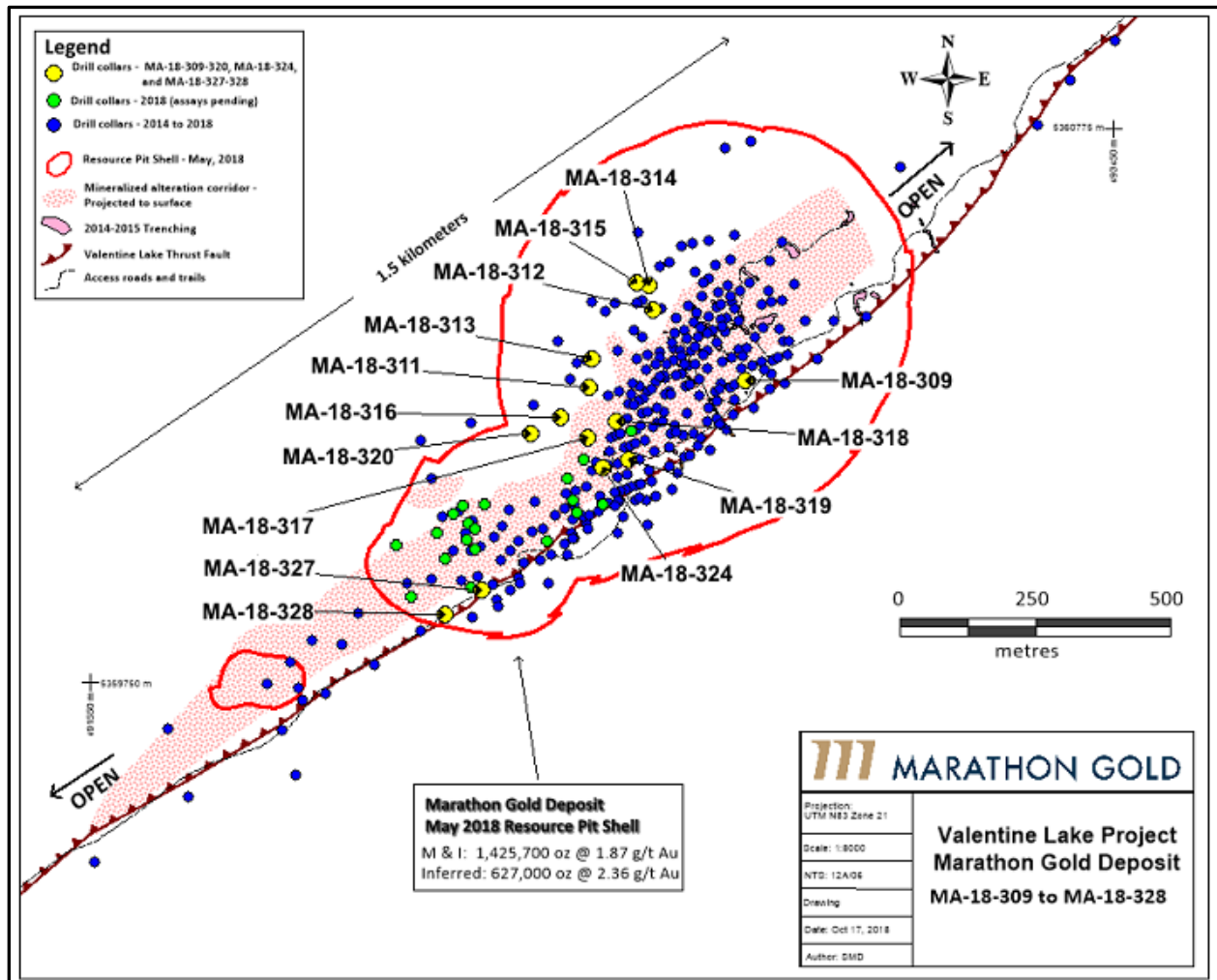
Summer 2018 Drilling and Exploration Program

Marathon restarted its drilling program in late May 2018, with a focus on infill drilling at the Marathon Deposit, the largest single resource at Valentine Lake and the most prospective area for the rapid addition of additional resources. This program was completed in late October 2018 with total of 56 holes of infill drilling covering a total of 21,805 meters.

The objectives of this program included:

- Step-out drilling intended to expand the existing resource associated with the Marathon Deposit along strike and to depth
- Conversion of a portion of the existing inferred mineral resource into either measured or indicated categories
- Drilling material in the hanging-wall and footwall of the Marathon main deposit area to reduce the strip ratio associated with the Marathon Deposit pit.

This program was a success and drove the increase in the Marathon resource, which is discussed below. The map below illustrates the location of the most recent drilling in this program.



In addition to drilling at the Marathon Deposit, Marathon completed a program of 13 drill holes covering 1,832 meters of drilling in the area between the Victory and Marathon deposits and 8 drill holes covering 1,768 meters of drilling in the Sprite Zone. The Victory drilling followed on from earlier programs of prospecting and trenching to the southwest of the Victory Deposit in 2017 and 2018 which exposed a strike length of 1.5 km of mineralization with abundant QTP veining and visible gold, identical to the mineralizing system found elsewhere throughout the property. The presence of visible gold in samples from several trenches makes it likely that future resource exploration drilling will include a focus on Victory.

Mineral Resource Estimate

In October 2018 Marathon completed an updated mineral resource estimate based on drill data obtained prior to October 9, 2018. This resource served as the foundation for the October 2018 PEA. The resource reflects the results of the majority of drilling completed in 2018 and the results of metallic screen assays on pre-2018 drilling undertaken to improve grade.

The October 2018 updated resource estimate, completed by Boyd, is summarized below, as excerpted from Marathon's press release dated October 30, 2018.

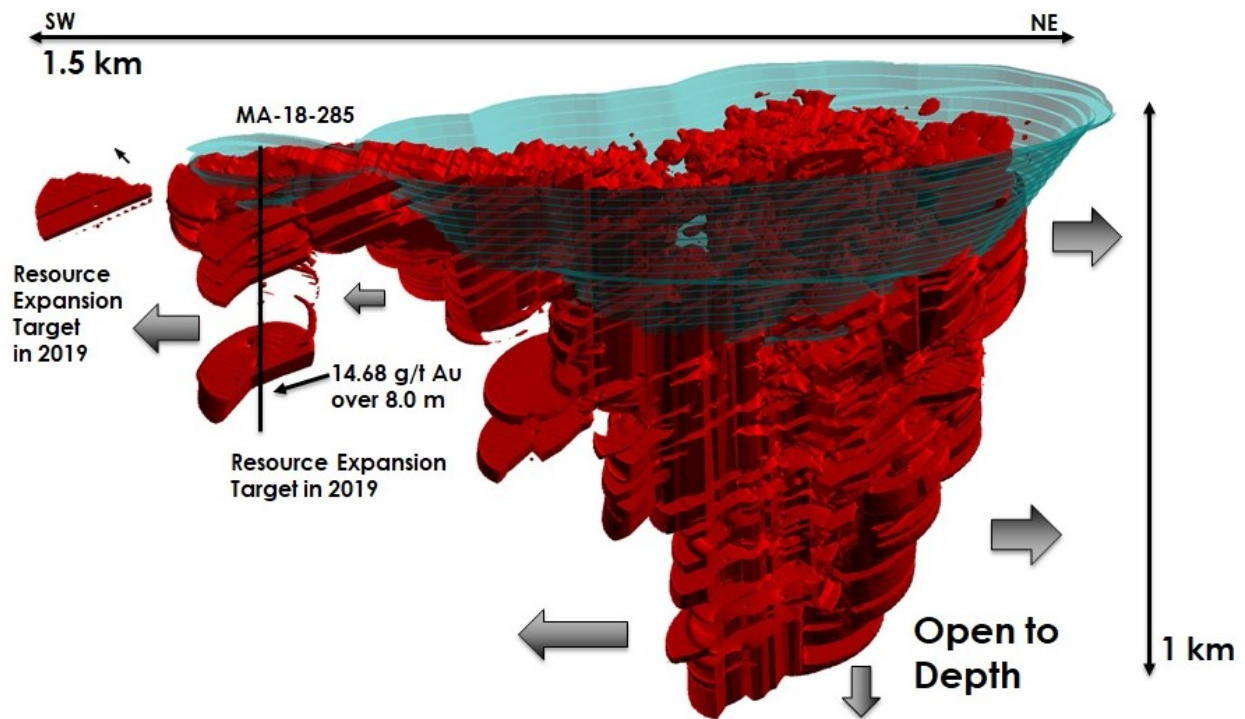
Material/ Category	Open Pit			Underground			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)
Leprechaun Deposit									
Measured	5,760,000	2.38	440,800	81,000	3.91	10,200	5,841,000	2.40	451,000
Indicated	3,010,000	1.92	185,500	64,000	3.46	7,100	3,074,000	1.95	192,600
M+I	8,770,000	2.22	626,300	145,000	3.71	17,300	8,915,000	2.25	643,600
Inferred	7,533,000	1.48	357,400	388,000	4.27	53,300	7,921,000	1.61	410,700
Sprite Deposit									
Measured	0	0.000	0	0	0.00	0	0	0.00	0
Indicated	708,000	1.70	38,800	9,000	2.40	700	717,000	1.71	39,500
M+I	708,000	1.70	38,800	9,000	2.40	700	717,000	1.71	39,500
Inferred	1,291,000	1.17	48,700	46,000	2.70	4,000	1,337,000	1.23	52,700
Marathon Deposit									
Measured	10,637,000	1.99	679,000	142,000	7.99	36,500	10,779,000	2.06	715,500
Indicated	23,211,000	1.56	1,163,700	513,000	4.80	79,100	23,724,000	1.63	1,242,800
M+I	33,848,000	1.69	1,842,700	655,000	5.49	115,600	34,503,000	1.77	1,958,300
Inferred	13,784,000	1.69	750,100	1,839,000	3.86	228,300	15,623,000	1.95	978,400
Victory Deposit									
Measured	0	0.00	0	0	0.00	0	0	0.000	0
Indicated	1,009,000	1.54	49,900	2,000	1.85	100	1,011,000	1.54	50,000
M+I	1,009,000	1.54	49,900	2,000	1.85	100	1,011,000	1.54	50,000
Inferred	1,821,000	1.26	74,000	155,000	3.17	15,800	1,976,000	1.41	89,800
All Deposits									
Measured	16,397,000	2.12	1,119,800	223,000	6.51	46,700	16,620,000	2.18	1,166,500
Indicated	27,938,000	1.60	1,437,900	588,000	4.61	87,000	28,526,000	1.66	1,524,900
M+I	44,335,000	1.79	2,557,700	811,000	5.13	133,700	45,146,000	1.85	2,691,400
Inferred	24,429,000	1.57	1,230,200	2,428,000	3.86	301,400	26,857,000	1.77	1,531,600

Notes:

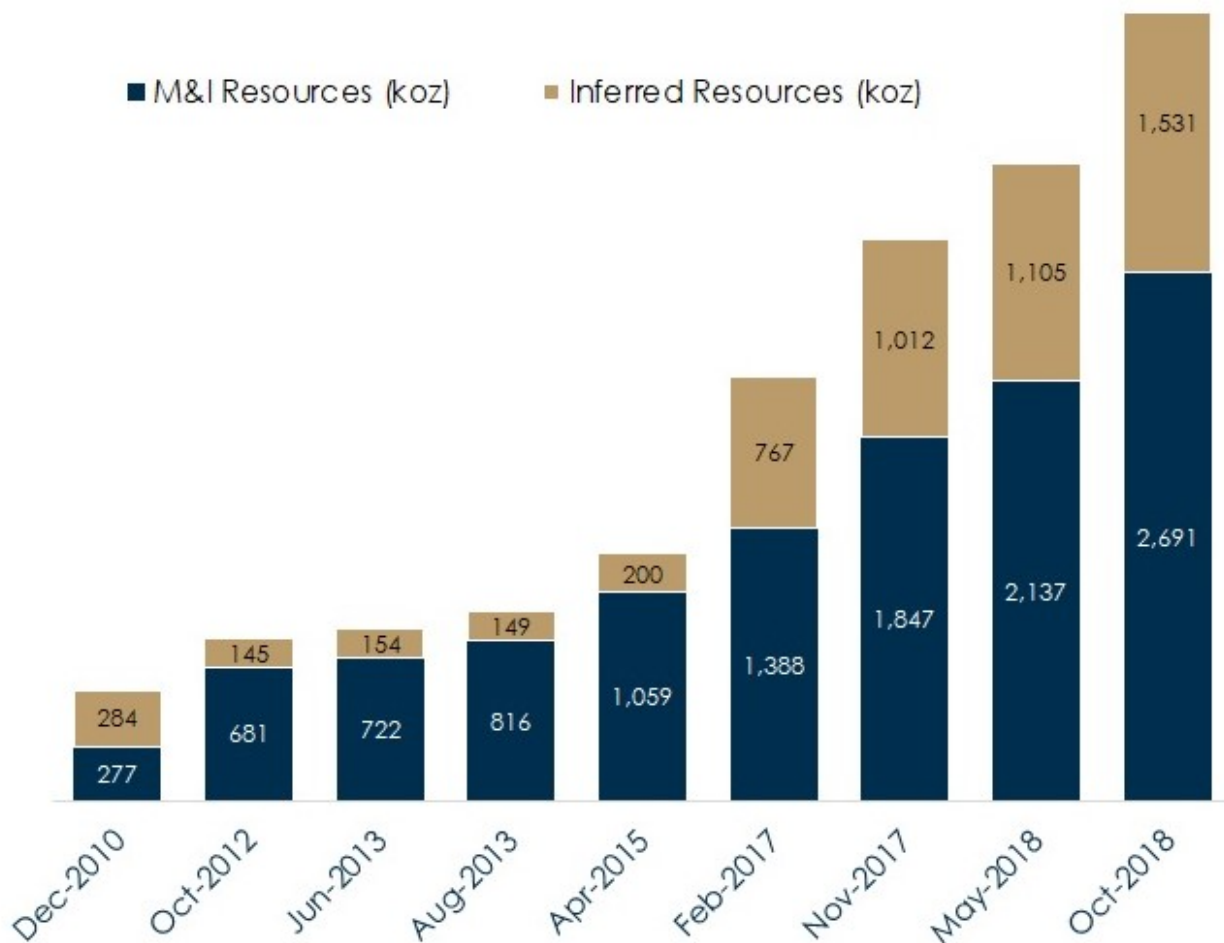
1. The effective date for this mineral resource estimate for Sprite, and Victory is November 27, 2017 and is reported on a 100% ownership basis. The effective date for the mineral resource estimate for Marathon is October 9, 2018. The effective date for the mineral resource estimate for Leprechaun Pond is October 5, 2018. The resources have been restated using the updated PEA economics. All material tonnes and gold values are undiluted.
2. Mineral Resources are calculated at a gold price of US\$1,250 per troy ounce.
3. The open pit mineral resources presented above use an economic pit shell to determine material available for open pit mining. The underground mineral resources are that material outside of the in-pit mineral resources above the stated underground cutoff grade.
4. 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, socio-political, marketing, or other relevant issues.

5. The mineral resources presented here were estimated using a block model with a block size of 6 m by 6 m by 6 m sub-blocked to a minimum block size of 2 m by 2 m by 2 m using ID³ methods for grade estimation. Mineral resources for the Leprechaun and Sprite deposits are reported using an open pit gold cut-off of 0.281 g/t Au and an underground gold cut-off of 1.767 g/t Au. Material between a 0.281 Au g/t value and 1.142 Au g/t is assumed to be processed on a heap leach. Material above a 1.142 Au g/t is assumed to be processed in a mill. Higher gold grades were given a limited area of influence which was applied during grade estimation by mineralized domain. Mineral resources for the Marathon and Victory deposits are reported using an open pit gold cut-off of 0.328 g/t Au and an underground gold cut-off of 1.731 g/t Au. Material between a 0.328 Au g/t value and 0.700 Au g/t is assumed to be processed on a heap leach. Material above a 0.700 Au g/t is assumed to be processed in a mill. Higher gold grades were given a limited area of influence which was applied during grade estimation by mineralized domain.
6. The mineral resources presented here 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 May 10, 2014.
7. Figures are rounded, and totals may not add correctly.

The October 2018 resource represents an increase in measured and indicated resources of 554,000 ounces compared to May 2018, a 26% increase, and an increase in inferred resources of 426,000 ounces, or 39%. The longitudinal view of the Marathon Deposit block model below illustrates the configuration of the Marathon Deposit pit shell included in the updated PEA mine plan and areas presenting significant opportunities to expand the Marathon resource estimate.



The chart below illustrates the growth of the Valentine Lake resource since 2010, when Marathon began exploration activities at the property.



6) OUTLOOK

a) Valentine Lake Gold Camp

With the completion of the PEA, Marathon's focus with respect to Valentine Lake is on development as opposed to pure exploration. To facilitate this, Marathon expanded its management team with the recent appointment in the third quarter of 2018 of Robbert Borst as the Company's first Chief Operating Officer and has begun work on a number of development and evaluation initiatives aimed at expanding and upgrading mineral resources and addressing several of the performance enhancement and risk mitigation recommendations arising from the October 2018 PEA, including:

- Additional metallurgical test-work, following on from the small-scale tests completed in 2015 and 2016, which will include full height column tests and additional test-work to evaluate the full potential of heap leaching and optimize the gravity, flotation and leaching processes;
- More advanced environmental studies, which are underway at the date of this MD&A. The results of this work will be incorporated into future economic studies on the project and used in the course of permitting activity;

- A program of detailed prospecting and follow-up trenching focused on the northeastern part of the Valentine Lake property, an area with indications of gold mineralization but limited prior exploration activity; and
- Drilling, which will focus going forward on the ongoing expansion of the Marathon Deposit, which remains open along strike and to depth, and other priority targets, including the bog between the Marathon and Sprite deposits and Victory SW.

b) Golden Chest

Management continues to monitor the activity of New Jersey Mining Company (“NJMC”) with respect to Marathon’s royalty interest in the Golden Chest property.

At September 30, 2018 Marathon had received cumulative royalty payments from NJMC amounting to \$160,004 in respect of provisional and final payments received by NJMC for shipments of concentrate to its refiner. The impact of these payments was to reduce to \$Nil the carrying value of Marathon’s NSR royalty on production from Golden Chest and resulted in Marathon recognizing income, disclosed in Marathon’s consolidated financial statements as Other income, in the second and third quarters of 2018 amounting to \$33,548.

c) Other properties

The exploration program completed at Baie Verte in the first quarter of 2017 was sufficient to satisfy Marathon’s work commitment with respect to the property and maintain the underlying mining claims in good order.

Marathon has no plans at the date of this MD&A to carry out any exploration activities at the Bonanza property in Oregon or the Gold Reef property in British Columbia.

7) RESULTS OF OPERATIONS

The results of operations for the three- and nine-month periods ended September 30, 2018 and 2017 are summarized below.

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Expenses:				
Exploration expenses	21,814	22,075	21,814	108,689
General and administrative expenses	1,123,354	509,906	1,985,299	2,093,174
Other finance expense	47,626	-	47,626	111,589
Other income – royalties related to gold sales by the Golden Chest mine	(15,307)	-	(33,548)	-
Interest income	-	(41,605)	-	(66,659)
Foreign exchange loss	(7,984)	(812)	(3,077)	4,413
Loss before tax	1,169,503	489,564	2,018,114	2,251,206
Income tax expense (recovery)	226,293	(222,347)	90,545	(2,096,487)
Loss for the period	1,395,796	267,217	2,108,659	154,719

Notes:

Three months ended September 30, 2018:

- **General and administrative expenses** increased from \$509,906 to \$1,123,354. The principal components of this change are set out below.
 - **Investor relations** decreased from \$83,165 to \$49,690, driven by efforts to reduce activity during the quarter.
 - **Listing fees and related expenses** resulting from the award of options during 2018 amounted to \$14,592. There was no comparative expense in the third quarter of 2017 as no listing fees were chargeable in respect of options issued during the period.
 - **Professional fees** increased from \$5,659 to \$27,724, reflecting increased legal costs and human resource consulting expenses.
 - **Part XII.6 tax**, which is driven by the timing of expenditures incurred in respect of flow through financings, amounted to \$23,259 with no comparative expense in 2017. The lack of a comparative expense in 2017 resulted from Marathon having met its expenditure commitments with respect to flow-through financings completed in the prior year by June 30, 2017.
 - **Stock based compensation** costs charged to operations increased from \$168,590 to \$766,556, reflecting the award of 2,334,000 options in 2018, compared to 350,000 in the comparative period in 2017.
- **Tax provision** – The reported tax provision in the second quarter of 2018 reflects the movement in the Deferred tax liability in the period, offset by the proportional release to operations of Flow through tax premium liabilities based on spending of the proceeds of the flow through financings which gave rise to these liabilities. In the third quarter of 2017, the tax provision reflected only the proportional release of Flow through tax premium liabilities, as Marathon had not recognized a deferred tax liability during the period.

Nine months ended September 30, 2018:

- **General and administrative expenses** decreased from \$2,093,174 to \$1,985,299. The principal components of this change are set out below.
 - **Salaries and wages** charged to operations decreased from \$647,082 to \$498,921. Salaries and wages in 2017 reflected the effect of a performance bonus declared and paid in the second quarter of 2017.
 - **Investor relations** increased from \$154,188 to \$236,271, with the increase being driven by increased levels of investor outreach, including multiple US and overseas roadshows and marketing activity. These increased expenses were incurred mainly in the second quarter of 2018
 - **Professional fees** decreased from \$143,180 to \$87,645. The main driver of this decrease was the non-recurring nature of the legal and other professional expenses incurred in connection with Marathon's 2017 proxy materials and the resulting changes to Marathon's proxy materials, shareholder rights plan and stock option plan.
 - **Part XII.6 tax** increased from \$11,962 to \$76,851.
 - **Stock based compensation** charged to operations decreased from \$842,513 to \$766,556. This decrease was primarily the result of a decrease in the weighted average exercise price of the options issued in the first three quarters of 2018 compared to 2017.

8) 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. Any differences between the summarized financial information below and the cumulative results reported in Marathon's interim and year-end financial statements are due to rounding.

	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Statement of Operations: (all amounts in \$000's)								
Exploration expenses	22	-	-	1	22	5	81	1
General and administrative expenses	1,123	379	483	424	510	1,229	354	799
Other (income) loss	24	(8)	(5)	30	(42)	103	(10)	190
Loss before tax	1,169	371	478	455	490	1,337	425	990
Income taxes	227	175	(311)	3,401	(222)	(700)	(1,174)	162
Loss (Income) attributable to Marathon shareholders	1,396	546	167	3,856	268	637	(749)	1,152
Loss (Income) per Share:								
Loss (Income) attributable to Marathon shareholders								
Basic	\$0.009	\$0.004	\$0.001	\$0.03	\$0.002	\$0.005	(\$0.006)	\$0.013
Diluted	\$0.009	\$0.004	\$0.001	\$0.03	\$0.002	\$0.005	(\$0.006)	\$0.013
Balance Sheet: (all amounts in \$000's)								
Cash, cash equivalents and short-term investments	5,905	3,240	4,136	7,172	17,425	21,127	5,169	8,458
Working capital	5,139	2,001	2,563	4,850	15,556	19,324	4,799	6,445
Mineral exploration and evaluation assets	83,685	79,490	77,563	73,826	59,477	55,099	51,872	48,795
Total assets	90,192	83,131	82,409	81,542	77,560	76,867	58,432	57,656

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 second and third quarters of 2017 and the third quarter of 2018 reflect the issuance of stock options in each period. The decline in Marathon's reported cash and working capital positions at December 31, 2017 compared to September 30, 2017 is in part the result of the purchase in November 2017 of the Glencore NSR, as discussed in section 5 of this MD&A.

9) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash and cash equivalents at September 30, 2018 amounted to \$5,905,044 compared with \$7,172,355 at year-end 2017. Marathon's working capital at September 30, 2018 was \$5,138,872 compared with \$4,849,881 at year-end 2017.

Marathon funded its operations in the period ended September 30, 2018 and subsequently to the date of this MD&A through:

- the use of existing cash reserves on hand at the beginning of the period, which in turn reflect cash raised through two equity financings in 2017, which raised combined gross proceeds of \$23,608,180, and additional proceeds in 2017 from the exercise of warrants and stock options, amounting to \$2,815,398;
- proceeds of \$562,800 from the exercise of stock options and additional proceeds of \$1,439,472 from the exercise of warrants in the period; and
- the proceeds of a prospectus financing completed in July 2018, described below, which raised net proceeds of \$7,329,034.

These issuances of equity provided Marathon with sufficient resources to fund its aggressive 2018 drilling program at Valentine Lake and to complete the May and October 2018 PEA's. As Marathon moves forward, it will require additional financing to undertake exploration and development activities.

10) CAPITAL ACTIVITIES

On June 28, 2018 Marathon announced that it had entered into a bought deal financing with a syndicate of underwriters led by RBC Capital Markets and Haywood Securities Inc. (the "Underwriters") pursuant to which the Underwriters committed to purchase in a bought deal a total of 2,900,000 flow through shares at a price of \$1.05 per flow thorough share and 5,900,000 common shares at a price of \$0.85 per common share, for aggregate gross proceeds of \$8,060,000 and net proceeds of \$7,329,034. This financing closed successfully on July 19, 2018.

11) 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. The option plan was amended during the second quarter of 2017 in advance of Marathon's annual general meeting of its shareholders, following discussions with ISS and key institutional shareholders, to place additional limits on the number and grant date fair value of options issuable to Marathon's non-employee directors, as described below:

- Options issued to non-employee directors subsequent to June 7, 2017, the date on which the amended and restated option plan was approved by Marathon's shareholders, cannot exceed 1% of Marathon's issued and outstanding shares.
- The grant date fair value of all options awarded in any fiscal year to non-employee directors is limited to \$100,000 per director.

Marathon awarded a total of 2,774,000 options at a weighted average exercise price of \$0.92 per share in the period ended September 30, 2018. In addition, a total of 1,135,000 options were exercised during the period, generating proceeds of \$562,800 and subsequent to September 30, 2018 a further 35,000 options were exercised for proceeds of \$7,000.

12) RELATED PARTY TRANSACTIONS

Marathon incurred the following compensation costs related to key management and directors in the normal course of business in the three- and nine-month periods ended September 30, 2018 and 2017. At September 30, 2018, no amounts were owed by Marathon in respect of the transactions described below.

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries and bonus paid to officers	188,333	155,000	498,333	740,000
Director fees	47,500	40,978	142,500	115,978
Stock based compensation	1,130,689	118,701	1,130,689	1,071,423
	1,366,522	314,679	1,771,522	1,927,401

13) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	159,576,702
Unexercised stock options	11,722,500
Fully diluted share capital – November 12, 2018	171,299,202

14) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance-sheet arrangements as at September 30, 2018 or subsequently to the date of this MD&A.

15) 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.

Marathon has completed an updated preliminary economic assessment on the Valentine Lake project, the second economic study on the property. Moving forward from the results of this study will require substantial financing, and it may not be possible to raise sufficient 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 has participated in the past, and may participate in the future, 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 several 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, 2017. This document may be obtained at www.sedar.com.

16) FUTURE ACCOUNTING PRONOUNCEMENTS

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after January 1, 2018:

International Financial Reporting Standard 16, Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16 which replaces existing standards and interpretations under IAS 17, "Leases". IFRS 16 requires all leases, including financing and operating leases, to be reported on the balance sheet with the intent of providing greater transparency on a company's lease assets and liabilities. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

Marathon has commenced the evaluation of the new standard and does not anticipate any material impact from the adoption of this standard. Management will continue to monitor the potential impact of adoption as the adoption period approaches.

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, 2018.

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, 2018 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:

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.

Impairment of mineral exploration and evaluation assets

Determining whether facts and circumstances indicate that Marathon's mineral exploration and evaluation ("E&E") assets may be impaired and require the recognition of an impairment loss, or conversely whether a reversal of an impairment loss recognized in a prior period may be required, is a subjective process involving judgment and a number of estimates and interpretations.

Determining whether to test for impairment of E&E assets requires management's subjective assessment of a number of facts and circumstances concerning each subject property, including, among others:

- whether the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- whether substantive expenditure on further E&E of mineral resources in a specific area is either budgeted or planned;
- Marathon's financial capacity to execute exploration activities on a given property;

- the extent to which exploration for and evaluation of mineral resources in a specific area have led to the discovery of commercially viable quantities of mineral resources and any resulting decisions by management to cease or significantly reduce further E&E activities in the area; and
- the existence of sufficient data to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

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, the expected forfeiture of options issued subject to vesting, 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.

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