MARATHON GOLD

Management's Discussion and Analysis

For the Year Ended December 31, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Marathon Gold Corporation and its subsidiaries ("Marathon" or the "Company" or "we" or "our"). This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A includes information available to, and is dated, March 25, 2021. Unless noted otherwise, all currency amounts are stated in thousands of Canadian dollars and all financial information presented in this MD&A is prepared in accordance with IFRS.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information within the meaning of Canadian securities laws ("forward-looking statements"). All statements in this MD&A, other than statements of historical fact, which address events, results, outcomes or developments that Marathon expects to occur are forward-looking statements. 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", "estimates", "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. More particularly and without restriction, this MD&A contains forward-looking statements and information about Marathon's economic analyses for the Valentine Gold Project, capital and operating costs, processing and recovery estimates and strategies, future exploration and mine plans, objectives and expectations and corporate planning of Marathon, future feasibility studies and environmental impact statements and the timetable for completion and content thereof and statements as to management's expectations with respect to, among other things, the matters and activities contemplated in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. A mineral resource that is classified as "inferred" or "indicated" has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of mineral resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable mineral reserves.

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. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include availability of financing to fund Marathon's exploration and development activities, the ability of the current exploration program to identify and expand mineral resources or mineral reserves, operational risks in exploration and development for gold, delays or changes in plans with respect to exploration or development projects or capital expenditures, any unexpected delays in the completion of Marathon's environmental assessment process for the Valentine Gold Project, uncertainty as to estimation of mineral resources or mineral reserves, changes in commodity and power prices, changes in interest and currency exchange rates, the ability to attract and retain qualified personnel, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources), changes in development or mining plans due to changes in logistical, technical or other factors, title defects, government approvals and permits, cost escalation, changes in general economic conditions or conditions in the financial markets, environmental regulation, operating hazards and risks, delays, taxation rules, competition, public health crises such as the COVID-19 pandemic and other uninsurable risks, liquidity risk, share price volatility, dilution and future sales of common shares, aboriginal claims and consultation, cybersecurity threats, climate change, delays and other risks described in Marathon's documents filed with Canadian securities regulatory authorities.

You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2020 (the "AIF") and other filings made with Canadian securities regulatory authorities available at www.sedar.com. Other than as specifically required by law, Marathon undertakes 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.

QUALIFIED PERSONS AND CAUTIONARY NOTE REGARDING MINERAL RESOURCES

Scientific and technical information contained in this MD&A was reviewed and approved by James Powell, P.Eng (NL), VP of Regulatory and Government Affairs and Nicholas Capps, P.Geo. (NL), Exploration Manager at the Valentine Gold Project. Mr. Powell and Mr. Capps are Qualified Persons in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and have approved the technical content of this MD&A. Marathon's mineral resources and mineral reserves have been calculated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and in accordance with the requirements of NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mineral resources are reported inclusive of mineral reserves. Information on data verification performed on, and other scientific and technical information relating to, the Valentine Gold Project are contained in the AIF and the current technical report for the Valentine Gold Project prepared in accordance with NI 43-101 titled "NI 43-101 Technical Report & Pre-Feasibility Study on the Valentine Gold Project, Newfoundland and Labrador, Canada" dated April 21, 2020 with an effective date of April 18, 2020 and prepared by Ausenco Engineering Canada (the "2020 Valentine Technical Report") available at www.sedar.com.

CAUTIONARY NOTE TO U.S. INVESTORS

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. For U.S reporting purposes, the United States Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mineral property disclosure requirements for issuers, referred to as "mining registrants", whose securities are registered with the SEC. These amendments became effective in February 2019 with compliance required for the first fiscal year beginning on or after January 1, 2021. While not applicable to Marathon, the SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the SEC set forth in Industry Guide 7. In accordance with NI 43-101, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in accordance with CIM standards. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, and now recognized under the SEC Modernization Rules, SEC Industry Guide 7 does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be upgraded into mineral reserves.

OVERVIEW OF MARATHON

Marathon is focused on the acquisition, exploration and development of precious metals properties located in North America. The Company is currently advancing the Valentine Gold Project (the "Project") and announced the results of its Pre-Feasibility Study ("PFS"), contained in the 2020 Valentine Technical Report, in April 2020. Marathon's permitting initiatives remain ongoing and the Company achieved a key milestone with the filing of its Environmental Impact Statement ("EIS") in September 2020. The EIS was subsequently assessed to be in conformity with regulatory guidelines and accepted into a formal provincial and federal review process. The Company has also initiated a Feasibility Study ("FS"), with the objective of ultimately moving the Valentine Gold Project through construction and into operation, which is expected for release late in the first quarter of 2021. Marathon has continued to enhance its management team throughout 2020 in order to position the Company to execute on all of these development activities.

At the date of this MD&A, Marathon owns a 100% interest in the Valentine Gold Project in central Newfoundland, the Company's flagship, and only material, property and currently the sole focus of its exploration and development efforts. The property includes four mineral deposits with existing mineral resources: the Marathon, Leprechaun, Sprite and Victory Deposits. The property also hosts the Berry, J. Frank, Narrows, Rainbow and Victory SW mineralized zones as well as numerous untested drilling targets.

In addition, Marathon holds 100% interests in (i) the Bonanza Mine, a historic former mine located in Baker County in northeastern Oregon; (ii) the Gold Reef property, an exploration property consisting of approximately 12 hectares of claims located near Stewart, BC; and (iii) a 2% net smelter returns royalty on precious metal sales by the Golden Chest mine in Idaho.

The Company is a reporting issuer in all provinces and territories of Canada and files disclosure documents with all securities regulatory authorities in Canada.

SUMMARY OF FINANCIAL RESULTS

(Stated in thousands of Canadian dollars)	Three Months Ended December 31,		For the Years Ended December 31,	
	2020	2019	2020	2019
EXPENSES				
General and administrative expense	$ 2,834	$ 1,766	$ 7,600	$ 3,845
Exploration expense	—	1	25	24
Finance income, net	(187)	(158)	(370)	(183)
Other (income)/expense	(61)	830	(173)	736
Loss before tax	2,586	2,439	7,082	4,422
Deferred income tax expense/(recovery)	299	255	(53)	271
Net Loss	**$ 2,885**	**$ 2,694**	**$ 7,029**	**$ 4,693**
Capital expenditures	**$ 6,457**	**$ 4,888**	**$ 18,707**	**$ 15,721**

Three months ended December 31, 2020:

- **General and administrative expenses** increased from $1,766 to $2,834. The principal components of this increase are set out below:
  - **Salaries and wages** increased from $637 to $1,079, reflecting higher overall compensation costs as a result of the additions made to the Company's management team throughout 2020 and higher 2020 bonus expense compared to 2019, offset partially by higher capitalized salaries and wages in the period. For additional details regarding the changes to the Company's management team during the quarter, see the "Corporate Developments" section below.
  - **Share-based compensation** expense increased from $739 to $1,075 in the quarter, due primarily to a $813 increase in the deferred share unit ("DSU") liability resulting from the increase in the Company's

share price between the end of the third and fourth quarter of 2020, as compared to a $425 increase in the DSU liability in the same period in 2019.

- **Professional fees** increased from $132 to $423, reflecting costs for executive recruitment in connection with the appointment of a new Director, the completion of a benchmarking study for management and director compensation, and increased legal and consulting fees related to the Company's evaluation of project financing alternatives.
- **Depreciation** expense increased from $28 to $64, resulting primarily from the depreciation of the right-of-use asset related to the new head office lease liability entered into in the first quarter of 2020.
- **Occupancy costs** increased from $9 to $26, resulting primarily from operating costs related to the new head office lease.
- **Investor relations and corporate communications** expenses decreased from $116 to $21, reflecting a shift from in person to virtual investor and corporate communications, including engagement with stakeholders in the local communities around the Valentine Gold Project, due to COVID-19.

- **Finance income, net** increased from $158 to $187, primarily as a result of an increase in interest income from $147 to $182, as Marathon invested surplus cash from the May 2020 equity financing in interest-bearing deposits.

- **Other (income)/expense** increased from an expense of $830 to income of $61, primarily as a result of a $880 decrease in severance expense, as there were no executive management changes in the fourth quarter of 2020. Royalty income from the Golden Chest Mine, where the Company holds a 2% net smelter returns royalty, was consistent with the comparable period in 2019.

- **Deferred income tax expense** increased from $255 to $299, primarily as the increase in deferred income tax expense of $466 related to the increase in the deferred tax liability in the fourth quarter of 2020 was higher than the $255 increase in the comparable period in 2019, offset partially by the decrease in the flow-through share tax liability in the quarter of $167 being greater than the decrease in the flow-through share tax liability of $nil in the comparable period of 2019.

- **Capital expenditures**, excluding working capital movements, were $1,569 higher than the prior year primarily as a result of increased activities in the fourth quarter of 2020 related to the advancement of the FS. During the fourth quarter of 2020, exploration drilling continued to be the largest capital expenditure of the Company as Marathon worked to complete its 2020 exploration drill program.

Year ended December 31, 2020:

- **General and administrative expenses** increased from $3,845 to $7,600. The principal components of this increase are set out below:

  - **Salaries and wages** increased from $1,303 to $2,997, reflecting higher overall compensation costs as a result of the additions made to the Company's management team in the second half of 2019 and throughout 2020 and higher bonus expense in 2020 compared to 2019, offset partially by higher salaries and wages capitalized in the year. In addition, there was $495 severance costs recorded to general and administrative expenses during 2020 compared to $nil in the comparable period in 2019. For additional details regarding the changes to the Company's management team, see the "Corporate Developments" section below.
  - **Share-based compensation** expense increased from $1,202 to $2,492, primarily as a result of a $826 increase in the DSU liability resulting from an additional 330,000 DSUs being granted during the year and an increase in the Company's share price in the twelve months ended December 31, 2020. In addition, there was an increase of $464 in stock option expense, related to vesting of options on completion of the PFS as well as 2020 annual employee option grants. A total of 4,675,000 options were granted in the twelve months ended December 31, 2020.
  - **Professional fees** increased from $566 to $823, reflecting costs for executive recruitment in connection with the appointment of a new Director and two senior technical roles, increased legal and consulting fees related to the Company's evaluation of project financing alternatives, increased legal and proxy

solicitation costs associated with the Company hosting a virtual Annual and Special Meeting of shareholders in August 2020, and a general increase in legal and consulting fees, as the Company's breadth of corporate activities has grown.

- **Investor relations and corporate communication** expenses increased from $283 to $414, reflecting increased investor and corporate communication initiatives, including engagement with stakeholders in the local communities around the Valentine Gold Project, and the Company hosting a virtual Annual and Special Meeting of shareholders in August 2020.
- **Listing fees expense** increased from $89 to $160 due to additional fees incurred related to the increase in market capitalization of the Company, as well as shareholder-approved amendments to the Company's stock option plan and adoption of a new equity-based share unit plan.
- **Depreciation** expense increased from $87 to $209, resulting primarily from the depreciation of the right-of-use asset related to the new head office lease liability entered into in the first quarter of 2020.
- **Flow-through shares Part X11.6 tax** expense increased from $4 to $50, resulting from an increase in the flow-through shares Part X11.6 tax accrual relating to taxes owed on the unspent flow-through balance from the September 2019 financing.
- **Occupancy costs** increased from $42 to $68, resulting primarily from operating costs related to the new head office lease.

- **Finance income, net** increased from $183 to $370, as a result of an increase in interest income from $304 to $377, as Marathon invested surplus cash from the September 2019 and May 2020 equity financings in interest-bearing deposits. In addition, there was a $143 decrease in other finance expense, as there were $7 share issuance costs allocated to the flow-through share tax liability related to the December 2020 flow-through financing compared to $150 related to the September 2019 financing.

- **Other income** increased from an expense of $736 to income of $173, primarily as a result of a $880 decrease in severance expense. Royalty income from the Golden Chest Mine, where the Company holds a 2% net smelter returns royalty, was consistent with the comparable period in 2019.

- **Deferred income tax (recovery)/expense** increased from an expense of $271 to a recovery of $53, primarily as the decrease in the flow-through share tax liability during the twelve months ended December 31, 2020 of $2,873 was greater than the decrease in the flow-through share tax liability of $493 in the comparable period in 2019. The impact of the decrease in flow-through share tax liability more than offset the difference in the increase in the deferred tax liability of $2,820 during the twelve months ended December 31, 2020 relative to the increase in the deferred tax liability of $764 in the comparable period in 2019.

- **Capital expenditures**, excluding working capital movements, increased from $15,721 to $18,707 with the increase reflecting the continued advancement of the Valentine Gold Project including: the completion of the updated January 2020 Mineral Resource Estimate and the April 2020 PFS; the completion of bridging phase activities related to the initiation of the FS; the commencement of FS activities; the completion of the EIS, including various underlying environmental studies and community initiatives; and continued exploration drilling.

CORPORATE DEVELOPMENTS

Novel Coronavirus ("COVID-19")

Consistent with other businesses globally, the Company's operations could be significantly adversely affected by the effects of the widespread ongoing global outbreak of COVID-19. On March 13, 2020, Marathon announced that the Company elected to close the Valentine Gold Project camp for the annual spring break-up and maintenance period earlier than is typical based on historical weather patterns. The Valentine Gold Project is considered to be a remote work environment, and this decision was made with the well-being of Marathon's employees and contractors in mind, given the COVID-19 developments.

On June 9, 2020, based on guidance from the relevant public health agencies and the Company's advisors, and with proper return-to-work protocols in place, the camp was re-opened to complete the 2020 exploration program and drilling, as well as site-specific engineering and environmental studies. Despite the temporary closure, there was no material impact to the 2020 exploration program. While the Company continues to advance its work related to the environmental assessment process and FS, the timelines for future studies, permitting and exploration could be impacted depending on both the continued duration and severity of the COVID-19 pandemic and, in particular, the Company's ability to safely access the Project site. See the risk factor titled "Risk of Infectious Diseases" in Marathon's AIF.

Feasibility Study

After completion of the FS bridging phase activities, the FS was formally commenced in late August 2020, with completion targeted for the end of the first quarter of 2021. Continuing from the successful PFS, the FS will be completed by Ausenco Engineering Canada Inc. as Lead Consultant, Moose Mountain as Mining Consultant, Golder Associates Ltd. as Tailings Consultant and Stantec Consulting Ltd. as Environmental Consultant.

The following are key FS activities completed in the fourth quarter of 2020:

- Metallurgical testing, and confirmation of assumptions for the flow sheet and process design;
- Completion of the pit and site geotechnical work, with preliminary reporting of conditions to advance plant and tailings dam design work;
- Tailings dam optimization design;
- Site general arrangement, building locations and process plant layout optimization;
- Logistics studies;
- Construction contractor pre-qualification;
- FS level design and costing for site HV power supply; and
- Advancement of the FS Project financial model, including mine plan optimization and capital and operating cost estimation.

$8.7 Million Flow-through Financing

On December 7, 2020, the Company completed a strategic flow-through financing to continue the Company's successful exploration program at the Valentine Gold Project in central Newfoundland. The non-brokered private offering consisted of 3,037,417 flow-through common shares at $2.85 per flow-through common share for total gross proceeds of $8,656,638.

The proceeds received by the Company from the sale of the flow-through shares will be used to incur resource exploration expenses related to the Valentine Gold Project in 2021 which will constitute "Canadian exploration expenses" ("CEE"). The CEE were renounced to the subscribers of the flow-through shares with an effective date of December 31, 2020 in an amount equal to the aggregate purchase price of the flow-through shares.

Environmental Impact Statement

On September 29, 2020, the Company filed its EIS for the Valentine Gold Project. The EIS has been submitted to the Impact Assessment Agency of Canada ("IAAC"), formerly the Canadian Environmental Assessment Agency, and the NL Department of Environment, Climate Change and Municipalities ("NLDECCM"). Following an initial 30-day review period, the IAAC assessed the EIS to be in conformity with federal guidelines issued in July 2019. As a result, the EIS was accepted into the formal federal and provincial technical review processes on November 3, 2020. These reviews are expected to occur over a period of approximately 12 months and include information requests and submissions, as well as public consultations. For additional details regarding the EIS, see the "Environmental Impact Statement" section below.

Drilling Program

Marathon's 2020 exploration drilling program commenced in January 2020 with an initial full-year plan of 44,000 metres of diamond drilling at a total budget of $8.9 million. The focus of the 2020 exploration drilling program was for continued exploration and potential resource growth in areas of the property which exhibited high potential in previous drilling, surface trenching or prospecting, but which had not been subjected to extensive drilling to date. The components of the 2020 exploration drilling program were as follows:

- A program of up to 32,000 metres at the Sprite Corridor, a broad area of approximately 6 kilometres between the Marathon and Leprechaun deposits with abundant previously identified quartz-tourmaline-pyrite ("QTP") gold veining. This area includes the Sprite Deposit and the new Berry Zone which exhibits "Main Zone" style stacked QTP-Au veining.
- A further 12,000 metres of reconnaissance drilling in two areas located south of the Valentine Lake Shear Zone, following up on geophysical magnetic low trends, geochemical soil anomalies and outcrop and subcrop grab samples bearing QTP veining. This is the first drilling program focused on testing the potential for sedimentary-hosted mineralization in the footwall rocks of the Valentine Lake Shear Zone.

During the third quarter of 2020, Marathon announced that the above-noted drilling program would be expanded to include an additional 8,000 metres of dedicated infill drilling at the new Berry Zone. The aim of this additional drilling was to obtain sufficient density of data to support the first mineral resource estimate for the Berry Zone.

At December 31, 2020, the Company had completed 50,726 metres of its total updated full-year plan of 52,000 metres. A total of 31,722 metres of drilling was completed in the Sprite Corridor, specifically the Berry Zone. In addition, a total of 19,004 metres of reconnaissance drilling was conducted during the year, which included 10,977 metres of drilling in the footwall area located south of the Valentine Lake Shear Zone, 5,767 metres of drilling related to Marathon South and 2,260 metres in the Narrows. For additional details regarding the 2020 Drilling Program, see the "Exploration and Development Activity" section below.

Environmental Assessment and Stakeholder Engagement

The Valentine Gold Project is subject to regulation under the environmental protection regimes of the *Canadian Environmental Assessment Act*, *2012* and the Newfoundland and Labrador ("NL") *Environmental Protection Act*. Marathon filed a project description with both the IAAC and the NLDECCM on April 5, 2019, which was accepted into the formal Environmental Assessment ("EA") process on April 16, 2019. As expected, both the IAAC and the NLDECCM issued a determination requiring a project EIS. Following the conclusion of this early-stage review process, Marathon commenced work on an EIS. On August 1, 2019 Marathon was informed by the Canadian Environmental Assessment Agency ("CEAA") that the environmental assessment process for the Valentine Gold Project would proceed under the normal course and would not be subject to a panel review. EIS guidelines were issued by both levels of government, federally in June of 2019 and provincially in January of 2020. On September 29, 2020, the Company filed its EIS for the Valentine Gold Project as planned. On November 3, 2020, the Company was informed that the EIS conformity review was complete and the formal technical review by both levels of government would commence immediately. The public review period for the EIS concluded on December 23, 2020, and supplemental Information Requests were issued to Marathon on February 10, 2021, by both levels of government, which incorporate review comments from government departments, Indigenous groups, the public, and other stakeholders.

Marathon commenced formal stakeholder engagement with local communities and First Nations groups that may be impacted by the Valentine Gold Project in March 2019. Since that time, Marathon has conducted a series of meetings and technical review sessions with the communities of Buchans, Buchans Junction, Millertown, Grand Falls-Windsor, Badger and Bishop's Falls, with the Qalipu and Miawpukek Mi'kmaq First Nations, and with other interested governmental and non-governmental stakeholder groups. Additional stakeholder engagement and consultation activities are ongoing. For additional details regarding environment and stakeholder engagement activities in 2020, see the "Environment and Stakeholder Engagement" section below.

$34.5 Million Bought Deal Financing

On May 26, 2020, the Company completed a bought deal prospectus offering of 23,000,000 units (the "Units") at a price of $1.50 per Unit for aggregate gross proceeds of $34,500,000 which included the exercise in full of the underwriters' over-allotment option. Each Unit was comprised of one common share of the Company and one half of one common share purchase warrant of the Company. Each warrant entitled the holder to acquire one common share of the Company at a price of $1.90 per common share at any time on or before May 26, 2021.

The Company intended to use the net proceeds from the Offering to continue the permitting, development, and exploration of the Valentine Gold Project, as well as for working capital and general corporate purposes.

Pre-Feasibility Study

On April 22, 2020, the Company filed the 2020 Valentine Technical Report.

The PFS supports an open pit mining operation with low initial capital cost and high rate of return over a 12-year mine life. Highlights of the report include:

- After-tax IRR of 36% and NPV5% of C$472M (US$354M) based on US$1,350/oz gold, increasing to 55% after-tax IRR and C$769M (US$577M) at US$1,650/oz gold;
- Initial capital cost of C$272M (US$205M) yielding a favourable after-tax NPV5%/Capex ratio of 1.74. Life-of-mine ("LOM") capital of C$545M (US$409M);
- After-tax payback of 1.8 years;
- 12-year mine life, with average gold production of 175,000 oz/year in Years 1-9 from the processing of high-grade mill feed, and 54,000 oz/year in Years 10-12 from the processing of low-grade stockpile;
- LOM average Total Cash Costs of US$633/oz and All-In Sustaining Costs of US$739/oz;
- Proven and Probable Mineral Reserves of 1.87 Moz (41.05 Mt at 1.41 g/t Au). Measured and Indicated Mineral Resources, which are inclusive of the Mineral Reserves, are 3.09 Moz (54.9 Mt at 1.75 g/t Au). Additional Inferred Mineral Resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au);
- Mill capacity of 6,800 tpd (2.5 Mtpa) during Years 1-3 based on gravity-leaching, expanding to 11,000 tpd (4.0 Mtpa) in Year 4 based on gravity-flotation-leaching with LOM average gold recovery of 93%; and
- A simplified execution strategy based on open pit mining, conventional milling and thickened tailings deposition, with no heap leaching.

The PFS was completed by Ausenco Engineering Canada Inc. as Lead Consultant. Moose Mountain Technical Services acted as Mining Consultant, APEX Geoscience Ltd. as Geological Consultant, Golder Associates Ltd. as Tailings Consultant, Stantec Consulting Ltd. as Environmental Consultant and Terrane Geoscience Inc. as Geotechnical Consultant. The Valentine Gold Project Mineral Resource Estimate was prepared by John T. Boyd Company. The Mineral Reserve Estimate was prepared by Moose Mountain Technical Services.

Management Changes

Since the start of 2020, Marathon has continued to strengthen its Board of Directors and management team as the Company moves from a primary focus on exploration activity to a focus on mine development, including: permitting, completion of technical and financial studies, sourcing project financing and, ultimately, the construction and operation of a mine. A summary of key changes implemented throughout 2020 and up to the date of this MD&A is provided below:

- James Powell was promoted to the position of Vice President, Regulatory and Government Affairs in March 2020;
- James Gowans was appointed to the Board of Directors in June 2020;
- Tim Williams joined Marathon as Chief Operating Officer in July 2020;

- Paolo Toscano joined Marathon as Vice President, Projects in September 2020; and
- Cathy Bennett was appointed to the Board of Directors in January 2021.

SUMMARY OF MINERAL RESERVES AND RESOURCES

On April 22, 2020, the Company filed the 2020 Valentine Technical Report which contained the Company's first mineral reserve estimates. The summary table below sets out the mineral reserve estimates for the Marathon and Leprechaun Deposits at the Valentine Gold Project.

Mine Area	Reserve Class	Mill Feed (Mt)	Diluted Gold Grade (g/t Au)	Contained Metal (Moz)
Marathon	Proven	17.9	1.41	0.8
	Probable	7.6	1.21	0.3
	Marathon Total	25.4	1.35	1.1
Leprechaun	Proven	8.4	1.75	0.5
	Probable	7.2	1.25	0.3
	Leprechaun Total	15.6	1.52	0.8
Subtotal	Proven	26.3	1.52	1.3
	Probable	14.8	1.23	0.6
Grand Total	Total Proven & Probable	41.1	1.41	1.9

Notes: 1. The mineral reserve estimates were prepared by Marc Schulte, P.Eng. (who is also the independent Qualified Person for these mineral reserve estimates), reported using the 2014 CIM Definition Standards, and have an effective date of March 31, 2020. 2. Mineral reserves are mined tonnes and grade, the reference point is the mill feed at the primary crusher. 3. Mineral reserves are reported at a cut-off grade of 0.33 g/t Au. 4. Cut-off grade assumes US$1,300/oz. Au at a currency exchange rate of 0.75 US$:C$; 100% payable gold; US$1.80/oz off-site costs (refining and transport); and uses an 85% metallurgical recovery. The cut off-grade covers processing costs of C$12.40/t, administrative (G&A) costs of C$1.90/t, and a stockpile rehandle cost of C$1.50/t. 5. Mined tonnes and grade are based on an SMU of 6 m x 6 m x 6 m, including additional mining losses estimated for the removal of isolated blocks (surrounded by waste) and low-grade (<0.5 g/t Au) blocks bounded by waste on three sides. 6. Numbers have been rounded as required by reporting guidelines. 6. The estimate of mineral reserves may be materially affected by environmental, permitting, legal, title, sociopolitical, marketing, or other relevant issues including risks disclosed under the heading "Risk Factors" in Marathon's Amended and Restated Annual Information Form for the year ended December 31, 2019 and in other filings made by Marathon with Canadian securities regulatory authorities and available at www.sedar.com.

An updated mineral resource estimate incorporating the results of the 2019 infill drilling program on the Leprechaun and Marathon deposits was completed by John T. Boyd Company in January 2020 and is the most current mineral resource estimate associated with the Valentine Gold Project. As part of the resource estimation process, a peer review and risk analysis were completed by RPA Inc., who concluded that the new resource models as presented for both the Leprechaun and Marathon deposits are reasonable overall.

The summary table below sets out the mineral resource estimates for the Leprechaun, Marathon, Sprite, and Victory Deposits at the Valentine Gold Project, which are inclusive of mineral reserves.

Measured and Indicated Mineral Resources (Inclusive of Mineral Reserves)

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	8,432,000	2.211	599,500	102,000	3.877	12,700	8,534,000	2.231	612,200
Indicated	8,174,000	1.693	444,800	194,000	3.479	21,700	8,368,000	1.734	466,500
M+I	**16,606,000**	**1.956**	**1,044,300**	**296,000**	**3.616**	**34,400**	**16,902,000**	**1.985**	**1,078,700**
Sprite Deposit									
Measured	0	0	0	0	0	0	0	0	0
Indicated	675,000	1.764	38,200	7,000	2.441	500	682,000	1.771	38,700
M+I	**675,000**	**1.764**	**38,200**	**7,000**	**2.441**	**500**	**682,000**	**1.771**	**38,700**
Marathon Deposit									
Measured	22,663,000	1.667	1,214,600	488,000	4.506	70,700	23,151,000	1.727	1,285,300
Indicated	12,538,000	1.431	576,800	506,000	3.813	62,000	13,044,000	1.523	638,800
M+I	**35,201,000**	**1.583**	**1,791,400**	**994,000**	**4.153**	**132,700**	**36,195,000**	**1.653**	**1,924,100**
Victory Deposit									
Measured	0	0	0	0	0	0	0	0	0
Indicated	1,074,000	1.468	50,700	1,000	1.803	100	1,075,000	1.468	50,800
M+I	**1,074,000**	**1.468**	**50,700**	**1,000**	**1.803**	**100**	**1,075,000**	**1.468**	**50,800**
All Deposits									
Measured	31,095,000	1.814	1,814,100	590,000	4.397	83,400	31,685,000	1.863	1,897,500
Indicated	22,461,000	1.538	1,110,500	708,000	3.705	84,300	23,169,000	1.604	1,194,800
M+I	**53,556,000**	**1.698**	**2,924,600**	**1,298,000**	**4.02**	**167,700**	**54,854,000**	**1.753**	**3,092,300**

Inferred Mineral Resource Estimate

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									
Inferred	2,547,000	1.441	118,100	314,000	3.478	35,100	2,861,000	1.665	153,200
Sprite Deposit									
Inferred	1,127,000	1.223	44,300	62,000	2.503	5,000	1,189,000	1.29	49,300
Marathon Deposit									
Inferred	8,791,000	1.53	432,400	1,782,000	4.069	233,100	10,573,000	1.958	665,500
Victory Deposit									
Inferred	2,019,000	1.189	77,200	124,000	3.252	13,000	2,143,000	1.309	90,200
All Deposits									
Inferred	14,484,000	1.443	672,000	2,282,000	3.901	286,200	16,766,000	1.777	958,200

Notes to the Mineral Resources:

1. The effective date for this mineral resource estimate is January 10, 2020 and is reported on a 100% ownership basis. The estimates for Leprechaun and Marathon are a new estimate using additional assays and exploration drilling as well as updated economics. The estimates for Sprite and Victory are economic

updates using the November 2017 mineral resources. The qualified person for the mineral resource estimate is Robert Farmer, P.Eng. 2. Mineral resources are calculated at a gold price of US$1,300 per troy ounce. 3. The mineral resources presented above are global and do not include a detailed pit or underground design, only an economic open pit shell was used to determine the in-pit mineral resources. The underground mineral resources are that material outside of the in-pit mineral resources above the stated underground cut-off 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 x 6 m x 6 m sub-blocked to a minimum block size of 2 m x 2 m x 2 m using ID3 methods for grade estimation. All mineral resources are reported using an open pit gold cut-off of 0.300 g/t Au and an underground gold cut-off of 1.663 g/t Au. Higher gold grades were capped by mineralised domain. Material above a 0.7 g/t gold cut-off is considered high-grade while material between a 0.3 and 0.7 g/t gold cut-off is considered low-grade. 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. Summed average gold grades are calculated using a weighted average of tonnes and gold grade. 8. Mineral resources are inclusive of mineral reserves. 9. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, sociopolitical, marketing, or other relevant issues including risks disclosed under the heading “Risk Factors” in Marathon’s Amended and Restated Annual Information Form for the year ended December 31, 2019 and in other filings made by Marathon with Canadian securities regulatory authorities and available at www.sedar.com.

EXPLORATION ACTIVITY

Valentine Gold Project

Since 2010, through a dedicated focus on exploration drilling, the estimated Measured and Indicated Mineral Resources at the Valentine Gold Project have steadily increased. After incorporating the results of the 2019 exploration program, which was primarily focused on infill drilling, the Company completed its most recent mineral resource estimate in January 2020 with Measured and Indicated Mineral Resources totaling 3.09 Moz (54.9 Mt at 1.75 g/t Au) with additional Inferred Mineral Resources of 0.96 Moz (16.77 Mt at 1.78 g/t Au). Thereafter, with completion of the PFS, Marathon established its first Proven and Probable Mineral Reserve totaling 1.87 Moz (41.05 Mt at 1.41 g/t Au).

In 2020, the Company continued to deliver strong exploration results with the discovery of the new Berry Zone. Results from the infill drill program added in the third quarter of 2020, in addition to previous drilling, will be used to develop the maiden mineral resource estimation for the Berry Zone. This resource estimation will use a total of approximately 42,000 metres of drilling over 212 holes and is expected to be released at the end of the first quarter of 2021.

With the success of the Berry Zone drill program, the Company looks forward to maintaining its exploration focus in 2021, as the Company advances the Valentine Gold Project through the next phase of development activities.

2020 Drilling Program

Marathon completed an exploration drilling program consisting of a total of 50,726 metres of drilling in 2020, focused on continued resource growth in areas of the property which have exhibited high potential in previous drilling, surface trenching or prospecting, but which have not been subjected to extensive drilling to date. During the third quarter of 2020, Marathon expanded its initial 44,000 metre planned exploration drilling program to include an additional 8,000 metres of dedicated infill drilling at the new Berry Zone, located within the six-kilometre long Sprite Corridor between the Leprechaun and Marathon Deposits.

During the first three quarters of 2020 the Company released several updates on the progress of drill results for the Project as follows:

- March 2, 2020 titled “Marathon Gold Reports Positive Results from 2020 Sprite Corridor Drilling at the Valentine Gold Project”;
- April 15, 2020 titled “Marathon Gold Reports Additional Positive Drill Results from the Sprite Corridor at the Valentine Gold Project”;
- July 22, 2020 titled “Marathon Gold Reports First Summer Drill Results from Berry Zone at the Valentine Gold Project”;
- August 17, 2020 titled “Marathon Gold Reports Additional Drill Results from Berry Zone at the Valentine Gold Project”; and

- September 8, 2021 titled "Marathon Gold Reports Additional Exploration Drill Results from the Valentine Gold Project".

During the fourth quarter of 2020, the focus continued to be the expansion of the previously discovered mineralization in the Berry Zone with an additional 14,056 metres of drilling over 67 holes. The Berry Zone drilling program concluded on November 20, 2020 with a total of 31,722 metres drilled in 2020. Overall, significant mineralization was found over a strike length of approximately 1.5 kilometres. For highlights related to the Berry Zone drilling conducted during the fourth quarter of 2020, see the Company's news releases on October 21, 2020, November 19, 2020 and December 16, 2020 titled "Marathon Gold Reports Latest Drill Results from the Berry Zone, Valentine Gold Project".

In addition to Berry Zone drilling during the fourth quarter, exploration drilling was completed in unexplored areas known as "Marathon South", which lies between the Frozen Ear intersection and the southwest end of the Marathon Deposit, and the "Narrows", located northeast of the Marathon Deposit.

During the fourth quarter an additional 3,032 metres were drilled over 13 holes for a total of 5,757 metres of core drilled in Marathon South during 2020. Drill results demonstrating the presence of mineralization were announced on November 9, 2020 and December 1, 2020, in news releases titled "Marathon Gold Reports Additional Positive Step-Out Drill Results along the Sprite Corridor, Valentine Gold Project" and "Marathon Gold Reports Additional Drill Results from the Sprite Corridor, Valentine Gold Project", respectively. The results from this area suggest the potential for mineralization to be extended an additional 200 metres southwest of the current Marathon Deposit mineral resource.

Results of an initial reconnaissance drill program of 2,260 metres for the Narrows were announced on December 22, 2020 in a news release titled "Marathon Gold Reports Trenching and Drilling Results from Narrows Prospect, Valentine Gold Project". This drilling confirmed the presence of QTP gold veining in the hanging wall rocks of the Narrows and that additional drilling in 2021 is merited.

On November 9, 2020 drill results from the 12,000-metre program of reconnaissance drilling in the two footwall areas located south of the Valentine Lake Shear Zone, and results from a separate 3,000 metre condemnation drilling program immediately north of the proposed Marathon pit, were also announced. Minimal gold mineralization was encountered in each program, allowing each area to be considered for infrastructure placement in the FS.

Subsequent to December 31, 2020, additional drill results for the Berry Zone related to the 2020 exploration program were released on January 5, 2021, January 18, 2021 and February 2, 2021 in news releases titled "Marathon Gold Reports Latest Drill Results from the Berry Zone, Valentine Gold Project", "Marathon Gold Reports Latest Drill Results from the Valentine Gold Project and Announces Commencement of 2021 Drill Program" and "Marathon Gold Reports Final 2020 Drill Results and 2021 Exploration Program", respectively. These drill results continue to demonstrate repeated long and high-grade intercepts of shear-zone hosted gold mineralization in the Berry Zone.

2021 Drilling Program

On February 2, 2021, the Company released details regarding its 2021 Exploration Program comprising 52,000 metres of drilling at a budget of $10.5 million, in the news release titled "Marathon Gold Reports Final Drill Results and 2021 Exploration Program". The 2021 Exploration Program will be fully funded from existing cash resources and will be focused on resource growth in the Berry Zone. For additional details regarding the 2021 Exploration Program, see the "Outlook for 2021" section below.

STAKEHOLDER ENGAGEMENT

In March 2019 Marathon began the formal process of stakeholder engagement, meeting with members of communities located close to the Project, other stakeholders, as well as representatives of the Qalipu and Miawpukek Mi'kmaq First Nations. The purpose of this engagement is to brief local community members, regional stakeholders and other interested parties on the Company's development plans for the Project and to answer questions concerning the potential social, economic and environmental impacts of the Project.

Marathon considers six communities to be located within the immediate socio-economic region of impact of the Valentine Gold Project – Millertown, Buchans, Buchans Junction, Badger, Bishop's Falls and Grand Falls-Windsor. Marathon has concluded Community Cooperation Agreements with each of the six communities. The agreements include language regarding mutual engagement, community interests in the Project, and employment and business opportunities. Marathon is now working with each community to develop an implementation strategy.

Marathon met with members of each of the 6 community Town Councils in late October 2020. Continuing COVID-19 restrictions have limited Marathon's ability to hold larger in-person community information sessions. However, in late November 2020, Marathon participated in a virtual public information session organized by the IAAC and provided an overview of the findings of the EIS. Subsequently in mid-December 2020, Marathon held a virtual public meeting to provide a corporate and Project update.

In addition, Marathon's engagement efforts with respect to communities as well as other potentially affected stakeholders have included the dissemination of a quarterly newsletter and periodic Project updates on the Project website and on social media.

Community engagement will continue in 2021 regarding the EIS and general Project information. Based on consultation with community leaders, community engagement sessions will continue to be held virtually based on COVID-19 restrictions and requirements in place.

During the course of 2020, Marathon provided funding for certain development projects in each of the Project's six communities. In addition to this funding, Marathon provided $90,000 in COVID-19 funding to the six communities and the central NL health authority to support initiatives related to food security, health and wellness, and education.

Another important aspect of Marathon's engagement strategy is the interaction with the two Indigenous groups, the Qalipu First Nation and Miawpukek Mi'kmaq First Nation, whose traditional land use and activities may be impacted by the Project. Marathon has had a series of meetings and communications with both First Nations groups since 2019 in order for Marathon to provide company and Project information, to receive feedback from the groups regarding the proposed project, and to discuss potential socio-economic opportunities and further engagement activities.

Marathon has continued to meet and engage with both Indigenous groups in 2020, with virtual presentations made to the membership of each separately in June 2020, providing updates on the company and Project, as well as specific EIS information regarding assessment components and the overall process. Marathon has actively engaged with both groups in the third quarter of 2020, primarily through dialogue and continued exchange of information. Further, direct engagement with respect to the EIS with the groups' councils and membership continued in the fourth quarter of 2020, including a virtual information session specific to the two groups, organized by the IAAC, to provide an overview of the findings of the EIS. The two Indigenous groups are also directly made aware of all public engagement activities, including public/community presentations, newsletters, and social media posts.

Meetings with environmental groups (non-governmental organizations such as the Canadian Parks and Wilderness Society) and other potentially affected stakeholders (e.g. NL Outfitters Association, Atlantic Salmon Federation) have continued in 2020. Marathon is meeting with these groups to engage in open discussion regarding potential environmental impacts of the Project and land use. In the fourth quarter of 2020, Marathon held virtual sessions with representatives of the Newfoundland and Labrador Outfitters Association and salmonid groups to discuss specific aspects of the EIS. Marathon will continue to engage with these stakeholders through the ongoing provision of project-related information and further meetings as appropriate.

This process of engagement and consultation with all stakeholders, including provincial and federal government agencies, Indigenous groups, affected community, and environmental groups will continue throughout the EIS and permitting processes and throughout the life of the Project.

ENVIRONMENTAL IMPACT STATEMENT

The EA for the Valentine Gold Project commenced in April 2019 with the filing of a Project Description and a Project Registration to the federal and provincial regulators respectively. The EA is being conducted pursuant to the *Canadian Environmental Assessment Act, 2012* and the NL *Environmental Protection Act*.

As a component part of the overall EA, an EIS was filed with the provincial and federal regulators on September 29, 2020. Fifteen Value Components ("VCs") were identified as relevant and important to the environmental assessment of the Project based on regulatory requirements and engagement with communities, Indigenous groups and other stakeholders. These were: Atmospheric Environment; Groundwater Resources; Surface Water Resources; Fish and Fish Habitat; Vegetation, Wetlands, Terrain and Soils; Avifauna; Caribou; Other Wildlife; Community Services and Infrastructure; Community Health; Employment and Economy; Land and Resource Use; Indigenous Groups; Historic Resources; and Dam Infrastructure.

The assessment included a characterization of the existing conditions within the spatial boundaries of each VC, including a discussion of the influences of past and present physical activities on the VC, leading to the current conditions. The assessment followed standard EA methods for describing Project interactions with each of the VCs and determining the potential environmental effects, including areas of federal jurisdiction, associated with the Project for the construction, operation, and decommissioning, rehabilitation and closure phases. The environmental effects assessment used a precautionary, conservative approach. Conservative assumptions have been made, so that potential adverse effects are generally overestimated rather than underestimated. Mitigation and environmental protection measures have been identified to reduce or eliminate adverse effects and the residual environmental effects have been characterized including a determination of their significance.

The assessment predicts that routine Project activities will not cause significant adverse environmental effects on 14 of the 15 VCs. The assessment related to the Caribou VC indicated the residual effect for change in movement for one of the four herds assessed (the Buchans herd) is predicted to be high due to the amount of overlap of the Project with an existing migration corridor, and the proportion of collared caribou that use the path overlapping the Project. The prediction of a significant effect for this VC is established on a conservative basis and reflects both the uncertainty in how Project activities may affect the migratory movement of the Buchans herd and what the long-term effects on the herd may be, and the uncertainty of success of the proposed mitigation measures.

Similar results were determined for cumulative effects, where Project effects are considered in combination with the effects of other projects (past, present, and reasonably foreseeable future projects).

The general results of the assessment that relate to the key issues raised by regulators, communities, Indigenous groups, and other stakeholders, are summarized as follows:

- *Employment and Economic Benefits:* There are substantial employment and economic benefits to flow from the Project to the benefit of local communities, the central region of NL, and the province. Local hiring and contracting policies for direct employment and contracts, and induced employment and business in the region will result in substantial benefits to the local and regional economy over a 15-year period (including construction, operation and decommissioning, rehabilitation, and closure).
- *Water Resources:* The environmental assessment has determined there are no significant residual effects on groundwater or surface water resources resulting from routine Project activities, or from the cumulative effects of the Project in combination with other past, present, or reasonably foreseeable future projects.
- *Fish and Fish Habitat:* The environmental assessment has determined there are no significant effects on fish and fish habitat that will result from routine Project activities, or from the cumulative effects of the Project in combination with other past, present, or reasonably foreseeable future projects. Some small streams and ponds on site will be affected by Project development and operation, most of which is habitat for three-spined stickleback only. Marathon will develop and implement a Fish Habitat Offsetting Plan in consultation and with approval of Fisheries and Oceans Canada (DFO) that will create replacement habitat in a nearby location.

- *Caribou:* Potential Project residual effects of change in habitat and mortality risk are predicted to be low magnitude for all four herds. The magnitude for change in movement for the Gaff Topsails, Grey River and La Poile herds is also predicted to be low. However, the residual effect for change in movement for the Buchans herd is predicted to be high due to the amount of overlap of the Project with an existing migration corridor, and the proportion of collared caribou that use the path overlapping the Project. The Buchans herd, which is part of South Coast sub-population, represents 13.7% of the total caribou population on the Island. The prediction of a significant effect is established on a conservative basis and reflects both the uncertainty in how Project activities may affect the migratory movement of the Buchans herd and what the long-term effects on the herd may be, and the uncertainty of success of the proposed mitigation measures. Marathon is committed to working with regulators, Indigenous groups, and stakeholders to develop comprehensive programs to monitor migration patterns and populations of the caribou herds in the area, and in particular the Buchans herd. Marathon is currently working with provincial regulators to conduct ongoing baseline monitoring programs and plans to continue and adapt these monitoring programs over the life of the Project.
- *Victoria Lake Reservoir and Victoria Dam:* The environmental assessment has determined there are no significant effects on the Victoria Lake Reservoir or Victoria Dam resulting from routine Project activities, or from the cumulative effects of the Project in combination with other past, present, or reasonably foreseeable future projects. Due to Marathon's re-location of the tailings management facility ("TMF") downstream of the Victoria Dam, a worst-case TMF dam breach is also not expected to impact the Victoria Dam.

Follow-up and monitoring programs have been proposed for other VCs, as applicable, to verify the accuracy of the residual effects assessment, determine the effectiveness of mitigation measures, and monitor compliance with regulatory approvals, permits and authorizations.

SUMMARIZED QUARTERLY FINANCIAL 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.

(Stated in thousands of CDN dollars except per share data)	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Statement of Operations								
General and administrative expense	2,834	1,619	2,266	881	1,766	734	762	583
Exploration expense	—	25	—	—	1	23	—	—
Finance (income) / expense, net	(187)	(29)	(38)	(116)	(158)	78	(69)	(34)
Other (income) / expense	(61)	(33)	(40)	(39)	830	(40)	(28)	(26)
Loss before tax	**2,586**	**1,582**	**2,188**	**726**	**2,439**	**795**	**665**	**523**
Deferred income tax expense / (recovery)	299	499	(193)	(658)	255	(177)	88	105
Net Loss	**2,885**	**2,081**	**1,995**	**68**	**2,694**	**618**	**753**	**628**
Loss per Share								
Basic and diluted	0.015	0.011	0.011	0.0004	0.016	0.004	0.004	0.004
Balance Sheet								
Cash and cash equivalents	51,653	50,096	53,985	22,793	27,963	33,979	15,834	19,431
Mineral exploration and evaluation assets	104,645	98,398	91,280	88,826	84,734	80,175	74,872	70,520
Total assets	**156,598**	**150,647**	**146,755**	**113,164**	**113,760**	**115,157**	**91,333**	**90,437**

Notes:

1. The increase in Marathon's reported general and administrative expenses in the second quarter of 2019 reflects the issuance of stock options in the period. The increase in general and administrative expenses in the fourth quarter of 2019 relates to an increase in salary and wages, resulting from higher overall compensation costs as a result of the changes made to the Company's management team in the second half of 2019 as well as the 2019 bonus awarded, and higher share-based compensation related to the issuance of stock options with time and milestone-based vesting to new management in the second half of 2019. The increase in general and administrative expenses in the second quarter of 2020 relates to higher share-based compensation related to the vesting of stock options issued to new management and the 2020 annual option grant, as well as severance costs incurred in the period. The increase in general and administrative expenses in the fourth quarter of 2020 relates primarily to higher share-based compensation expense related to the revaluation of the DSU liability at the end of the period and the 2020 bonus awards.
2. Marathon's reported exploration expenses reflect the timing of exploration activities at properties other than the Valentine Gold Project and are not directly comparable from one accounting period to another.
3. The increase in Marathon's reported other (income)/expense in the fourth quarter of 2019 relates to severance costs resulting from the Company's change in executive management.
4. The increase in Marathon's reported cash balances at March 31, 2019, September 30, 2019 and June 30, 2020 reflect the sale of the 2% net smelter returns royalty to Franco Nevada Corp ("FNV NSR") for net proceeds of $17,979, the completion of the bought deal private placement for net proceeds of $23,985, and the completion of the bought deal financing for net proceeds of $32,345, in each period respectively.

LIQUIDITY AND FINANCIAL CONDITION

The Company held $51,653 in cash and cash equivalents at December 31, 2020 compared to $27,963 in cash and cash equivalents at December 31, 2019. During the year ended December 31, 2020, operations used $4,622, investing activities used $18,624 and financing activities provided $46,936 of cash.

Operations used $4,622 during the year ended December 31, 2020, compared to $190 in the same period in 2019. Excluding the impact of cash allocated to the flow-through share tax liability in 2019, operations used $4,865 during the year ended December 31, 2020, compared to $3,063 in the same period in 2019. The increase relates to an increase in general and administrative expenses, resulting primarily from increased salary and wages and severance costs, and an increase in cash used by working capital.

Investing activities used $18,624 during the year ended December 31, 2020, compared to $15,656 in the same period in 2019. The increase relates primarily to an increase in expenditures related to the Valentine Gold Project, as the Company continues to progress the Project.

Financing activities provided $46,936 during the year ended December 31, 2020, compared to $40,147 in the same period in 2019. Cash provided by financing activities during the year ended December 31, 2020, related to the bought deal financing net proceeds of $32,345, flow-through financing net proceeds of $8,136 and $6,562 in proceeds from the exercise of stock options and warrants in the period. Cash provided by financing activities in the year ended December 31, 2019 related to the bought deal private placement of $21,483, the sale of the FNV NSR for net proceeds of $17,979 and $951 in proceeds from the exercise of stock options.

The Company's operations for 2021 are planned to be funded from existing cash reserves at the end of 2020. For the remainder of 2021, Marathon's focus will be completion of the FS, completion of the Company's exploration program on its 240 km^2 land package, advancement of detailed engineering and ongoing environmental assessment and community engagement.

The Company's cash balance of $51,653 leaves Marathon well positioned to execute on its permitting, development and exploration activities at the Valentine Gold Project.

OUTLOOK FOR 2021

Valentine Gold Project

Marathon's activity with respect to the Valentine Gold Project for the remainder of 2021 will primarily be focused in three key areas: completion of the FS and ongoing engineering and operational preparedness activities for project construction; completion of the 2021 exploration program; and completion of the EA, including ongoing stakeholder engagement.

Marathon's plan for the remainder of 2021 includes:

- Completion of work on the FS and release late in the first quarter of 2021;
- Completion of the maiden mineral resource estimate for the Berry Zone;
- The completion of the 2021 Valentine Gold Project exploration drilling program consisting of a total of 52,000 metres. Specifically, the completion of this program is targeting:
    - Up to 30,000 metres of drilling for the Berry Zone designed to increase drill density over the full 1.5 kilometres of mineralization delineated in 2020;
    - Up to 8,000 metres of drilling at both the Sprite and Victory deposits, with a view to potential resource expansion at each of these areas of historical exploration; and
    - Up to 6,000 metres dedicated to grassroots projects focused on new discovery.
- Support for the review of the Project's EIS by IAA and NLDMAE, including responding to potential Information Requests and assisting in the facilitation of public consultations;
- Completion of additional environmental baseline and assessment work in support of the EA, permitting, and engineering design activities;
- Detailed engineering including infrastructure studies, procurement and permitted site preparation for construction; and
- Ongoing stakeholder engagement and consultation activity.

TABLE OF CONTRACTUAL OBLIGATIONS

At December 31, 2020, the Company is committed to the following:

(Stated in thousands of Canadian dollars)	Less than 1 Year	1 to 3 years	4 to 5 years	More than 5 Years	Total
Trade payable and accrued liabilities	$ 2,383	$ —	$ —	$ —	$ 2,383
Lease liability	143	438	112	—	693
Flow-through share tax liability	243	—	—	—	243
Deferred share unit liability	1,676	—	—	—	1,676
Restricted share unit liability	—	90	—	—	90
Total	**$ 4,445**	**$ 528**	**$ 112**	**$ —**	**$ 5,085**

RELATED PARTY TRANSACTIONS

There were no related party transactions for the years ended December 31, 2020 and 2019 other than compensation of key management personnel, which is presented in Note 18 of the consolidated financial statements for the years ended December 31, 2020 and 2019. Key management personnel are defined as members of the Board of Directors and certain senior officers. Compensation of key management personnel are made on terms equivalent to those prevailing in an arm's length transaction.

OPTIONS AND EQUITY LINKED COMPENSATION PLANS

In the year ended December 31, 2020, 5,713,667 options were exercised for proceeds of $3,929. Over the same period, 4,675,000 options were granted and 175,333 options expired. In addition, 1,387,300 warrants were exercised during the year ended December 31, 2020 for proceeds of $2,633. Subsequent to December 31, 2020 and up to the date of this MD&A, 876,000 and 608,750 options and warrants were exercised for proceeds of $813 and $1,142, respectively.

Marathon adopted a cash-settled Deferred Share Unit ("DSU") Plan on October 10, 2019. Pursuant to the DSU Plan, the Board of Directors may, from time to time, grant units to directors, such units being granted in addition to, or instead of, the directors' annual retainer fees. The vesting schedule of the DSUs is determined at the discretion of the Compensation Committee, but generally the DSUs vest on December 31 of the year in which the DSU was granted. DSUs will be settled in cash and will be payable upon the director's termination of service.

During the fourth quarter of 2019, the Company awarded a total of 250,000 DSUs with a grant date fair value of $400. During the third quarter of 2020, the Company awarded a total of 330,000 DSUs with a grant date fair value of $746 that vest on December 31, 2020. At December 31, 2020, the DSU liability was revalued to $1,676. For the year ended December 31, 2020 a total expense of $1,251 was recorded to the consolidated statement of operations and comprehensive loss (2019 - $425). At December 31, 2020, there was no unrecognized compensation expense related to DSUs granted under the Company's DSU Plan (2019 - $nil).

Marathon approved an equity-based Share Unit Plan (the "Plan") on August 10, 2020. The Plan will provide participants with the opportunity through share units ("SUs"), such as restricted share units ("RSUs") and performance share units ("PSUs"), to acquire an ownership interest in the Company. Pursuant to the Plan, the Board of Directors will be authorized to grant SUs to executive officers, employees, including full-time and permanent part-time employees, and consultants, but not to non-executive directors. SUs will be subject to any combination of time-based vesting and performance-based vesting conditions as the Board of Directors shall determine from time to time. Under the Plan the Board of Directors will also be authorized to grant DSUs to non-executive directors. DSUs may be subject to time-based vesting as the Board of Directors shall determine from time to time. DSUs will become payable at the time of an eligible participant's termination of office or employment with the Company. Unless otherwise set forth in the particular award agreement, the Board of Directors may elect one or any combination of the following settlement methods for the settlement of vested SUs and DSUs: issuing shares to the participant from treasury; causing a broker to purchase shares on the Toronto Stock Exchange for the account of the participant; paying cash to the participant; or a combination of the foregoing.

During the third quarter of 2020, the Company awarded a total of 153,000 RSUs to certain employees and recorded an RSU liability of $27. At December 31, 2020, the RSU liability was revalued to $90 and an expense of $63 was recorded to mineral exploration and evaluation assets (2019 - $nil). For the year ended December 30, 2021 a total expense of $90 was recorded to mineral exploration and evaluation assets (2019 - $nil). At December 31, 2020, there was $330 of unrecognized compensation expense related to RSUs granted under the Company's Share Unit Plan (2019 - $nil).

FINANCIAL INSTRUMENTS

(Stated in thousands of Canadian dollars)		Fair value at December 31, 2020	Basis of measurement	Associated risks
Cash and cash equivalents	$	51,653	Amortized cost	Interest/Credit
Amounts receivable		844	Amortized cost	Credit
Trade and other payables		2,383	Amortized cost	Interest
Current Lease liability		143	Amortized cost	Interest
Long term Lease Liability		550	Amortized cost	Interest
Deferred share unit liability		1,676	Fair value through profit and loss	Market price
Restricted share unit liability		90	Fair value through profit and loss	Market price

Amortized cost - Cash and cash equivalents, amounts receivable, trade and other payables and the lease liability approximate their carrying values as the interest rates are comparable to current market rates.

Fair value through profit and loss – The fair value of the deferred share unit liability and restricted share unit liability are estimated using the share price of the Company's common shares at each period end. The Company's deferred share unit liability and restricted share unit liability were revalued based on the fair value of the Company's common shares at December 31, 2020, such that an expense of $1,251 and $90 were recorded to the consolidated statements of operations and comprehensive loss and mineral exploration and evaluation assets, respectively, for the year ended December 31, 2020.

The interest rate and credit risk associated with Marathon's cash and cash equivalents is mitigated as cash balances are held only at Canadian banks and invested in GICs with 30-day terms.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of March 25, 2021, there were 213,719,336 common shares of the Company issued and outstanding, 12,069,573 stock options outstanding and 18,068,450 warrants outstanding.

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

For a full list of judgments, estimates and assumptions, please refer to Note 4 of the 2020 Annual Consolidated Financial Statements.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, effective January 1, 2020 These changes were made in accordance with the applicable transitional provisions.

The IASB has made amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Account Estimates and Errors, which use a consistent definition of materiality throughout International Reporting Standards and the Conceptual Framework for Financial Reporting, clarifying when information is material. In particular, the amendments clarify:

- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- The meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

There was no accounting impact to the financial statements on adoption of this standard.

<u>Definition of a Business (Amendments to IFRS 3)</u>

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. The revised guidance:

- clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

- adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no accounting impact to the consolidated financial statements on adoption of this standard.

<u>New interpretations or amendments to existing standards not yet effective</u>

Following standards and interpretations have been issued but are not mandatory for annual reporting periods ending on 31 December 2020:

- Covid-19-related Rent Concessions Amendments to IFRS 16 - *Effective period beginning on or after June 30, 2020;*
- Classification of Liabilities as Current or Non-current Amendments to IAS 1 - *Effective period beginning on or after January 1, 2023;*
- Property, Plant and Equipment: Proceeds before intended use Amendments to IAS 16 - *Effective period beginning on or after January 1, 2022;* and
- Annual Improvements to IFRS Standards 2018 2020 - *Effective period beginning on or after January 1, 2022).*

Based on the assessment performed by management, none of the above noted amendments to the standards and interpretations are expected to have a material impact on the consolidated financial statements of the Company.

DISCLOSURES ABOUT RISKS

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 a PFS on the Valentine Gold Project and is nearing completion of a FS. While Marathon was successful in raising financing through the May 2020 bought deal financing which will fund the completion of the FS, the construction and commissioning of a mine, if considered appropriate moving forward, will require substantial additional financing that is not guaranteed. Furthermore, Marathon may not be able 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.

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.

In addition to the foregoing, Marathon is subject to a number of other risks and uncertainties which are not discussed in this MD&A. To properly understand such risks, readers are directed to the risk factors disclosed under the heading "Risk Factors" in Marathon's Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities available at www.sedar.com.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as at December 31, 2020, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's design of internal controls and procedures over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this MD&A.

ADDITIONAL INFORMATION

The Company’s Annual Information Form for the year ended December 31, 2020 and additional information relating to the Company is available on SEDAR at www.sedar.com.