MARATHON GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2019 AND 2018

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited interim financial statements by an entity's auditor.

Marathon Gold Corporation
Consolidated Balance Sheets
(Unaudited - Expressed in Canadian dollars)

	September 30 2019	December 31 2018
	$	$
Assets		
Current assets		
Cash	**33,978,866**	3,662,137
Amounts receivable	**740,550**	264,812
Prepaids and deposits	**149,799**	54,144
	34,869,215	3,981,093
Non-current assets		
Mineral exploration and evaluation assets (note 4)	**80,175,209**	85,778,373
Property, plant and equipment	**112,398**	43,992
	80,287,607	85,822,365
Total assets	**115,156,822**	89,803,458
Liabilities and shareholders' equity		
Current liabilities		
Trade payables	**1,769,767**	502,956
Lease liability (note 3)	**57,441**	-
Flow-through share tax liability (note 6 (b)(i) and (ii))	**2,872,600**	493,000
	4,699,808	995,956
`		
Deferred income tax liabilities	**4,563,320**	4,357,880
	9,263,128	5,353,836
Equity attributable to owners (notes 6, 7, and 8)	**105,893,694**	84,449,622
Total liabilities and shareholders' equity	**115,156,822**	89,803,458

On behalf of the Board,

"George D. Faught"
George D. Faught
Director

"Matthew L. Manson"
Matthew L. Manson
Director

Marathon Gold Corporation
Consolidated Statements of Operations
For the three and nine months ended September 30, 2019 and 2018
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Expenses:				
General and administrative expenses (note 10)	**734,011**	1,123,354	**2,079,489**	1,985,299
Exploration expenses (note 11)	**23,395**	21,814	**23,395**	21,814
Other income – royalties related to gold sales by the Golden Chest mine	**(39,575)**	(15,307)	**(93,926)**	(33,548)
Interest income	**(59,634)**	-	**(156,576)**	-
Accretion expense	**729**	-	**1,226**	-
Other finance expense (note 6(b)(i) and (ii))	**146,744**	47,626	**146,744**	47,626
Foreign exchange gain	**(11,110)**	(7,984)	**(17,609)**	(3,077)
Loss before tax	**794,560**	1,169,503	**1,982,743**	2,018,114
Income tax (recovery) expense	**(176,784)**	226,293	**16,171**	90,545
Loss for the period	**617,776**	1,395,796	**1,998,914**	2,108,659
Loss per share:				
Basic	**0.004**	0.009	**0.012**	0.014
Diluted	**0.004**	0.009	**0.012**	0.014
Weighted average number of common shares outstanding				
Basic (note 9)	**162,073,528**	157,751,851	**161,226,172**	151,034,085
Diluted (note 9)	**162,073,528**	157,751,851	**161,226,172**	151,034,085

Marathon Gold Corporation
Consolidated Statements of Comprehensive Loss
For the three and nine months ended September 30, 2019 and 2018
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Other comprehensive loss:				
Loss for the period	**617,776**	1,395,796	**1,998,914**	2,108,659
Items that may be reclassified subsequently to net loss (income):				
Currency translation adjustment	**804**	23,810	**42,813**	(17,421)
Comprehensive loss attributable to Marathon Gold shareholders	**618,580**	1,419,606	**2,041,727**	2,091,238

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Marathon Gold Corporation
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2019 and 2018
(Unaudited - Expressed in Canadian dollars)

	2019	2018
	$	$
Cash flows from (used in) operating activities:		
Cash flows used in operating activities:		
Loss for the period	**(1,998,914)**	(2,108,659)
Add (deduct) items not involving cash		
Income tax expense (recovery)	**16,171**	90,545
Unrealized foreign exchange gain	**(18,261)**	(9,708)
Stock based compensation	**462,965**	766,556
Accretion expense	**1,226**	-
Depreciation	**58,828**	30,747
	(1,477,985)	(1,230,519)
Changes in non-cash working capital items		
Increase in amounts receivable	**(475,738)**	(105,570)
Decrease (Increase) in prepaid expenses	**13,650**	(5,000)
Decrease in accounts payable	**(32,168)**	(43,067)
Increase in flow through share tax liability	**2,872,600**	493,000
	900,359	(891,156)
Cash flows from financing activities:		
Proceeds from issuance of common shares (note 6)	**23,177,975**	9,549,857
Share issue costs paid in cash	**(944,401)**	(711,551)
Proceeds from sale of royalty to Franco-Nevada Corp. (note 4)	**17,979,222**	-
Lease payments	**(28,219)**	-
	40,184,577	8,838,306
Cash flows used in investing activities:		
Royalty payments related to gold sales by the Golden Chest mine	**-**	43,565
Purchase of capital assets	**(42,800)**	(29,000)
Government assistance	**65,250**	70,131
Expenditures on mineral exploration and evaluation assets	**(10,790,657)**	(9,299,157)
	(10,768,207)	(9,214,461)
Increase (Decrease) in cash	**30,316,729**	(1,267,311)
Cash– beginning of period	**3,662,137**	7,172,355
Cash– end of period	**33,978,866**	5,905,044

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Marathon Gold Corporation
Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2019 and 2018
(Unaudited - Expressed in Canadian dollars)

	Share Capital (note 6)	Warrants (note 7)	Contributed Surplus (note 8)	Deficit	Accumulated Other Comprehensive Income	Equity Attributable to Owners of Marathon Gold Corporation
	$	$	$	$	$	$
Balance – January 1, 2018	**84,729,774**	**386,042**	**12,461,327**	**(20,849,599)**	**113,878**	**76,841,422**
Loss for the period	-	-	-	(2,108,659)	-	(2,108,659)
Stock based compensation	-	-	1,361,407		-	1,361,407
Common shares issued pursuant to prospectus offering	5,015,000	-	-	-	-	5,015,000
Flow through shares issued pursuant to prospectus offering	2,552,000	-	-	-	-	2,552,000
Common shares issued upon exercise of stock options	747,195	-	(184,395)		-	562,800
Common shares issued upon exercise of warrants	1,825,514	(386,042)	-	-	-	1,439,472
Share issue costs	(730,966)	-	-	-	-	(730,966)
Deferred income taxes	193,706	-	-	-	-	193,706
Currency translation adjustment	-	-	-	-	17,421	17,421
Balance – September 30, 2018	**94,332,223**	**-**	**13,638,339**	**(22,958,258)**	**131,299**	**85,143,603**
Balance – January 1, 2019	**94,346,516**	**-**	**13,635,802**	**(23,696,581)**	**163,885**	**84,449,622**
Loss for the period	-	-	-	(1,998,914)	-	(1,998,914)
Stock based compensation	-	-	1,150,246	-	-	1,150,246
Common shares issued upon exercise of stock options	1,124,639	-	(373,464)	-	-	751,175
Common share units issued pursuant to private placement	13,694,274	1,578,126	-	-	-	15,272,400
Flow-through share units issued pursuant to private placement	6,415,122	739,278	-	-	-	7,154,400
Share issue costs	(1,146,153)	-	-	-	-	(1,146,153)
Deferred income taxes	303,731	-	-	-	-	303,731
Currency translation adjustment	-	-	-	-	(42,813)	(42,813)
Balance – September 30, 2019	**114,738,129**	**2,317,404**	**14,412,584**	**(25,695,495)**	**121,072**	**105,893,694**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

1) GENERAL INFORMATION

Marathon's primary business focus is the acquisition, exploration and development of precious and base metal prospects.

Marathon was incorporated under the Canada Business Corporations Act on December 3, 2009. On December 3, 2010, Marathon's common shares commenced trading on the Toronto Stock Exchange under the symbol "MOZ".

Marathon is domiciled in Canada and its registered address is 10 King Street East, Suite 501, Toronto, Ontario M5C 1C3.

Marathon's operations and level of spending on its mining properties are impacted by seasonality, which at times limits the ability of Marathon or its exploration partners to carry out drilling and other surface operations on its properties, and by the extent of Marathon's working capital.

2) BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not contain all of the information and note disclosures required by IFRS for the annual consolidated financial statements and should therefore be read in conjunction with the audited annual financial statements as at and for the year ended December 31, 2018, which were prepared in accordance with IFRS.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on November 12, 2019.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the previous financial year, except for the adoption of *IFRS 16, Leases* ("IFRS 16"), which is discussed below.

Overview of IFRS 16, Leases

Marathon adopted IFRS 16 as of January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from adoption of this standard are therefore reflected as of January 1, 2019.

Marathon leases real estate under a lease contract with a fixed term of three years at inception. The lease agreement does not impose any covenants on Marathon.

(Unaudited - Expressed in Canadian dollars)

On adoption of IFRS 16, Marathon recognized a lease liability in respect of a lease in respect of real estate property, which had been recognized previously as an operating lease under *IAS 17, Leases*. The liability was measured at the present value of the remaining lease payments to the end of the lease agreement assuming that Marathon would not renew the lease upon termination, discounted using an estimate of the implicit interest rate for the lease, as at January 1, 2019. Each lease payment is allocated between interest expense and repayment of the lease liability. The interest expense on the lease liability is charged to the Consolidated Statements of Operations using the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

The discount rate applied to the lease liability on adoption of IFRS 16 on January 1, 2019 was 5.6%.

The effect of adoption of IFRS 16 as reflected on January 1, 2019 was to recognize a right-of-use asset and a corresponding lease liability of $22,224, which is classified as a current liability.

Upon adoption of this standard, the right-of-use asset is shown as part of Property, plant and equipment on the Consolidated Balance Sheets, and amortization costs are included within depreciation costs on the Consolidated Statements of Operations. The right-of-use asset is depreciated over the shorter of the asset's useful life and the remaining lease term on a straight-line basis. Depreciation of the right-of-use asset is included within depreciation in the Operating activities section of the Consolidated Statements of Cash Flows.

The change in accounting policy affected the following items in the Consolidated Balance Sheets on January 1, 2019.

	Amount
	$
Property, plant and equipment – increased by	22,224
Lease liabilities – increased by	(22,224)
	-

Until the end of 2018, payments under operating leases were charged to the Consolidated Statements of Operations on a straight-line basis over the life of the lease and consequently were fully included in the calculation of loss per share. Subsequent to adoption of IFRS 16, only depreciation charged on in respect of right-of-use assets and accretion expense on lease liabilities are now included in the Consolidated Statements of Operations and therefore included in the calculation of loss per share. Principal portions of lease payments are not included in the Consolidated Statements of Operations and are instead applied to reduce the lease liability in the Consolidated Balance Sheets. There was no material impact of these changes on the measurement of Marathon's loss per share for the three and nine-month periods ended September 30, 2019.

Short-term lease payments are not included in the measurement of lease liabilities and are not shown in the Consolidated Balance Sheets in accordance with IFRS 16. These payments are included as part of

(Unaudited - Expressed in Canadian dollars)

Mineral exploration and evaluation assets in the Consolidated Balance Sheets. Similarly, variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and are reflected in the Consolidated Statements of Operations and the Operating Activities section of the Consolidated Statements of Cash Flows.

Practical expedients applied

In applying IFRS 16 for the first time, Marathon considered the following practical expedients permitted by the standard:

- The use of hindsight in determining the lease term where the lease agreement contained an option to renew the lease.

The significant judgments, estimates and assumptions made by management and applied in the preparation of these financial statements, specifically as they relate to the adoption of IFRS 16, included evaluating the appropriate discount rate used to discount the lease liability and determining the lease term.

4) MINERAL EXPLORATION AND EVALUATION ASSETS

	Valentine Lake Gold Project, Newfoundland	Golden Chest Royalty Interest	Bonanza Mine Project, Oregon USA	Total
	$	$	$	$
Balance – January 1, 2018	**73,008,742**	**43,787**	**773,718**	**73,826,247**
Deferred exploration costs	11,928,255	-	-	11,928,255
Royalty payments related to gold sales by the Golden Chest mine	-	(43,565)	-	(43,565)
Currency translation adjustment	-	(222)	67,658	67,436
Balance – December 31, 2018	**84,936,997**	**-**	**841,376**	**85,778,373**
Deferred exploration costs	12,400,667	-	-	12,400,667
Sale of royalty to Franco-Nevada Corp.	(17,979,222)	-	-	(17,979,222)
Currency translation adjustment	-	-	(24,609)	(24,609)
Balance – September 30, 2019	**79,358,442**	**-**	**816,767**	**80,175,209**

a) Valentine Lake gold property, Newfoundland

At September 30, 2019, the Valentine Lake property was subject to two overlapping agreements, which are described below.

Net smelter return royalty

On February 21, 2019, Marathon sold a 2% net smelter returns royalty on the Valentine Lake property to Franco-Nevada Corp. (the "FNV NSR") for gross proceeds of $18,000,000 and net proceeds of $17,979,222. The FNV NSR applies to sales of precious and base metals and minerals from all of the claims which comprise the Valentine lake property.

Marathon retains the right to buy back 25% of the FN NSR, representing 0.5%, until December 31, 2022 for US $7,000,000.

Net profits interest

The Reid Newfoundland Company retains a 7.5% net profits interest ("NPI") over two land packages which cover the current resource pits associated with the Leprechaun and Victory Gold Deposits, but not the Sprite and Marathon Deposits.

b) Bonanza Mine gold property, Oregon

On December 16, 2011, Marathon purchased a 100% interest in the Bonanza Mine gold property, a past producing gold mine located in the Green Horn gold district of Oregon, USA. On closing, Marathon paid the vendor US$126,711 and 300,000 common shares with a fair value of $345,000. In connection with this acquisition, the vendor retained timber rights to the patented claims for a period of 20 years and a 2% NSR royalty. Marathon has the right to purchase 1% of the royalty by paying the vendor US $1,000,000.

Concurrent with and subsequent to this property acquisition, Marathon staked additional unpatented claims around the Bonanza property. There are no royalties on the unpatented claims.

5) CAPITAL MANAGEMENT

Marathon is not subject to externally imposed capital requirements.

Marathon manages its capital structure and makes adjustments to it based on the funds available to support the acquisition, exploration and development of its mineral properties.

Marathon's properties are in the exploration and evaluation stages, and as such the Company depends on external financing to fund its activities. In order to carry out its exploration and development activities and to pay for administrative costs, Marathon spends existing working capital and raises additional amounts as needed. Management continues to assess new properties and seeks to acquire interests in additional properties if there is sufficient geologic or economic potential and if Marathon has adequate financial resources to do so.

(Unaudited - Expressed in Canadian dollars)

6) SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value
Unlimited preference shares, issuable in series

b) Issued and outstanding:

	Number	Amount
		$
Balance – January 1, 2018	**145,108,352**	**84,729,774**
Shares issued pursuant to the exercise of stock options	1,170,000	756,732
Shares issued pursuant to the exercise of warrants	4,498,350	1,825,514
Common shares issued pursuant to prospectus offering [(i)]	5,900,000	5,015,000
Flow-through shares issued pursuant to prospectus offering [(i)]	2,900,000	2,552,000
Share issue costs	-	(724,495)
Deferred income taxes	-	191,991
Balance – December 31, 2018	**159,576,702**	**94,346,516**
Shares issued pursuant to the exercise of stock options	2,314,500	1,124,639
Common shares issued pursuant to private placement [(ii)]	11,570,000	13,694,274
Flow-through shares issued pursuant to private placement [(ii)]	5,420,000	6,415,122
Share issue costs	-	(1,146,153)
Deferred income taxes	-	303,731
Balance – September 30, 2019	**178,881,202**	**114,738,129**

i) On July 19, 2018, Marathon closed a prospectus financing of 5,900,000 common shares at a price $0.85 per common share and 2,900,000 flow-through shares at a price of $1.05 per flow through share, for aggregate gross proceeds of $8,060,000.

The gross proceeds from this financing were allocated between Share capital and Flow through share tax liability using the residual method, which resulted in $493,000 of gross proceeds being allocated to the liability portion of this financing.

Marathon incurred costs in connection with this financing amounting to $772,121, of which $47,626 was attributed to the Flow through share tax liability and charged to operations as Other finance expense.

ii) On September 30, 2019, Marathon closed a bought deal private placement of the following securities:

- 11,570,000 common share units at a price of $1.32 per unit consisting of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at a price of $1.60 per share and expiring on September 30, 2021, and
- 5,420,000 flow-through share units at a price of $1.85 per unit consisting of one flow-through share and one-half of one share purchase warrant, with each whole warrant exercisable at a price of $1.60 per share and expiring on September 30, 2021,

(Unaudited - Expressed in Canadian dollars)

for aggregate gross proceeds of $25,299,400.

The gross proceeds from the offering of flow-through units were allocated between Shareholders' equity and Flow-through share tax liability using the residual method, which resulted in $2,872,600 in gross proceeds being allocated to the liability portion of this financing. The remaining proceeds, attributable to the offering of common-share and flow-through share units, were allocated between Share capital and Warrants on the basis of relative fair value, which resulted in $2,317,404 in proceeds being allocated to Warrants.

Marathon incurred costs in connection with this financing amounting to $1,292,897, of which $146,744 was attributed to the Flow through share tax liability and charged to operations as Other finance expense.

7) WARRANTS

The movements in the number and estimated fair value of outstanding warrants are as follows:

	Number	Amount
		$
Balance – January 1, 2018	**4,498,350**	**386,042**
Exercised during the year	**(4,498,350)**	**(386,042)**
Balance – December 31, 2018	**-**	**-**
Issued pursuant to private placement of common share units (b)	5,785,000	1,578,126
Issued pursuant to private placement of flow-through share units (b)	2,710,000	739,278
Balance – September 30, 2019	**8,495,000**	**2,317,404**

a) Pursuant to a private placement which closed on May 6, 2016, Marathon issued a total of 5,252,250 share purchase warrants exercisable at a price of $0.32 per share and expiring on May 6, 2018. The fair value of these warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

- risk free interest rate of 0.55%;
- expected dividend yield of nil;
- expected volatility of 100%; and
- expected term of 2 years,

which yielded an estimated weighted average fair value of $0.086 per warrant.

The warrants outstanding at January 1, 2018 were exercised on various dates during the period ended December 31, 2018 for aggregate proceeds of $1,439,472.

b) Pursuant to a private placement which closed on September 30, 2019, Marathon issued a total of 8,495,000 share purchase warrants exercisable at a price of $1.60 per share and expiring on September 30, 2021. The fair value of these warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

(Unaudited - Expressed in Canadian dollars)

- risk free interest rate of 1.57%;
- expected dividend yield of nil;
- expected volatility of 50%; and
- expected term of 2 years,

which yielded an estimated fair value of $0.273 per warrant.

8) STOCK BASED COMPENSATION

Marathon has a stock option plan (the "Plan") which was reconfirmed by the Company's shareholders at its annual meeting on June 7, 2017, under which Marathon may grant options to directors, officers, and consultants. The number of shares reserved for issue under the Plan may not exceed 10% of the number of issued and outstanding common shares at any time.

The purpose of the Plan is to attract, retain and motivate directors, officers, employees and external service providers by providing them with the opportunity to acquire a proprietary interest in Marathon and benefit from its growth. The options granted to date under the Plan are non-assignable and have a term of up to 5 years.

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
	Number	**Weighted average exercise price per share**	Number	Weighted average exercise price per share
		$		$
Balance - beginning of period	**11,722,500**	**0.67**	10,118,500	0.58
Granted	3,225,000	1.13	2,774,000	0.92
Exercised	(2,314,500)	0.34	(1,135,000)	0.50
Expired	(18,000)	1.00	-	-
Balance – end of period	**12,615,000**	**0.85**	11,757,500	0.67

(Unaudited - Expressed in Canadian dollars)

Options to purchase common shares outstanding at September 30, 2019 carry exercise prices and remaining terms to maturity as follows:

		Options Outstanding		
Exercise price	**Expiry date**	**Vested**	**Unvested**	**Contract Life (years)**
$				
0.25	August 10, 2020	1,064,000	-	0.86
0.20	December 18, 2020	959,000	-	1.22
0.68	December 1, 2021	2,198,000	-	2.17
1.02	March 28, 2022	50,000	-	2.49
1.08	June 7, 2022	1,475,000	-	2.69
1.08	June 21, 2022	610,000	-	2.73
1.02	September 19, 2022	150,000	-	2.97
1.07	October 2, 2022	200,000	-	3.01
1.00	February 27, 2023	350,000	-	3.41
0.91	July 30, 2023	2,134,000	-	3.83
0.86	August 2, 2023	200,000	-	3.84
0.80	January 7, 2024	300,000	-	4.27
1.06	June 12, 2024	1,925,000	-	4.70
1.35	August 19, 2024	250,000	750,000	4.89
0.85		**11,865,000**	**750,000**	**3.09**

The fair value of the options granted by Marathon in in the periods ended September 30, 2019 and 2018 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Risk free interest rate	**1.39%**	1.90%	**1.49%**	1.88%
Dividend rate	**Nil**	Nil	**Nil**	Nil
Volatility	**60%**	80%	**62%**	80%
Expected life	**3 years**	3 years	**3 years**	3 years
Fair value per option granted in the period	**$0.55**	$0.48	**$0.47**	$0.48

Marathon recognized total stock-based compensation costs of $1,150,246 in the period ended September 30, 2019 (2018 - $1,361,407). Of this total, $462,965 (2018 – $766,556) was charged to operations and $687,281 (2018 - $594,851) was capitalized as a component of Marathon's mineral exploration and evaluation assets.

(Unaudited - Expressed in Canadian dollars)

9) BASIC AND DILUTED SHARES OUTSTANDING

Basic and diluted weighted average shares outstanding for the three- and nine-month periods ended September 30, 2019 and 2018 are calculated as shown in the table below.

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Weighted average basic number of common shares outstanding	**162,073,528**	157,751,851	**161,226,172**	151,034,085
Effect of dilutive securities:				
In the money shares - stock options	**-**	-	**-**	-
In the money shares - warrants	**-**	-	**-**	-
Weighted average diluted number of common shares outstanding	**162,073,528**	157,751,851	**161,226,172**	151,034,085

10) GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Wages, salaries and benefits (note 12)	**185,320**	165,073	**665,359**	498,921
Listing fees and related expenses	**1,848**	14,592	**62,469**	78,601
Investor relations	**60,172**	49,690	**167,161**	236,271
Professional fees	**191,096**	27,724	**433,956**	87,645
Occupancy costs	**9,828**	17,485	**33,490**	50,361
Part XII.6 tax	**-**	23,259	**3,654**	76,851
Depreciation	**20,041**	8,957	**58,828**	30,747
Stock based compensation charged to operations (note 8)	**187,257**	766,556	**462,965**	766,556
Other expenses	**78,449**	50,018	**191,607**	159,346
	734,011	1,123,354	**2,079,489**	1,985,299

11) EXPLORATION EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Bonanza property, Oregon				
Claim renewal costs	**23,395**	21,814	**23,395**	21,814
	23,395	21,814	**23,395**	21,814

(Unaudited - Expressed in Canadian dollars)

12) WAGES, SALARIES AND BENEFITS

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Fees, salaries and wages paid to employees, key management and directors (note 13)	**894,658**	752,977	**2,335,558**	1,951,349
Performance bonus paid to employees and key management	**-**	-	**387,000**	-
Social security benefits	**75,057**	67,446	**235,287**	179,588
	969,715	820,423	**2,957,845**	2,130,937
Charged to general and administrative expenses	**185,320**	165,073	**665,359**	498,921
Capitalized as a component of exploration and evaluation assets	**784,395**	655,350	**2,292,486**	1,632,016
	969,715	820,423	**2,957,845**	2,130,937

13) RELATED PARTY TRANSACTIONS

Key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include Marathon's executive officers, vice-presidents and members of its Board of Directors.

Marathon incurred the following compensation costs related to key management and directors in the normal course of business.

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Salaries and bonus paid to officers	**245,909**	188,333	**900,909**	498,333
Director fees	**126,054**	47,500	**213,554**	142,500
Grant date fair value of stock-based compensation	**552,489**	1,130,689	**1,124,213**	1,130,689
	924,452	1,366,522	**2,238,676**	1,771,522

14. SUBSEQUENT EVENTS

a) Director compensation

On October 10, 2019 Marathon adopted a Deferred Share Unit (DSU) compensation plan for its non-executive directors, pursuant to which each of Marathon's five non-executive directors was awarded 50,000 DSU's with a grant date fair value of $1.60 per unit, representing an aggregate grant date fair value of $400,000.

Awards made under the DSU plan vest on December 31 of the year in which they are awarded and are settled in cash upon the resignation or retirement of each director.

b) Option awards

On October 15, 2019, Marathon awarded 150,000 options at an exercise price of $1.59 per share and expiring on October 15, 2024. These options were awarded with immediate vesting.

On October 16, 2019 Marathon awarded 800,000 options at an exercise price of $1.50 per share and expiring on October 16, 2024, and on November 7, 2019 Marathon issued an additional 300,000 options at an exercise price of $1.64 per share and expiring on November 7, 2024. Each of these awards vest according to the following schedule:

- 25% on the date of award;
- 25% on the date of filing of a technical report on the pre-feasibility study for the Valentine Gold Project; and
- 50% on the date of filing of a technical report on a definitive feasibility for the Valentine Gold Project.

c) Option exercises

On various dates in the period from October 1, 2019 to the date of these financial statements, Marathon issued a total of 215,000 shares pursuant to the exercise of outstanding stock options for aggregate proceeds of $200,500.