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 years ended December 31, 2018 and 2017.

The MD&A should be read in conjunction with Marathon's consolidated financial statements for the years ended December 31, 2018 and 2017, including the notes thereto. This MD&A is presented as of March 26, 2019. 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.Geo. 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 developing 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 Gap 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 in 2008. Marathon has no plans for further exploration work at Baie Verte at the date of this MD&A and intends to let its interest in the claims underlying this property lapse in 2019.

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.

In addition, Marathon holds a 2% net smelter returns royalty on precious metal sales by the Golden Chest mine in Idaho.

2) OVERVIEW

With the completion of the updated preliminary economic assessment ("PEA") on the Valentine Lake Gold Project in October 2018 and current exploration and development activity focused on supporting the completion of a pre-feasibility study ("PFS"), Marathon's focus with respect to Valentine Lake is on the development of the project through to a construction decision. Marathon completed the following activities in the year ended December 31, 2018, and subsequently to the date of this MD&A:

Financing and Liquidity:

At December 31, 2018, Marathon's cash position was $3.7 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.

Sale of NSR to Franco-Nevada:

On February 21, 2019, Marathon completed the sale of a 2% net smelter returns royalty ("NSR") to Franco-Nevada Corp. (the "FN NSR") for proceeds of $18 million. This attractive transaction is anticipated to fund Marathon's exploration and technical work through to completion of the PFS and was pursued rather than an equity financing to manage the dilution of shareholders. The FN NSR includes an 0.5% buy-back provision that allows Marathon to reduce the royalty to 1.5% prior to December 31, 2022 at a cost of US $7 million.

Mineral Resource Estimate:

In October 2018, Marathon released an updated mineral resource estimate which served 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 was filed on SEDAR on November 30, 2018. These results do not reflect the effect of the FN NSR.

The main driver for this update was the significant increase in mineral resources. The update was completed to reflect the impact of 24,000 meters of additional drilling at the Marathon Deposit since March 2018, the cutoff for the resource used in Marathon's initial PEA completed in May 2018; the results of an additional 9,000 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 conventional mill processing and heap leaching, 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 12.2-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 is expected to result in optimized recoveries for use in the PFS.

Drilling:

Diamond drill programs, which ran from January to April and May to November 2017, January to March 2018, and May 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;
- completing a program of widely spaced exploration holes in the 3.5-kilometer Gap 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 immediately southwest of the Victory deposit, following on from promising results obtained from a summer program of prospecting and trenching.

3) SALE OF NET SMELTER RETURNS ROYALTY

On February 21, 2019 Marathon completed the sale of the FN NSR for gross proceeds of $18,000,000. This transaction followed a period of more than six months during which Marathon's management and Board considered a range of potential avenues to raise the funds necessary to provide Marathon with sufficient liquidity to complete a PFS on the Valentine Lake Gold Project.

In considering the FN NSR transaction, a number of factors made the transaction desirable, including:

- The transaction represented the first investment by a well-regarded mining-industry investor;
- The transaction reduced the need to approach the capital markets for additional financing;
- The sale price of the FN NSR represented a fair price in the context of Marathon's stage of progress toward production and de-risking the project's technical, operational and economic profile and represented significantly less dilution for shareholders in comparison to the issuance of shares to raise comparable funds;
- The right to buy back 25% of the FN NSR, representing a 0.5% royalty, prior to December 31, 2022 gives Marathon the ability to reduce the financial burden of the royalty prior to a production decision; and
- The costs associated with this transaction were minimal.

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 (g/t)	Gold (oz.)	Tonnes	Grade (g/t)	Gold (oz.)	Tonnes	Grade (g/t)	Gold (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 6 of this MD&A.

5) UPDATED PRELIMINARY ECONOMIC ASSESSMENT

In October 2018, Marathon completed an updated PEA on the Valentine Lake project and announced the results of the updated PEA in a press release dated October 30, 2018. The economic highlights of the updated PEA and the change in each economic measure from the initial PEA on the project, completed in May 2018, 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

	October 2018	May 2018	Change
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 reflected 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 updated PEA because of its relatively small resource, and underground resources in each deposit 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; internal studies were completed to improve production and infrastructure utilization; and higher metallurgical recoveries were used for heap leached material based on preliminary results of metallurgical testing, which enabled the use of a lower cutoff grade for this material.

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.

Cautionary Statement:

The updated PEA was prepared in accordance with NI 43-101. Readers are cautioned that the PEA 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 economic results reflected in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

6) EXPLORATION ACTIVITY IN THE PERIOD

a) Valentine Lake

Drilling Programs 2017 to present

During 2017 and 2018 and subsequently to the date of this MD&A, Marathon carried out a total of 110,429 meters of drilling on four discrete areas of the Valentine Lake property. For clarity, this drilling is summarized below.

	Leprechaun Deposit		Sprite Deposit		Victory Deposit		Marathon Deposit	
	# of holes	Meters	# of holes	Meters	# of holes	Meters	# of holes	Meters
2017	23	9,366	16	2,174	-	-	105	46,810
2018	-	-	22	4,974	13	1,832	85	34,475
January 2019 to present	7	2,678	-	-	-	-	37	8,120
	30	12,044	38	7,148	13	1,832	227	89,405

2017 Drilling and Exploration Programs

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

- Drilling of one sub-vertical hole through the Marathon mineralized corridor that was allowed to run to a depth of 1,001 meters, stopping in weak mineralization. This hole, which was the deepest hole 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. Three additional holes in the 900-975 meter range likewise intercepted abundant QTP veining. 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.

Upon resumption of drilling in May 2017 following completion of a financing, the pace of drilling activity at Valentine Lake accelerated. 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 converting inferred resources into the measured and indicated resource categories. A more modest program using a single drill at the Leprechaun Deposit focused on expanding the down-dip extension of the existing high-grade resource and further refining 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.

2018 Drilling Program

Drilling at Valentine Lake ran from mid-January to March and May to October 2018.

Marathon's drilling in the first phase of this program 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, which served as the foundation for the May 2018 PEA. 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, and
- 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 drilling completed in the bog zone between the Sprite and Marathon deposits during the first phase of the 2018 drilling program 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 considered 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.

Marathon restarted its drilling program in late May 2018 following spring break-up in the area, focused primarily on infill drilling at the Marathon Deposit. 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; and
- Drilling material in the hanging-wall and footwall of the Marathon main deposit area in an effort to reduce the strip ratio associated with the Marathon Deposit pit.

This infill drilling program was a success and drove further increases in the Marathon resource, which is set out below. Assaying of core obtained from the 2018 drill program was completed in January 2019, with the last drilling results from the 2018 drilling program reported in a press release dated January 21, 2019.

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 immediately southwest of the Victory deposit 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.

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 reflected 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 where coarse gold was present.

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

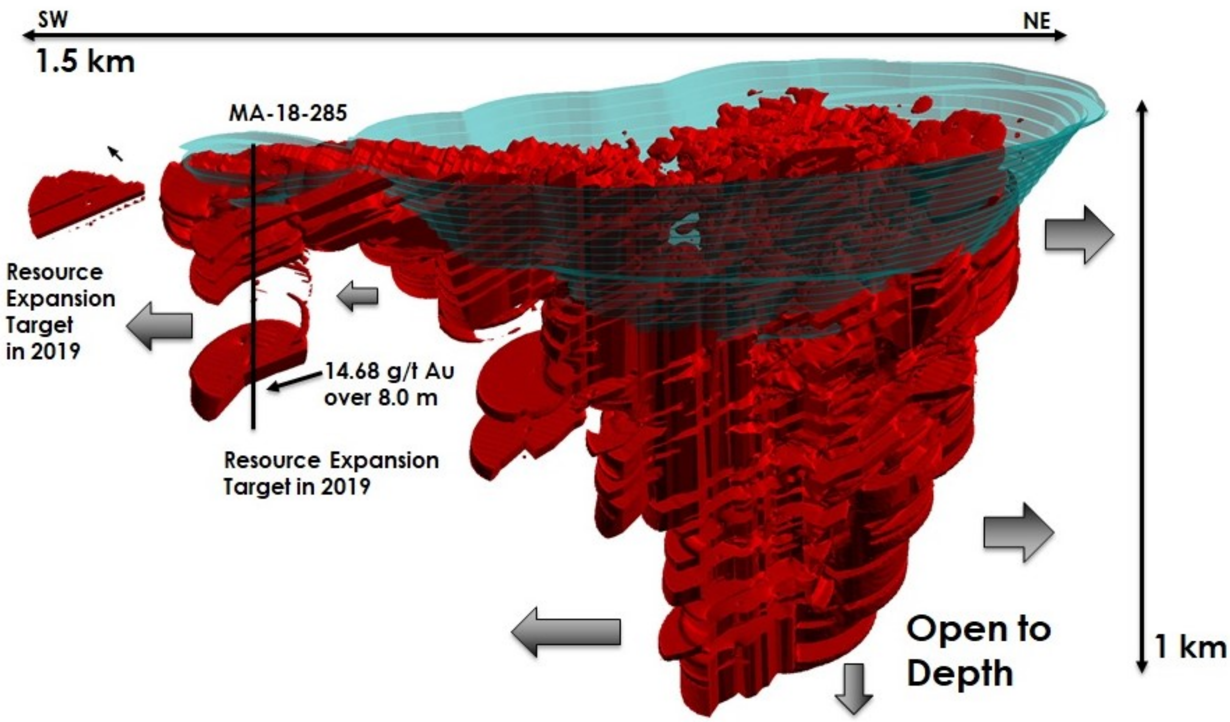
Material/ Category	Open Pit			Underground			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)
Leprechaun Deposit									
Measured	5,760,000	2.38	440,800	81,000	3.91	10,200	5,841,000	2.40	451,000
Indicated	3,010,000	1.92	185,500	64,000	3.46	7,100	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

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)
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**

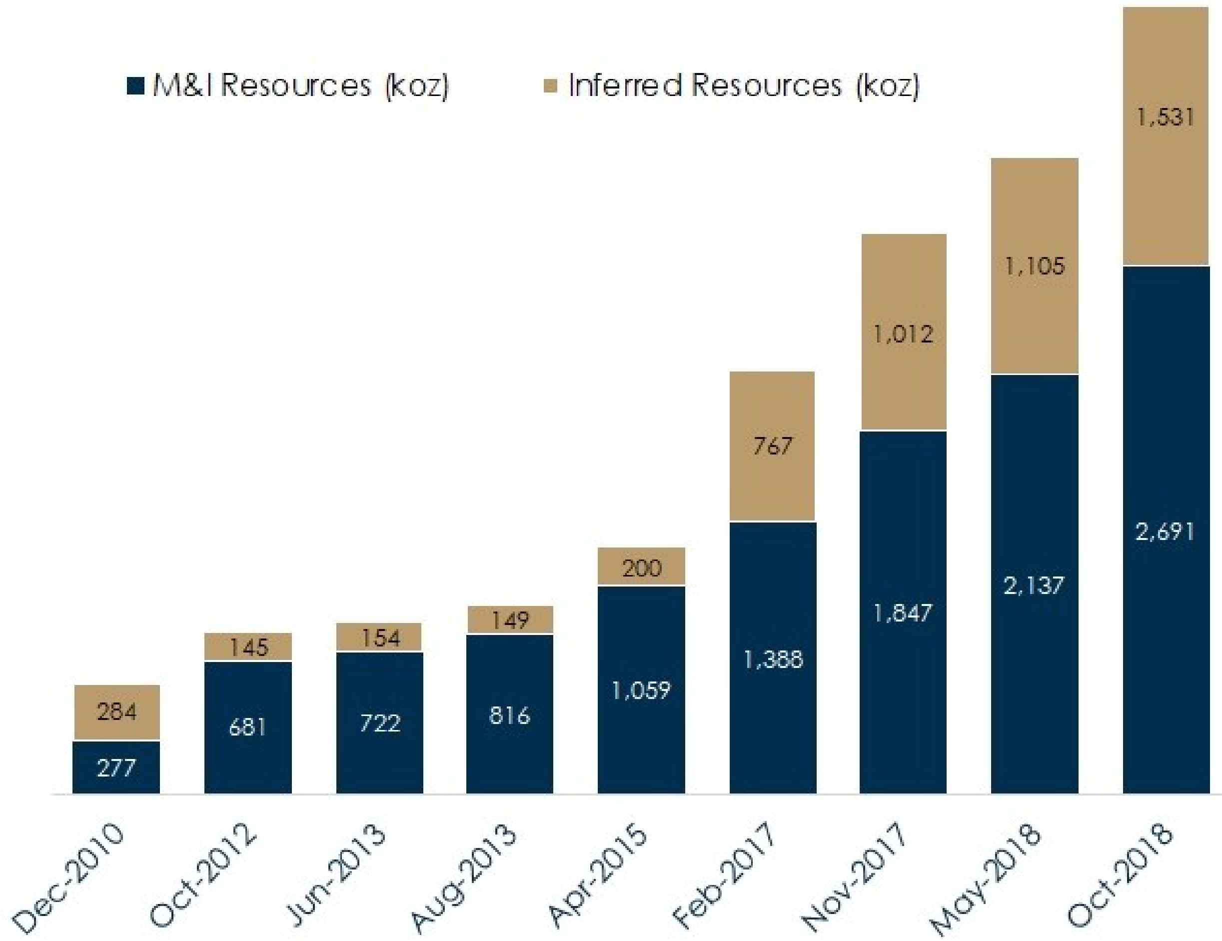
Notes:

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 ID^3 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 represented 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.



Buy-back of Glencore 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 "Glencore NSR"). The Glencore NSR covered a land package on the Valentine Lake property that encompassed all of the current resources associated with the property.

On October 30, 2017, Glencore offered to sell the Glencore 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 to a third party. 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 $11.2 million including transaction costs.

The buy-back of the Glencore NSR was a one-time opportunity that management expected would have a significant positive impact on the value of the Valentine Lake project.

7) OUTLOOK

a) Valentine Lake Gold Camp

With the completion of the updated PEA in October 2018, the sale of the Franco-Nevada NSR and the commencement of the PFS on the Valentine Lake project, Marathon's focus with respect to Valentine Lake is on the development of the property through to a construction decision. To support this, Marathon expanded its management team with the appointment in the third quarter of 2018 of Robbert Borst as the Company's first Chief Operating Officer and the appointment in January 2019 of James Powell as Director of Environment and Stakeholder Engagement, and work is underway on a number of development and evaluation initiatives in support of the PFS and the permitting process. These include:

- An extensive infill drilling program at the Leprechaun and Marathon deposits commenced in January 2019 and is underway at the date of this MD&A, with a total of 44 holes completed to date covering a total of 10,798 meters.

  The objectives of this drilling are to confirm the lateral continuity of higher-grade mineralization in the core of the Marathon Deposit in particular and to upgrade existing inferred resources in each deposit into the measured and indicated categories prior to completion of the PFS to maximize the conversion of the existing global resource at each deposit into reserves. Drilling to date has generated excellent results in line with these objectives, providing further confirmation of the geological model associated with the property and the potential of increasing the mineral resources for both deposits.

  Once the drilling in support of the PFS is complete, management plans to complete additional exploration drilling in the Gap area between the Sprite and Marathon deposits. In addition, trenching will be completed in an effort to condemn planned infrastructure sites, and geotechnical and hydrological studies will be completed.

- Metallurgical testing on material from the Leprechaun and Marathon deposits is nearing completion, including column testing on material considered potentially heap leachable and mill test work on higher grade material. The results of both test programs have been highly encouraging, and final results of this work, which will be used in the PFS, are expected to be announced in the second quarter of 2019 once final assays have been completed.

- Marathon has begun the process of consultation with federal and provincial regulators with a focus on advancing Marathon through the environmental review and permitting process. The Project Description for the project will set out, among other things, the magnitude of the project, including planned open pits and infrastructure; the processes expected to be used in production; details concerning environmental impacts, including from the generation of wastes during construction and operation and management's plans for mitigating or avoiding such impacts; and details concerning the construction, operation, decommissioning and abandonment of the project.

- Marathon has begun the process of community consultation with communities potentially impacted by the development of the Valentine Lake Gold Project.

b) Golden Chest

Marathon retains a 2% net smelter returns royalty on gold sales by the Golden Chest mine, which is owned 100% by New Jersey Mining Company ("NJMC").

At December 31, 2018 Marathon had received cumulative royalty payments from NJMC amounting to $186,013 in respect of provisional and final payments received by NJMC for shipments of concentrate to its refiner. These payments resulted first in the drawdown to $Nil of the carrying value of this royalty interest, a component of Marathon's Mineral exploration and evaluation assets, following which Marathon recognized royalty income, disclosed in Marathon's consolidated financial statements as Other income, in the second through fourth quarters of 2018 amounting to $59,114.

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 for further exploration work at Baie Verte at the date of this MD&A and intends to let its interest in the claims underlying this property lapse in 2019.

Marathon also 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.

8) RESULTS OF OPERATIONS

The results of operations for the three- and twelve-month periods ended December 31, 2018 and 2017 are summarized below.

	Three months ended December 31		**Year ended December 31**	
	2018	2017	**2018**	2017
	$	$	$	$
Expenses:				
Exploration expenses	**935**	961	**22,749**	109,650
General and administrative expenses	**364,024**	423,502	**2,349,323**	2,516,676
Other finance expense	**-**	50,651	**47,626**	162,240
Other income – royalties related to gold sales by the Golden Chest mine	**(25,566)**	-	**(59,114)**	-
Interest income	**-**	**(12,710)**	**-**	**(79,369)**
Foreign exchange loss	**(10,722)**	(7,069)	**(13,799)**	(2,656)
Loss before tax	**328,671**	455,335	**2,346,785**	2,706,541
Income tax expense (recovery)	**409,652**	3,400,849	**500,197**	1,304,362
Loss for the period	**738,323**	3,855,824	**2,846,982**	4,010,903

Notes:

Three months ended December 31, 2018:

- **General and administrative expenses** decreased from $423,502 to $364,024. The principal components of this change are set out below.
  - **Investor relations** decreased from $71,109 to $38,139, driven by efforts to reduce activity during the quarter.

- **Listing fees and related expenses** decreased from $47,254 to $26,282, with the increased expense in 2017 reflecting costs incurred in the fourth quarter of 2017 with respect to Marathon listing its shares for trading on OTCQX.

Year ended December 31, 2018:

- **Exploration expenses** decreased from $109,650 to $22,749 as a result of Marathon carrying out a short drilling program at its Baie Verte property in 2017, with no equivalent expenditures in 2018. The current year expense represents holding costs on Marathon's Bonanza property.
- **General and administrative expenses** decreased from $2,516,676 to $2,349,323. The principal components of this change are set out below.
    - **Salaries and wages** charged to operations decreased from $815,715 to $662,794. Salaries and wages in 2017 reflected the effect of a performance bonus declared and paid in the second quarter of 2017, with no equivalent expenditure in 2018.
    - **Investor relations** increased from $225,297 to $274,410, 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 $204,808 to $167,363. 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 $61,567. This tax is driven by the magnitude of flow-through share financings and the timing of expenditures incurred in respect of such financings. The increase results from greater levels of exploration expenses having been renounced using the look-back rule and increases in the rates prescribed by the Canada Revenue Agency for calculation of the tax.
    - **Stock based compensation** charged to operations decreased from $842,513 to $766,556. This decrease was primarily the result of a decrease in the average calculated theoretical value of the options issued in 2018 compared to 2017.

9) 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 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Statement of Operations: (all amounts in $000's)								
Exploration expenses	1	22	-	-	1	22	5	81
General and administrative expenses	364	1,123	379	483	424	510	1,229	354
Other (income) loss	(36)	24	(8)	(5)	30	(42)	103	(10)
Loss before tax	329	1,169	371	478	455	490	1,337	425
Income taxes	409	227	175	(311)	3,401	(222)	(700)	(1,174)
Loss (Income) attributable to Marathon shareholders	738	1,396	546	167	3,856	268	637	(749)
Loss (Income) per Share:								
Loss (Income) attributable to Marathon shareholders								
Basic	$0.005	$0.009	$0.004	$0.001	$0.03	$0.002	$0.005	($0.006)
Diluted	$0.005	$0.009	$0.004	$0.001	$0.03	$0.002	$0.005	($0.006)
Balance Sheet: (all amounts in $000's)								
Cash, cash equivalents and short-term investments	3,662	5,905	3,240	4,136	7,172	17,425	21,127	5,169
Working capital	2,985	5,139	2,001	2,563	4,850	15,556	19,324	4,799
Mineral exploration and evaluation assets	85,778	83,685	79,490	77,563	73,826	59,477	55,099	51,872
Total assets	89,803	90,192	83,131	82,409	81,542	77,560	76,867	58,432

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 reflects the purchase in November 2017 of the Glencore NSR, as discussed in section 6 of this MD&A.

10) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash and cash equivalents at December 31, 2018 amounted to $3,662,137 compared with $7,172,355 at year-end 2017. Marathon's working capital at December 31, 2018 was $2,985,137 compared with $4,849,881 at year-end 2017.

Marathon funded its operations in the period ended December 31, 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 net proceeds of $21,987,434;
- cash proceeds of $569,800 from the exercise of stock options and additional proceeds of $1,439,472 from the exercise of warrants in the year ended December 31, 2018, and an additional $416,900 in cash proceeds from the exercise of options from January 1, 2019 to the date of this MD&A;
- the proceeds of a prospectus financing completed in July 2018, described below, which raised net proceeds of $7,329,034; and
- the sale of the FN NSR on February 21, 2019 for gross proceeds of $18,000,000.

These transactions, and in particular the FN NSR, provided Marathon with sufficient resources to fund its aggressive 2018 drilling program at Valentine Lake; to complete the May and October 2018 PEA's; and, looking forward, to fund work required to complete the PFS on the Valentine Lake Gold Project. As Marathon moves forward, it will require additional financing to undertake exploration and development activities.

11) CAPITAL ACTIVITIES

On June 28, 2018 Marathon 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.

12) 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 year ended December 31, 2018. In addition, a total of 1,170,000 options were exercised during the period, generating proceeds of $569,800. In the period from January 1, 2019 to the date of this MD&A, Marathon issued an additional 300,000 options with an exercise price of $0.80 per share, 1,570,000 options were exercised for proceeds of $416,900, and 6,000 options expired. Of the 1,570,000 shares issued pursuant to the exercise of stock options subsequent to December 31, 2018, a total of 1,502,000 were held by the respective optionees subsequent to exercise and have not been sold to the date of this MD&A.

13) 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 twelve-month periods ended December 31, 2018 and 2017. At December 31, 2018, no amounts were owed by Marathon in respect of the transactions described below.

	Three months ended December 31		**Year ended December 31**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Salaries and bonus paid to officers	**205,000**	155,000	**703,333**	895,000
Director fees	**47,500**	47,500	**190,000**	163,478
Stock based compensation	**-**	-	**1,014,346**	1,071,423
	252,500	202,500	**1,907,679**	2,129,901

14) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	161,146,702
Unexercised stock options	10,446,500
Fully diluted share capital – March 26, 2019	**171,593,202**

15) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance-sheet arrangements as at December 31, 2018 or subsequently to the date of this MD&A.

16) 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, and has commenced work on a pre-feasibility study. While Marathon was successful in raising financing through the sale of the Franco-Nevada NSR, the proceeds from which will fund Marathon's operations through to completion of the pre-feasibility study, moving forward toward the completion of a definitive feasibility study and, if considered appropriate, construction and commissioning of a mine 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, 2018. This document may be obtained at www.SEDAR.com.

17) 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, 2019:

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.

18) INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at December 31, 2018.

19) DISCLOSURE CONTROLS

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's disclosure controls and procedures as of December 31, 2018 and have concluded that these controls and procedures are effective.

20) 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.

21) ADDITIONAL INFORMATION

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

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