MARATHON GOLD

Management's Discussion and Analysis

For the Year Ended December 31, 2022

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") 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 MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2022 and 2021, 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 23, 2023. Unless noted otherwise, all currency amounts are stated in thousands of Canadian dollars.

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, uncertainty as to the calculation 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, 2022 (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 Mr. Tim Williams, FAusIMM, Chief Operating Officer for Marathon, Mr. Paolo Toscano, P.Eng.(Ont.), Vice President, Projects, Engineering and Construction for Marathon, Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon and Mr. David Ross, P.Geo (NL), Vice President, Geology & Exploration for Marathon. Mr. David Ross, P.Geo (NL), Vice President, Geology & Exploration for Marathon, is responsible for the design and operation of exploration programs at the Valentine Gold Project. Exploration data quality assurance and control for Marathon is under the supervision of Ms. Jessica Borysenko, P.Geo. (NL), Manager, GIS for Marathon. Each of Mr. Williams, Mr. Toscano, Mr. Powell, Mr. Ross, and Ms. Borysenko is a "qualified person" 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. The updated Valentine Gold Project Mineral Resource Estimate announced on July 6, 2022 (the "**2022 MRE**") was prepared by John T. Boyd Company and Roy Eccles, P.Geol. of APEX Geoscience Ltd who is the "qualified person" who has reviewed and taken responsibility for the 2022 MRE. Mr. Eccles is considered to be "independent" of Marathon and the Valentine Gold Project for purposes of NI 43-101.

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 "Valentine Gold Project, NI 43-101 Technical Report and Feasibility Study", with an effective date of November 30, 2022 (the "**2022 Valentine Technical Report**") available at www.sedar.com. The principal authors of the 2022 Valentine Technical Report were James Powell, P. Eng. of Marathon Gold Corporation, Roy Eccles, P. Geo. of Apex Geoscience Ltd., Sheldon Smith, P.Geo. of Stantec Consulting Ltd., Marc Schulte, P. Eng. of Moose Mountain Technical Services, W. Peter H. Merry, P. Eng. of Golder Associates Ltd., Shawn Russell, P.Eng. of GEMTEC Consulting Engineers and Scientists Ltd., Carolyn Anstey-Moore, P.Geo. of GEMTEC Consulting Engineers and Scientists Ltd., Behzad Haghighi, P.Eng. of Vieng Consulting, John R. Goode, P.Eng. of J.R Goode & Associates, Ignacy Antoni Lipiec, P.Eng. of SNC-Lavalin, Serfio Hernandez, P.Eng. of Progesys Inc., and Tommaso Roberto Raponi, P.Eng. of Ausenco Engineering Canada Inc., each of whom, except for Mr. Powell, is considered to be "independent" of the Company for the purposes of NI 43-101.

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 in Regulation S-K (Subpart 1300) (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. 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.

CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

The Company has included various references in this MD&A that constitute "specified financial measures" within the meaning of National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators, such as, for example, Free Cash Flow, EBITDA, Total Cash Cost and All-In Sustaining Cost. None of these specified measures is a standardized financial measure under IFRS and these measures might not be comparable to similar financial measures disclosed by other issuers. Each of these measures are intended to provide additional information to the reader and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Certain non-IFRS financial measures used in this MD&A and common to the gold mining industry are defined below.

Total Cash Cost and Total Cash Cost per Ounce

Total Cash Cost is reflective of the cost of production. Total Cash Cost reported in the Updated Feasibility Study ("**Updated FS**") include mining costs, processing and water treatment costs, general and administrative costs of the mine, off-site costs, refining costs, transportation costs and royalties. Total Cash Cost per Ounce is calculated as Total Cash Cost divided by payable gold ounces.

All-in Sustaining Cost (AISC) and AISC per Ounce

AISC is reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the Updated FS includes total cash costs, sustaining capital, expansion capital and closure costs, but excludes corporate general and administrative costs and salvage. AISC per Ounce is calculated as AISC divided by payable gold ounces.

Free Cash Flow (FCF)

FCF deducts capital expenditures from net cash provided by operating activities. Management believes this to be a useful indicator of our ability to operate without reliance on additional borrowing or usage of existing cash. Free cash flow is intended to provide additional information only and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate this measure differently.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA excludes from net earnings income tax expense, finance costs, finance income and depreciation. Management believes that EBITDA is a valuable indicator of our ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose.

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 its 100% owned Valentine Gold Project (the "Project") in central Newfoundland with the objective of moving the Project through construction and into operations.

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

SUMMARY OF FINANCIAL RESULTS

(Stated in thousands of Canadian dollars)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	For the Years Ended December 31, 2022	For the Years Ended December 31, 2021
EXPENSES				
General and administrative expense	$ 3,184	$ 2,921	8,365	$ 9,703
Finance (income)/expense, net	(815)	(148)	585	(250)
Other income, net	(55)	(55)	(177)	(177)
Loss before tax	**$ 2,314**	**$ 2,718**	**$ 8,773**	**$ 9,276**
Deferred income tax recovery	(171)	(347)	(104)	(2,210)
Net Loss	**$ 2,143**	**$ 2,371**	**$ 8,669**	**$ 7,066**
Capital expenditures[1]	**$ 18,532**	**$ 16,400**	**$ 74,592**	**$ 41,408**

1. Capital expenditures are presented on a cash basis.

Factors affecting financial results for the three months ended December 31, 2022:

- **General and administrative expenses** increased from $2,921 in the three months ended December 31, 2021 to $3,184 in the three months ended December 31, 2022. The principal components of this increase include:
  - **Share-based compensation expense** increased from $610 to $1,273, due primarily to a $730 increase in stock option expense resulting from an increase in stock options granted during the three months ended December 31, 2022 compared to the same period in 2021.
  - **Insurance expense** increased from $44 to $711, due primarily to the start of early works construction activities during the three months ended December 31, 2022.
  - **Salaries and wages** decreased from $716 to $78, due to increased capitalization to the Project compared to the same period in the prior year, offset partially by an increase in overall compensation costs as the Company has expanded in preparation for early works throughout 2022.
  - **Project financing advisory & professional fees** decreased from $996 to $522, as a result of decreased advisory, legal, and due diligence related costs subsequent to the closing of the US$185 million term loan credit facility with Sprott Resource Corporation ("**Sprott**") on March 31, 2022.
- **Finance (income)/expense,** net increased from income of $148 to income of $815, primarily as a result of an increase in interest income from $122 to $1,348, due to a higher average cash balance and higher interest rates compared to the same period in 2021, offset partially by an increase in standby fees and foreign exchange losses during the three months ended December 31, 2022.
- **Deferred income tax recovery** decreased from $347 to $171, due to less deferred tax assets related to a lower tax loss carryforward balance resulting from a lower net loss in the three months ended December 31, 2022, compared to the same period in the prior year.

- **Capital expenditures** were $2,132 higher in the three months ended December 31, 2022 than the comparable period in the prior year primarily as a result of an increase in early works construction capital spending. Early works construction activities commenced during the three months ended December 31, 2022, and consisted of the construction of haul roads and pads, the establishment of a temporary construction camp, tree clearing and grubbing, earthworks associated with the Project's fresh water intake from the Victoria Reservoir, upgrades to the Project's access road from the community of Millertown, and replacement of the Victoria River Bridge.

Factors affecting financial results for the twelve months ended December 31, 2022:

- **General and administrative expenses** decreased from $9,703 in the twelve months ended December 31, 2021 to $8,365 in the twelve months ended December 31, 2022. The principal components of this decrease include:
  - **Salaries and wages** decreased from $2,712 to $1,544, due to increased capitalization to the Project compared to the prior year, offset partially by an increase in overall compensation costs as the Company has expanded in preparation for early works throughout 2022.
  - **Share-based compensation expense** decreased from $2,275 to $1,031, due to a $1,924 and $200 decrease in Deferred Share Unit ("DSU") expense and Restricted Share Unit ("RSU") expense, respectively, resulting from a decrease in the Company's share price during the twelve months ended December 31, 2022, offset partially by a $880 increase in stock option expense resulting primarily from stock options granted during the three months ended December 31, 2022.
  - **Project financing advisory & professional fees** decreased from $2,672 to $2,456, as a result of decreased advisory, legal, and due diligence related costs subsequent to the closing of the US$185 million term loan credit facility with Sprott on March 31, 2022.
  - **Insurance expense** increased from $137 to $902, due primarily to the start of early works construction activities during the three months ended December 31, 2022.
  - **Professional fees** increased from $566 to $903, resulting from an increase in legal fees, as the Company's breadth of activities has increased and from an increase in recruitment fees related to the hiring of a new Chief Financial Officer and appointment of a new independent member to the Board of Directors.
- **Finance (income)/expense, net** changed from income of $250 to expense of $585, primarily as a result of $2,322 in upfront fees and standby fees related to a Master Lease Agreement entered into with Caterpillar Financial Services Limited ("**Cat Financial**") in the third quarter of 2022, offset partially by an increase in interest income from $336 to $2,053, due to a higher average cash balance and higher interest rates compared to the same period in 2021.
- **Deferred income tax recovery** decreased from $2,210 to $104, as the reassessment of the temporary differences associated with Mineral Exploration and Evaluation assets performed by management that resulted in a deferred income tax recovery in the prior year was not required in the current period. This was partially offset by a decrease in the flow-through share tax liability of $3,178 compared to $243 in the comparable period in 2021.
- **Capital expenditures** were $33,184 higher in the twelve months ended December 31, 2022 than the comparable period in 2021 primarily as a result of an increase in project pre-construction and early works capital spending compared to the prior year. Project pre-construction capital spending commenced in 2021 and included detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, deposits on drilling and mobile equipment, access road maintenance and NL Hydro contribution payments. In addition, early works construction activities commenced in the fourth quarter of 2022 and consisted of the construction of haul roads and pads, the establishment of a temporary construction camp, tree clearing and grubbing, earthworks associated with the Project's freshwater intake from the Victoria Reservoir, upgrades to the Project's access road from the community of Millertown, and replacement of the Victoria River Bridge.

CURRENT 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 global outbreak of COVID-19. In the fourth quarter of 2022, the Company commenced early works development activities and continued to advance its work related to site-specific permitting and exploration activities through to the end of 2022. These activities could be impacted by COVID-19 through supply chain disruptions, impacted staff, or the Company's ability to safely access the project site. During the twelve months ended December 31, 2022, the Company and its operations were not materially impacted by COVID-19. See the risk factor titled "Infectious Disease" in Marathon's AIF.

Exercise of Buy Back Option on Valentine Royalty

On December 22, 2022, the Company announced that Marathon and Franco Nevada Corporation ("**FNV**") agreed to extend a right in favour of the Company to repurchase 0.5% of a 2% net smelter returns royalty ("**NSR**") on the Project from FNV for US$7 million (the "**Buy Back Option**") from December 31, 2022 to January 31, 2023.

Subsequent to year-end, on January 25, 2023, the Company provided notice to FNV of its intention to exercise the Buy Back Option. On February 22, 2023, the Company paid FNV US$7 million, thereby reducing the NSR on the Project from 2.0% to 1.5%.

Amended and Restated US$225M Credit Facility

On March 31, 2022, the Company closed a US$185 million term loan credit facility with Sprott for the construction, development and working capital requirements of the Project. The 6.5-year Facility matures on June 30, 2028, with a 6-month extension option available.

At December 31, 2022, the Company had the right to terminate the Facility for any reason for US$8 million, repayment of the first advance and payment of any accrued an unearned interest. In addition, Sprott had the right to terminate the Facility for any reason within 30 days of receiving the Company's Updated FS and financial model which was required to be delivered by November 30, 2022, in which case the Company would be obligated to repay the first advance, accrued and unpaid interest if any, and US$4 million in an Initial Advance Fee.

On December 22, 2022, the Company announced that Marathon and Sprott had concluded on an amendment to the Credit Agreement (the "**Amendment**") adjusting the effective date for certain terms and conditions of the US$185 million term loan facility (the "**Facility**") from December 31, 2022 to January 31, 2023. The amendment adjusted the effective date for the Second Advance, the period under which the Initial Interest Amount will be calculated, the date upon which the Facility will bear interest, and the effective date of mutual termination rights.

Subsequent to year-end, on January 25, 2023, the Company amended and restated its Facility (the "**Amended & Restated Facility**") with Sprott, primarily increasing the Facility from US$185 million to US$225 million. Key terms of the Amended & Restated Facility are as follows:

- Senior secured term loan facility of US$225 million maturing on December 31, 2027 (the "**Maturity Date**"), with a 6-month extension option available at Marathon's discretion.
- US$125 million of the Facility was funded to a debt proceeds account (the "**DPA**") on March 31, 2022. On January 24, 2023, Marathon requested the second and final advance of US$100 million to complete the DPA funding.
- The Facility is available to the Company up to the end of March 31, 2025 (the "**Release Period**"). The first US$50 million in the DPA is available to Marathon immediately, with subsequent releases available on satisfaction of a cost-to-complete covenant and certain other customary terms and conditions.
- The Facility will bear an interest of 7.0% plus the greater of (i) 3-month LIBOR, and (ii) 2.50% per annum, payable quarterly. An initial interest amount of US$4.45 million (the "**Initial Interest Amount**") representing interest on the funds advanced to the DPA since March 31, 2022, as well as 75% of the interest accruing to June 30, 2025, shall be capitalized.
- US$17/ounce will be payable on 1.6 million ounces of payable gold produced by the Project starting on July 31, 2025.

- In connection with entering into the increased Facility, Marathon will issue to Sprott 10 million warrants with a strike price of C$1.35 and a term of 5 years.
- There are no other commitment or arrangement fees applicable.
- 50% of the Facility is to be repaid in nine unequal quarterly installments commencing on September 30, 2025, with the remaining 50% due on the Maturity Date.
- Extension of termination rights to the earlier of the second and final advance and January 31, 2023.

The Amended & Restated Facility contains additional terms and conditions customary for a transaction of this nature, such as representations, warranties, borrower covenants, permitted encumbrances, assignment rights and events of default, as well as voluntary prepayment conditions, including prepayment upon change of control. A copy of the Amended & Restated Facility agreement is available on SEDAR.

Updated Feasibility Study and Technical Report

On December 7, 2022, the Company released the results of an Updated FS for the Project. The Updated FS presented for the first time a 3-pit mine plan for the Project based on the Marathon, Leprechaun and Berry Deposits, with increased Mineral Reserves, an extended mine life, and a higher gold production profile. The Updated FS incorporates the same conventional open pit mining and milling strategy previously presented in the April 2021 Feasibility Study (the "**April 2021 FS**"), with updated capital and operating cost estimates based on current-market pricing, and updated metal price assumptions. The Project was released from provincial and federal Environmental Assessment ("**EA**") earlier in 2022 based on mining at the Marathon and Leprechaun Deposits, and early works construction commencing in October of this year. The Updated FS incorporates an amended permitting strategy to allow for the Berry Deposit to be included in the mining schedule by the first year of mine operations.

Highlights of the Updated FS are as follows (all figures are in Canadian dollars, troy ounces, and estimated at US$1,700/oz gold on an unlevered basis unless otherwise noted):

- Proven and Probable Mineral Reserves of 2.7 Moz Au (51.6 Mt at 1.62 g/t Au), increases of +31% in ounces, +10% in tonnes and +20% in grade compared to the previous estimate.
- "High Grade" Proven and Probable Mineral Reserves (greater than 0.7 g/t Au and designated as direct mill-feed in the Project's mine plan) of 2.4 Moz Au (35.3 Mt at 2.12 g/t Au), increases of +38% in ounces, +29% in tonnes and +7% in grade compared to the previous estimate.
- 14.3-year mine life with first gold scheduled for January 2025.
- Average gold production of 195,000 oz/year at an annual average All-In Sustaining Cost ("AISC") of US$1,007/oz for $121 million of annual average free cash flow ("FCF") for 12 years from 2025 to 2036.
- Open pits optimized at gold price cases of US$950/oz (Leprechaun), US$1200/oz (Marathon) and US$1350/oz (Berry).
- Remaining capital cost ("Project Capex") of $463 million (US$347 million), representing the Project's cost-to-complete effective October 31, 2022.
- After-tax Net Present Value at a 5% discount rate ("NPV5%") of $648 million (US$486 million), Internal Rate of Return ("IRR") of 22%, and payback of 2.8 years.
- Peak full time direct employment of 405 persons during construction and 522 during operations, with $598 million payable in federal and provincial income taxes and mining duties, at US$1700/oz gold.

On December 21, 2022, the Company filed a technical report in accordance with NI 43-101, which incorporates the results of the Updated FS, entitled "Valentine Gold Project, NI 43-101 Technical Report and Feasibility Study" that had an effective date of November 30, 2022, available on SEDAR.

C$150 Million Bought Deal Financing

On September 20, 2022, the Company closed a C$150 million bought deal prospectus offering (the "**Offering**") of 136,364,000 units of the Company at a price of $1.10 per Unit. Each Unit consists of one common share of the Company (a "**Unit Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $1.35 for a period of 24 months following the Closing Date, subject to the Acceleration Right. If, at any time following the closing date of the offering, the daily volume weighted average trading price of the common shares of the Company on the Toronto Stock Exchange is greater than $1.75 per common share for the preceding 10 consecutive trading days, the Company shall have the right (the "**Acceleration Right**") to accelerate the expiry date of the Warrants to the date (the "**New Expiry Date**") that is 30 days following the date of the acceleration notice to the holders of the Warrants and the warrant agent, provided that the New Expiry Date is not later than June 30, 2023.

As part of the Offering, the over-allotment option was partially exercised by the syndicate of underwriters for an additional 2,454,600 common shares of the Company and 10,227,300 additional common share purchase warrants of the Company for aggregate gross proceeds of $3,438.

Construction Decision for the Project

On September 1, 2022, the Board of Directors made a formal decision to proceed to construction of the Project. This decision was made subsequent to the completion of the federal and provincial EAs, an updated cost to complete assessment of between $470 and $490 million, and an evaluation of the overall merits of the Project.

Environmental Assessment and Permitting

On August 24, 2022, the Project received a positive Decision Statement in the Federal EA from the Honourable Steven Guildbeault, Minister of Environment and Climate Change Canada. With this Decision the Project was fully released from EA in both the Province of Newfoundland and Labrador and federally, allowing development to proceed based on applicable permitting. This followed the Projects release from the Provincial EA on March 17, 2022.

As is customary for all mining projects released from the federal EA process, the Decision Statement included certain conditions with which Marathon must comply during the conduct of the Project. The conditions principally reflect the implementation of certain monitoring and mitigation programs previously outlined in the Project's Environmental Impact Statement and are designed to address potential environmental effects in areas such as water quality, fish and fish habitat, birds and fauna and greenhouse gas emissions. The Company was also mandated to maintain its ongoing engagement with Indigenous groups, stakeholders and relevant authorities on its management plans for social and environmental protection, and to develop and implement follow-up and monitoring programs to verify the accuracy of the EA, including as it pertains to Project-related changes to the quality of air, water and country foods on the health of Indigenous peoples, and the effectiveness of mitigation measures.

On March 17, 2022, the Company was advised by the Newfoundland and Labrador Minister of Environment and Climate Change (the Minister") that the Environmental Assessment Committee overseeing the provincial EA of the Project had completed its review of the Project's EIS. Concurrently, the Project received approval by the Cabinet of the Government of NL, marking the completion of the provincial EA process, allowing Marathon to commence site-specific permitting.

In the second quarter of 2022, the Company received the Project's surface lease and the mining leases for the Project. The mining leases cover the development of the Marathon and Leprechaun Deposits and have a term of 20 years. The mining leases were issued by the Newfoundland and Labrador Department of Industry, Energy and Technology pursuant to the terms of the NL Mineral Act (1990).

In the third quarter of 2022 the Company received approval of the Early Works Development and Rehabilitation & Closure Plan from the NL Department of Industry, Energy and Technology and approval of the Construction Environmental Protection Plan from the NL Department of Environment and Climate Change.

Early in the fourth quarter 2022, the Company received the Early Works Certificate and Approval for Construction from the NL Department of Environment and Climate Change. This approval from the Minister was the final step to allow the Projects early works to commence.

On October 24, 2022, the Company received Federal Fisheries Act Authorization from Fisheries and Oceans Canada for the Project. Receipt of this authorization allows the Company to proceed with all site activities regulated by the Fisheries Act, such as dewatering of small freshwater ponds for open pit mine development, changes in flow due to site water management, and placement of water intake and effluent pipes.

Key Stakeholder Agreements

On July 18, 2022, the Company announced the completion of several important stakeholder agreements and permitting milestones concerning the development of the Project. This included the completion and signing of the Benefits Agreement between Marathon and the Province of Newfoundland and Labrador, the completion and signing of an Outfitter Environmental Effects Monitoring Plan between Marathon and the Newfoundland and Labrador Outfitters Association.

Updated Mineral Resource Estimate

On July 6, 2022, the Company released the 2022 MRE for the Project. The new 2022 MRE incorporated approximately 100,000 metres of drilling completed at the Berry Deposit and the results of a 2021 Reverse Circulation ("**RC**") drill program completed at the Marathon and Leprechaun Deposits. Aggregate 2022 MRE highlights of the Marathon, Leprechaun, Berry, Sprite and Victory deposits included:

- Total Measured and Indicated Mineral Resources of 4.0 Moz Au (64.6 Mt at 1.90 g/t Au), increases of 26% in ounces, 14% in tonnes and 10% in grade compared to the previous estimate.
- "High Grade" open-pit Measured and Indicated Mineral Resources (greater than 0.7 g/t Au and designated as direct mill-feed in the Project's mine plan) of 3.4 Moz Au (38.6 Mt and 2.73 g/t Au), increases of 28% in ounces, 22% in tonnes and 5% in grade compared to the previous estimate.
- Additional Inferred Mineral Resources of 1.1 Moz Au (20.8 Mt at 1.65 g/t).

Within the aggregate 2022 MRE estimates, the newly defined Berry Deposit was confirmed as a major new contributor of Mineral Resources at the Project and included:

- Berry Measured and Indicated Mineral Resources of 1.1 Moz Au (17.2 Mt at 1.97 g/t Au).
- Additional Berry Inferred Mineral Resources of 0.25 Moz Au (5.33 Mt at 1.49 g/t Au).

Equipment Financing

On June 10, 2022, the Company executed a credit-approved commitment letter with Cat Financial for equipment lease financing related to the development and operation of the Project. The commitment letter contemplates US$81 million of equipment leasing for Caterpillar trucks, excavators, graders, loaders, and dozers, for the purpose of loading, hauling, road maintenance, waste dump maintenance and primary pit support for the Project. The Cat Financial lease will be available to the Company upon release of the Project from its federal Environment Assessment process, review of the Project's Updated FS, satisfaction of a cost to complete certification, and other customary conditions, with early access to the first $25 million upon payment of an additional security deposit. During the third quarter of 2022, the Company executed a Master Lease Agreement with Cat Financial pursuant to the terms of the commitment letter.

During the third quarter of 2022, the Company also entered into a Master Lease Agreement for drill supply with Epiroc Canada Inc. for an aggregate amount of $19 million.

Purchase of Net Profit Interest Royalty

On March 14, 2022, the Company announced it had purchased for cancellation a historical 7.5% net profit interest royalty (the "**NPI Royalty**") that covers certain mineral resource areas at the Company's Valentine Gold Project. As consideration for the NPI Royalty, the Company paid $500,000 in cash and issued 1,341,607 common shares (having an approximate value of $4 million based on the 5-day VWAP) at closing to the Reid Newfoundland Company Limited ("**Reid**"), a private third-party vendor. The Company agreed to pay additional cash consideration of $3 million to Reid upon the satisfaction of certain conditions, including the formal release of the Project from both the applicable provincial and federal EA processes and confirmation that the Project has satisfied the terms of the respective provincial and federal EA processes and that the Project may proceed to permitting for mine construction, subject to conditions.

Vertical Amalgamation with Mountain Lake Resources Inc.

On January 28, 2022, the Company announced that it had completed a vertical amalgamation with its wholly-owned subsidiary, Mountain Lake Resources Inc. The amalgamation was conducted to streamline the Company's mining exploration activities under a single corporate entity and to reduce corporate and operational expenses.

Management Changes

The Company has continued to make additions to its management team throughout 2022, as the Company moves from a primary focus on exploration activity to a focus on mine development and ultimately the construction and operation of a mine. Appointments were made in various areas, including Occupational Health and Safety, Environment, Procurement & Contracts, Mine Operations, Maintenance and Finance.

On January 4, 2022, the Company appointed Ms. Julie Robertson as Chief Financial Officer, effective March 7, 2022. In addition, on September 21, 2022, Peter MacPhail was appointed as an independent member to the Board of Directors, upon retirement of Joseph Spiteri from the Board of Directors, effective September 30, 2022.

VALENTINE GOLD PROJECT DEVELOPMENT

Site early works commenced in October 2022. Major construction mobilization commenced subsequent to year-end in January 2023, with full site occupancy scheduled for April 2023. Since October 2022, 184,363 hours of work have been completed at the site with zero lost time incidents and zero reportable environmental incidents.

Progress KPIs

The Project is maintaining its overall schedule for first ore delivered to the mill by the end of 2024 and first gold production in the first quarter of 2025. As at December 31, 2022 overall completion at the project stood at 18% compared to a plan of 16%, with engineering at 58%, procurement at 37%, and construction at 3%.

The Updated FS issued in December 2022, noted a remaining Project Capex of $463 million, representing the Project's cost-to-complete effective October 31, 2022. From November 1, 2022 to December 31, 2022 Project Capex was $12 million, of a total $152 million committed at December 31, 2022. The Project's cost to complete as at December 31, 2022 was estimated at $451 million, consistent with the Updated FS. At December 31, 2022, contingency draws of $0.7 million have been approved from a total contingency reserve of $38.1 million.

Subsequent to year end, as at February 28, 2023, overall completion at the project stood at 24% compared to a plan of 22%, with engineering at 67%, procurement at 46%, and construction at 7%. Project Capex from November 1, 2022 to the end of February 2023 was $44 million, of a total $190 million committed at February 28, 2023. The Project's cost to complete as at February 28, 2023 was estimated at $422 million, primarily reflecting a variance trend of $3 million on Project insurance costs. At February 28, 2023, contingency draws of $1.4 million have been approved from a total contingency reserve of $38.9 million.

Early Works Completed

Early works activities in the fourth quarter of 2022 focused on the construction of haul roads and pads, the establishment of a temporary construction camp, tree clearing and grubbing, earthworks associated with the Project's fresh water intake from the Victoria Reservoir, upgrades to the Project's access road from the community of Millertown, and replacement of the Victoria River Bridge.

The pad for the permanent camp was completed on December 25, 2022. Subsequent to year-end, additional pads have been created for the low-grade ore stockpile, which will be utilized for the concrete batch plant, and laydown yards. To date, 10.5 kilometres of site roads have been completed, including the 5.2 kilometres of production haul road connecting the Leprechaun and Marathon mining pit areas to the centrally located process plant and major facilities site. Access to the process plant site was achieved, subsequent to year-end, on January 27, 2023.

Tree clearing and grubbing had been completed over a total of 235 hectares to the end of December 2022, including at the Leprechaun mining pit, principal haul road, permanent camp, site roads, the fresh water intake right-of-way, overburden stockpile areas, the mill and major facilities site, the Tailings Management Facility ("**TMF**") site, and the route of the planned access road realignment around the TMF.

Engineering and Procurement

At the end of December 2022, overall engineering completion stood at 58% compared to a plan of 64%. The shortfall relates, principally, to delays in process plant engineering due to resource availability, including amongst vendors in the supply chain, in addition to rework on certain construction packages and layouts.

Procurement, at 37% compared to a plan of 29%, reflects completion of contracts for camp and camp services, tree removal, earthworks, engineering, construction management, power supply and substations, mobile mining equipment, fuel storage and supply, drilling equipment, explosives supply, concrete batch plant, road maintenance, communications, assay lab and utilities water treatment. Procurement is ongoing, amongst others, on HV substation installation, field fabricated tanks, civils and concrete works, pre-engineered mill buildings, and onsite power distribution.

Within the process plant, procurement has been completed on the Ball and SAG mill, thickeners, screens, jaw crusher, motors, conveyors, the ADR plant and assorted mill fittings. Plant procurement is ongoing on electrical/instrumentation and piping/mechanical packages.

Mining

Mining activities since start-up in October 2022 have focused on the removal of overburden and the development of the Leprechaun pit as a source of waste rock for construction materials. Mining is operated by Marathon personnel, utilizing two CAT 6020B excavators, five CAT 777 haul trucks, two CAT 745 articulated haul trucks, CAT 374 and 349 excavators, a CAT 966 loader, CAT D10 and D9 dozers, a CAT 16M grader, two blasthole drill rigs, and assorted light duty and support vehicles. A temporary dome-shop maintenance facilities and fueling station have been established at site.

Total waste rock tonnes moved to the end of December 2022 was 527 ktonnes compared to a plan of 652 ktonnes. Total overburden tonnes moved were 65 ktonnes compared to a plan of 323 ktonnes. The shortfalls are explained by less overburden encountered in the Leprechaun pit area than estimated, meaning less material was required to be moved, and the operation of a single mining shift during December compared to the two shifts contemplated in the development plan. In addition, several days were lost to weather interruptions. An updated waste rock mining plan was adopted in February 2023 which contemplates a second shift starting in April 2023, with no impact on the Project's overall schedule. Over the last two weeks of February 2023 waste rock production averaged 11,000 tonnes per day.

Quartz-Tourmaline-Pyrite vein mineralization was encountered in blasthole chips during mining for the first time on February 21, 2023.

Camp

The Project's permanent camp was acquired in late 2021 and has been in storage in the community of Badger. Between December 2022 and February 2023 all 64 modules for the camp's Phase 1 accommodation and 39 modules for common facilities were delivered to site and successfully installed. Interior fittings and appointments, plumbing and electrical, piping and drainage, roof sealing, the installation of arctic corridors and the provision of accessible access is ongoing. Phase 1 of the permanent camp, with 352 beds, is expected to be completed and occupied in early April 2023. Phase 2 of the camp, which consists of two-story dormitory wing that will increase camp capacity to 425 beds, is scheduled to be delivered and installed in June 2023.

The Valentine camp, including accommodation rooms, kitchen and common facilities, offices, and training rooms, has been modified to be fully electrically powered as opposed to its original propane-heat configuration. This is to take advantage of the low cost and renewable hydro-electric power available to the Project and reduce the Project's overall carbon impact during its life. The camp will operate on diesel gen-sets until site electrical power distribution has been provided.

Upon occupation of the Phase 1 permanent camp, the temporary construction camp will be decommissioned. Facilities at the Project's exploration camp, such as the core and logging facilities, offices, and sample handling facilities will be preserved in their current location to support the Project's ongoing exploration activities.

Commencement of Major Civils

Major civils mobilization commenced on January 30, 2023. Work during February 2023 focused on the preparation of the process plant and major facilities site. Following the completion of tree clearing and grubbing, the site was drained with ditching, and overburden removal and stockpiling commenced. Removal of overburden and the completion of a pad for construction is expected to continue through to the end of March 2023, whereupon foundational and concrete forming work will commence. Major civils work at the TMF is scheduled to commence in late April 2023.

Marathon intends to continue civils work at the plant site through the spring break-up period of April to May 2023, when site and access road conditions in the region traditionally deteriorate. In support of this plan, fuel and supplies are being stockpiled at site, the concrete batch plant is being pre-located, and allowances are being made for light vehicle use only for the access road for personnel movements, and an enhanced road maintenance response as required.

Offsite Infrastructure

Road upgrades during October and November 2022 included the realignment of certain road curves to allow for safer transit of large loads, the replacement of culverts, levelling and grading, and the replacement of the Victoria River Bridge.

Construction of the Project's 66 kV powerline connection to the Star Lake generating station commenced with right-of-way clearing in October 2022 under the management of NL Hydro. Tree clearing and grubbing has been completed on 32 kilometres of right-of-way and 75% of poles have been delivered to the powerline easement. At December 31, 2022, powerline engineering stood at 95% completion, procurement at 98% and construction completion at 25%.

Modifications to the Star Lake Generating Station are scheduled to commence this summer. First delivery of power to the Project site is scheduled for October 2023, well in advance of Project startup.

Human Resources

Currently, 442 persons are employed directly or contracted to the Project. Marathon collects diversity employment data on the basis of voluntary declaration. On this basis, 17% of the persons employed by the Project are female, 5% are Indigenous persons, 5% are visible minorities and 1% are persons with disabilities. 25% are residents of the six communities within Project's socioeconomic area of influence (Millertown, Buchans, Buchans Junction, Grand Falls Windsor, Badger and Bishop's Falls) and 73% are residents of the province of Newfoundland and Labrador.

Direct employment within Marathon currently stands at 138 persons, of which 20% are female, 4% are Indigenous persons, 1% are visible minorities and 0% are persons with disabilities. 45% of the Company's employees are residents of the Project's six local communities and 91% are provincial residents.

Ongoing Construction Permitting and Berry Environmental Assessment

The Valentine Gold Project was subject to the Newfoundland and Labrador Environmental Protection Act ("**NL EPA**"), associated EA Regulations, and the Canadian Environmental Assessment Act ("**CEAA, 2012**"). In September 2020, Marathon submitted an Environmental Impact Statement ("**EIS**") to the Impact Assessment Agency of Canada ("**IAAC**") and the NL Department of Environment and Climate Change (EA Division) to meet the requirements of CEAA (2012) and the NL EPA respectively, in accordance with the project specific guidelines issued by the federal and provincial governments. The scope of assessment for the EIS included the site access road, Marathon Complex (pit, waste rock facility and associated infrastructure), Leprechaun Complex, Processing Plant/TMF Complex, and associated site infrastructure. The Valentine Gold Project was released from the provincial EA process on March 17, 2022, and the federal EA process on August 24, 2022.

Upon release from the provincial and federal EA processes, numerous approval, authorization, and permit applications were prepared and submitted for approval. Major permits and authorizations issued prior to construction start up in October included the Mining Lease, the Surface Lease, the Approval of the Early Works Development and Rehabilitation & Closure Plan, the Approval of the Construction Environmental Protection Plan, the Early Works Certificate of Approval for Construction, all issued by the NL Departments of Environment and

Climate Change and Industry, Energy, and Technology. Important authorisations issued at the federal level was the Federal Fisheries Act Authorization from Fisheries and Oceans Canada Permitting for specific site activities will continue throughout the mine development process in accordance with the construction schedule. At the end of January 2023, overall permitting progress stood at 71% compared to a plan of 93%, although site permitting is proceeding fully consistent with, and in support of, the progression of site works. Recent permits received include approvals associated with the completion of the permanent camp, such as building accessibility and National Building Code approvals and wastewater treatment permits, as well as site-wide freshwater water intake permits, wetland infilling/dredging approvals, and approval for eight permanent sedimentation ponds. Approval for the Life-of-Mine Development and Rehabilitation & Closure Plans is expected shortly.

The Berry Complex is expected to be subject to further EA requirements to identify, assess and mitigate potential environmental effects during all project phases, including construction, operation, decommissioning, rehabilitation and closure and post-closure. From the provincial EA perspective, the addition of the Berry Complex will be considered a new undertaking requiring EA registration. Federally the Berry Complex addition would be considered a change to the Designated Project, requiring a similar submission, as described in the federal regulator's Decision Statement conditions. Marathon has been developing an effects assessment for the Berry Complex and conducting consultation with both the provincial and federal regulators in support of filing an EA registration in the second quarter of this year. Regulatory review of the Berry Complex is expected to proceed through 2023 and 2024, consistent with the permitting and development schedule set out in the December 2022 Updated FS, which assumes first Berry ore in the second quarter of 2025.

Trends and Risks

Marathon maintains a risk register and cost trend analysis in its project control practices. Costs for goods and services procured in variance to the Project's control budget are identified as cost trends until contracted and are subject to potential re-bidding or scope assessment. Contracted cost variances to budget may form approved contingency draws or, in the absence of an appropriate contingency allowance, an adjustment to the Project's estimated cost at completion. A management reserve has been created for savings achieved on goods and services procured below budget. As at the end of December 31, 2022, Marathon had approved a $0.7 million contingency draw. Unused contingency stood at $37.4 million. As at the end of February 28, 2023, Marathon had approved a $0.8 million contingency, and a $3.5 million increase to the Project's cost at completion. Unused contingency was $37.3 million.

A principal cost and schedule risk to the Project continues to be the high cost and availability of skilled labour, which is affecting the mining industry globally. The Project's critical path work item is the completion of the process plant, including the procurement and delivery of key mill components, and the fabrication and construction of mill facilities.

EXPLORATION ACTIVITIES

In the second quarter of 2022, the Company reduced its 2022 exploration drilling program from 50,000 metres to 35,000 metres to accommodate the construction team on site and to accelerate development of the Berry resources studies. At December 31, 2022, the Company had completed 34,849 metres of its revised 35,000 metre outlook. A total of 21,039 metres were drilled in the Berry Deposit, 5,295 metres in the Victory Deposit, 5,523 metres of condemnation drilling and 2,992 metres of geotechnical drilling.

Drilling in the fourth quarter of 2022 continued to be focused on the Berry and Victory Deposits. A total of 9,130 metres were drilled in the Berry Deposit and 965 metres in the Victory Deposit.

On February 2, 2023, the Company released results from the final twenty-six in-fill drill holes completed during 2022 at the Berry Deposit, which consisted of fire assay data from 5,738 metres of diamond drilling and include results from two previously drilled holes that were re-opened and extended as part of the 2022 program. This in-fill program targeted gaps within the existing Berry drillhole dataset that are largely assumed to be un-mineralized waste in the Berry geological model but are within the conceptual pit shells used in the MRE. Success with this program has the potential to add mineable ounces to the Project's mine plan. Assays from 15,301 metres of the 2022 drilling were previously reported (see news releases dated June 15, September 12, 2022 and January 12, 2023). Highlights from the latest results include:

- VL-20-882 EXT intersected 1.96 g/t Au over 26 metres including 25.79 g/t Au over 1 metre, and 5.96 g/t Au over 8 metres including 22.89 g/t Au over 2 metres, and 1.59 g/t Au over 13 metres including 10.93 g/t Au over 1 metre;
- VL-22-1274 intersected 1.88 g/t Au over 20 metres including 14.23 g/t Au over 1 metre, and 0.96 g/t Au over 36 metres, and 1.29 g/t Au over 16 metres including 12.77 g/t Au over 1 metre; and
- VL-22-1262 intersected 30.03 g/t Au over 1 metre and 13.36 g/t Au over 1 metre.

These assays were not included in the 2022 MRE, which was based on drilling completed to the end of November 2021.

During 2022, the Company also engaged in a summer prospecting program which was comprised of geological mapping, outcrop and float sampling, and till and soil sampling in the unexplored "Eastern Arm Area", a 13-kilometre section of the Valentine Lake Share Zone between the Victory Deposit and the property's eastern boundary. Although the latest prospecting work is at an early stage, and full geochemical data on the samples is outstanding, numerous occurrences of quartz-tourmaline-pyrite veining have been identified within this area, both in float and outcrop, with initial grab samples showing anomalous gold values indicating a gold-association within the vein mineralization. Prospecting results such as this led to the original discovery of the Leprechaun and Marathon Deposits, between which the Berry Deposit was discovered through step-out drilling and are encouraging for further new discoveries.

OUTLOOK FOR 2023

Development Activity

Marathon's project development activities for 2023 will primarily be focused in the following key areas:

- Completion of ongoing detailed engineering, procurement and site-specific permitting.
- Completion of site early works, supporting full site mobilization by the end of the first quarter of 2023.
- Advancement of main works construction activities:
    - Installation of accommodation complex (Phase 1 – 352 beds by April 2023; Phase 2 – 425 beds by June 2023)
    - Completion of Concrete Batch Plant set up
    - Completion of Process Plant Pad and Building
    - Completion of main foundations of the SAG & Ball Mill
    - Completion of telecommunications infrastructure
    - Completion of the 66 kV NL Hydro powerline
    - Procurement of additional mining fleet
- Ongoing consultation with provincial and federal EA authorities regarding Berry Deposit permitting.
- Commencement of a 20,000 metre RC drill program at the Leprechaun and Marathon Deposits, aimed at establishing a grade control dataset ahead of the commencement of pre-stripping activities.
- Continued capacity building and development of the project execution team.

Exploration Activity

As mine construction moves forward, Marathon intends to maintain a focus on exploration based on the following two priorities: (1) delivering more ounces of mineable gold mineralization within the scope of the existing 3-pit mine plan, and (2) making new discoveries leading to new Mineral Resources on the Valentine property outside the scope of the current mine plan.

Exploration activities contemplated during the two-year period of 2023-2024 are as follows:

- A 70,000 metre RC drill program (20,000 metres in 2023 and 50,000 metres in 2024) at the Leprechaun, Marathon and Berry Deposits, with the objective of developing a grade control model to support early mine production reconciliation and forecasting, and building on the positive experiences of the 2021 RC drill program;

- Discovery-oriented exploration at the new Eastern Arm and Western Peninsula prospecting areas, with a view to establishing potential trenching and or drill targets for new mineralized deposits;
- Updated geological and mineralization models for the Berry Deposit integrating 2022 drill results, including drill results still outstanding, with a focus on new mineralization potential within the current mining pit shell;
- Updated geological and mineralization models for the Victory Deposit integrating 2021-2022 drill results, including drill results still outstanding, with the objective of expanding the mineral resource potential of Victory beyond its current estimate; and
- Reassessment of known mineralized showings at the Valentine Property, such as the Frank Zone, with additional diamond drilling as warranted.

CORPORATE SOCIAL RESPONSIBILITY

Community and First Nations Engagement

In the third quarter of 2022, the Company and the government of NL entered into a Benefits Agreement. The Benefits Agreement incorporates a workforce development plan and a Gender Equity, Diversity, and Inclusion ("**GEDI**") Plan. The Benefits Agreement sets out commitments regarding provincial employment and purchasing, education and training, and reporting and ongoing engagement, and is binding on the Company and its contractors. The GEDI Plan addresses access to economic opportunities by members of under-represented groups including women and gender-diverse persons, persons with disabilities, Indigenous persons, and members of visible minority groups. The Company prioritizes the maximization of local benefits in the development of the Project and conducts regular meetings with community leaders and residents and First Nations representatives in furtherance of these goals. The first quarterly report outlining Marathon's progress in meeting its commitments under the Benefits Agreement and GEDI plan was submitted to the Province of NL in January 2023.

To support access to economic benefits by provincial suppliers and residents, including Indigenous groups and members of underrepresented groups, the Company held a Supplier Diversity Workshop with NLOWE (the "**Newfoundland and Labrador Organization of Women Entrepreneurs**") in March 2022 and an employment information session with the Office to Advance Women Apprentices and Inclusion NL in May 2022. Additional in-person supplier information sessions were conducted in July 2022 in Corner Brook, Buchans, Grand Falls-Windsor and St. John's. The Company also participates in a provincial advisory committee examining the employment of persons with disabilities in the extractive resources sector and presented at regional economic symposium sponsored by NLOWE in October 2022 as well as at Women in Mining (CIM) in November 2022. The Company also participated in a Gender Diversity Leadership Toolkit Focus Group sponsored by NLOWE in September 2022. To encourage access to careers in mining by women and gender diverse persons, Marathon has partnered with Women in Resource Development Corporation (WRDC) to deliver the STEMforGirls program which provides hands on learning and career exploration opportunities for girls and gender-diverse youth in science, technology, engineering, and math. Two Marathon employees are members of the STEMforGIRLS Role Model Program and Marathon has established two STEMforGIRLS School Chapter Pilot Programs at Lakeside Academy in Buchan's and Leo Burke Academy in Bishop's Falls.

The Company invests in many community initiatives through its community investment and sponsorship program. This ongoing program provides funds to communities and local not-for-profit associations in support of infrastructure, local improvements, cultural and recreational events, and educational and health initiatives. As part of its commitment to the region, the Company also sits on the Central Health Community Advisory Committee which meets quarterly to discuss regional health needs and initiatives. The Company supports the work of the South and Central Health Foundation and partnered with the Lionel Kelland Hospice Foundation to hold the Hike for Hospice in June 2022 which raised funds for the first hospice in the Province of NL. Consistent with its commitment to community health and well-being, Marathon and its principal contractors made donations in December 2022 to the Grand Falls-Windsor, Bishop's Falls Food Bank and also donated funds to Buchans, Millertown, Buchans Junction and Badger in support of initiatives such as food hampers for seniors.

A Memorandum of Understanding with the Miawpukek First Nation ("**Miawpukek**") was completed in May 2021 providing guidance for ongoing engagement and established a framework for Socio-Economic Agreement ("**SEA**") negotiations with the Miawpukek. SEA negotiations with the Miawpukek continued through the fourth quarter of 2022 and a consensus draft was prepared which is now undergoing review by both parties. A SEA was completed with the Qalipu Mi'kmaq First Nation ("**Qalipu**") in May 2021. Committees established under the Qalipu SEA meet regularly, with a particular focus on employment and training, and procurement. In addition, the Company has also contributed to Qalipu cultural events, including participation in the Day of Discovery (August 2022) and events held to mark Truth and Reconciliation Day (September 2022). Financial commitments from the company enabled a Marathon - Qalipu scholarship program to be established in 2022 and the first recipients will be announced in early 2023.

Continuing discussions with both Indigenous groups are focused on, training, environmental monitoring and follow-up programs, employment and business opportunities, and the next steps in engagement. Focused meetings with both groups respecting employment, including apprenticeships, and procurement opportunities were held throughout 2021 and continued throughout 2022. Marathon continues to work with each group and with the College of the North Atlantic to identify and assist in the development of pre-employment training programs to enhance each group's membership to access Project-related employment. Indigenous groups are provided with notices of all employment and procurement opportunities and several meetings have been held with Indigenous businesses and Marathon's principal contractors. Virtual supplier information sessions targeted at Miawpukek and Qalipu businesses were held in January 2022 and employment information meetings were held with each group in February 2022. Two additional employment information sessions were held with Qalipu members in December 2022. The Company, in collaboration with Qalipu, has developed an introductory cultural sensitivity training module which will be delivered to all employees. Marathon will continue to work with both Indigenous groups to develop further cultural awareness training materials.

During the second quarter of 2022, Marathon concluded an Outfitters Environmental Effects Monitoring Plan for the Project (the "**OEEMP**") with the Newfoundland and Labrador Outfitters Association (the "**NLOA**"). The OEEMP builds on a Memorandum of Understanding entered into with the NLOA in October 2021. The OEEMP establishes a framework to assess any potential adverse impacts on outfitters' land and resource use in the region of the Project during its construction, operation and decommissioning, and to monitor the effectiveness of mitigation measures for such impacts outlined during the Project's EA. The OEEMP identifies a variety of wildlife monitoring programs and Key Performance Indicators on potential Project-related impacts on outfitting businesses, such as availability of fish and wildlife resources, access, or diminished client experiences. The OEEMP provides for a financial compensation mechanism for economic impacts demonstrated to be caused by Marathon's mining activities.

Environmental Monitoring and Compliance

The Company has developed follow-up and monitoring programs to verify the accuracy of the EA and the effectiveness of the mitigation measures as they pertain to water, caribou, birds, fish and fish habitat, and other key areas of potential environmental effects. These programs form an integral part of the Company's Environmental and Social Management System ("**ESMS**"). The ESMS has been developed to govern compliance with EA conditions of release and of authorizations and permits for the Project, as well as conformity with environmental and social best practices. The Company's Construction Environmental Protection Plan was approved in the second quarter of 2022 and the required pre-construction conditions of EA approvals and required construction permits and approvals were obtained by early October 2022. With early works construction activities commencing in early October 2022, environmental monitoring was initiated on site to ensure compliance with EA and permit conditions.

As a member of the Mining Association of Canada, the Company is adopting the Towards Sustainable Mining standards, as well as environmental and social management standards contained within the Equator Principles (Revision) 4.

The Company has also established an Independent Tailings Review Board comprised of independent experts in tailings management and has become a signatory of the International Cyanide Management Code for best practice cyanide management in the gold mining industry.

The Project's preliminary closure bonding requirements have been met, with an initial $12.75 million bond in support of the Project's future closure and reclamation obligations being filed with the Mines Branch of the NL Department of Industry, Energy and Technology.

LIQUIDITY AND FINANCIAL CONDITION

The Company held $132,876 in cash and cash equivalents at December 31, 2022 compared to $87,177 in cash and cash equivalents at December 31, 2021. During the twelve months ended December 31, 2022, operations used $24,136, investing activities used $74,592 and financing activities provided $144,427 of cash.

Cash used in operating activities was $24,136 during the twelve months ended December 31, 2022, compared to $5,644 in the same period in 2021. The increase relates primarily to $9,645 in security deposits made related to leased mobile equipment, expected to be refunded within one year, $4,569 in restricted cash related to reclamation and closure bonding requirements and $3,609 related to timing of HST Receivables. In addition, pre-recovery of capitalized charges, general and administrative expenses increased compared to the prior year, due mainly to an increase in salary, wages and benefits, professional fees and insurance expense.

Cash used in investing activities was $74,592 during the twelve months ended December 31, 2022, compared to $41,331 in the same period in 2021. The increase relates primarily to an increase in project pre-construction capital spending, which commenced in the third quarter of 2021 and early works construction capital spending, which commenced in the fourth quarter of 2022. Pre-construction capital spending in 2022 included detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, access road maintenance, initial deposits on drilling and mobile equipment and NL Hydro contribution payments. Early works construction capital spending included the construction of haul roads and pads, the establishment of a temporary construction camp, tree clearing and grubbing, earthworks associated with the Project's freshwater intake from the Victoria Reservoir, upgrades to the Project's access road from the community of Millertown, and replacement of the Victoria River Bridge.

Cash provided by financing activities was $144,427 during the twelve months ended December 31, 2022, compared to $82,499 in the same period in 2021. Cash provided by financing activities in the twelve months ended December 31, 2022, related to net proceeds of $145,146 from the bought deal financing, inclusive of the over-allotment option, completed in the third quarter of 2022 and $1,863 in proceeds from the exercise of stock options, offset partially by $2,054 in upfront financing fees and $528 in lease payments. Cash provided by financing activities during the twelve months ended December 31, 2021, related to net proceeds of $45,891 from a private placement financing, $32,621 from the exercise of warrants, and $4,225 in proceeds from the exercise of stock options, partially offset by $238 in lease payments.

The Company's cash balance of $132,876 leaves Marathon well positioned to execute on all its planned project construction and non-project construction activities for 2023. The Company intends to fund the remaining project construction and non-project construction activities through to commercial production through the US$225 million Amended & Restated Facility and through a combination of other financing alternatives. Equipment lease carve outs of approximately US$110 million are permitted under the terms of the Amended & Restated Facility and will be used to finance mobile and drilling equipment during the life of the Project.

TABLE OF CONTRACTUAL OBLIGATIONS

At December 31, 2022, 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
Accounts payable and accrued liabilities	$ 29,787	$ —	$ —	$ —	$ 29,787
Lease obligations	4,265	14,729	9,173	—	28,167
Share-based compensation liability	—	1,624	—	—	1,624
Purchase obligations	35,300	—	—	—	35,300
Reclamation provision	—	—	—	3,814	3,814
Total	**$ 69,352**	**$ 16,353**	**$ 9,173**	**$ 3,814**	**$ 98,692**

RELATED PARTY TRANSACTIONS

There were no related party transactions for the twelve months ended December 31, 2022 and 2021 other than compensation of key management personnel, which is presented in Note 19 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021. Key management personnel are defined as members of the Board of Directors and named executive 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 twelve months ended December 31, 2022, 1,637,340 stock options were exercised for proceeds of $1,863. Over the same period, 8,937,048 stock options were granted.

At December 31, 2022, there were a total of 497,000 DSUs outstanding under the Company's Deferred Share Unit Plan ("DSU Plan") and 599,603 DSUs under the Share Unit Plan (the "SU Plan"). During the twelve months ended December 31, 2022, the Company awarded at total of 485,603 DSUs under the Company's SU Plan with a grant date fair value of $563 that vest immediately. At December 31, 2022, the DSU liability was revalued to $1,162 and an expense of $431 was recorded to the consolidated statement of operations and comprehensive loss (2021 - expense of $416). For the twelve months ended December 31, 2022, a total recovery of $1,219 was recorded to the consolidated statement of operations and comprehensive loss (2021 – expense of $480). At December 31, 2022, there was $nil unrecognized compensation expense related to DSUs granted under the Company's DSU Plan (2021 - $nil) and SU Plan (2021 - $nil).

At December 31, 2022, there were 679,806 RSUs outstanding under the Company's SU Plan. During the twelve months ended December 31, 2022, the Company awarded a total of 455,292 RSUs to certain employees with a grant date fair value of $1,360 that vest over a three-year period, settled 155,477 RSUs that vested during the period and cancelled 35,442 RSUs. At December 31, 2022, the RSU liability was revalued to $462 and a recovery of $15 and $1 were recorded to mineral properties, plant and equipment (2021 – expense of $137) and to the consolidated statement of operations and comprehensive loss (2021 – expense of $80), respectively. For the twelve months ended December 31, 2022 a total expense of $34 was recorded to mineral properties, plant and equipment (2021 - $524) and an expense of $59 was recorded to the consolidated statement of operations and comprehensive loss (2021 - $259). At December 31, 2022, there was $258 of unrecognized compensation expense related to RSUs granted under the Company's SU Plan (2021 - $633).

FINANCIAL INSTRUMENTS

(Stated in thousands of Canadian dollars)	Fair value at December 31, 2022	Basis of measurement	Associated risks
Cash and cash equivalents	$ 132,876	Amortized cost	Interest/Credit
Amounts receivable	6,904	Amortized cost	Credit
Restricted cash	4,569	Amortized cost	Interest
Trade and other payables	29,787	Amortized cost	Interest
Current Lease liability	4,265	Amortized cost	Interest
Long term Lease Liability	23,902	Amortized cost	Interest
Share-based compensation liability	1,624	Fair value through profit and loss	Market price

Amortized cost - Cash and cash equivalents, amounts receivable, restricted cash, 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 share-based compensation liability, consisting of the DSU liability and RSU liability, is estimated using the share price of the Company's common shares at each period end. At December 31, 2022, the DSU liability was revalued to $1,162 and an expense of $431 was recorded to the consolidated statement of operations and comprehensive loss (2021 - expense of $416). For the twelve months ended December 31, 2022, a total recovery of $1,219 was recorded to the consolidated statement of operations and comprehensive loss (2021 – expense of $480). At December 31, 2022, the RSU liability was revalued to $462 and a recovery of $15 and $1 were recorded to mineral properties, plant and equipment (2021 – expense of $137) and to the consolidated statement of operations and comprehensive loss (2021 – expense of $80), respectively. For the twelve months ended December 31, 2022 a total expense of $34 was recorded to mineral properties, plant and equipment (2021 - $524) and an expense of $59 was recorded to the consolidated statement of operations and comprehensive loss (2021 - $259).

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 23, 2023, there were 395,786,778 common shares of the Company issued and outstanding, 88,409,300 warrants outstanding, 17,023,824 stock options outstanding, 1,096,603 DSUs outstanding and 679,806 RSUs outstanding.

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

For a full list of judgments, estimates and assumptions, please refer to Note 4 of the consolidated financial statements for the years ended December 31, 2022 and 2021.

CHANGES IN ACCOUNTING POLICIES

New Accounting Standards Effective 2022

On January 1, 2022, the Company adopted amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 as issued in August 2020. For financial instruments measured using amortized cost, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform were reflected by adjusting their effective interest rate, where applicable. Accordingly, no immediate gain or loss was recognized.

The Company's exposure to the interest rate benchmark reform as at December 31, 2022, includes all variable-rate financial instruments, such as interest payments related to the US$185 million term loan credit facility entered into on March 31, 2022. The Credit Facility Agreement contains a definition of Benchmark Replacement which specifies a rate adjustment once SOFR comes into effect. The rate adjustment to SOFR is +0.26161%, which brings the effective interest rate in line with LIBOR. The Company does not anticipate a material impact as a result of adoption of this accounting standard over the life of the credit facility.

There were no other new accounting standards effective January 1, 2022 that were applicable to the Company.

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)	Note	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Statement of Operations									
General and administrative expense	1	3,184	1,999	857	2,325	2,921	2,587	2,486	1,709
Finance (income)/expense, net	2	(815)	1,678	(178)	(100)	(148)	(104)	28	(26)
Other income, net		(55)	(40)	(40)	(42)	(55)	(27)	(59)	(36)
Loss before tax		**2,314**	**3,637**	**639**	**2,183**	**2,718**	**2,456**	**2,455**	**1,647**
Deferred income tax (recovery)/expense	3	(171)	716	(2,271)	1,622	(347)	(3,708)	850	995
Net Loss/(Income)		**2,143**	**4,353**	**(1,632)**	**3,805**	**2,371**	**(1,252)**	**3,305**	**2,642**
Loss/(Income) per Share									
Basic and diluted		0.005	0.011	(0.006)	0.015	0.010	(0.005)	0.015	0.012
Balance Sheet									
Cash and cash equivalents	4	132,876	163,668	62,002	72,453	87,177	104,814	107,532	46,508
Mineral properties, plant and equipment		281,577	219,169	176,661	165,895	148,095	132,021	116,586	110,795
Total assets		**441,215**	**399,558**	**249,530**	**249,050**	**240,773**	**241,020**	**226,373**	**159,339**

1. The decrease in general and administrative expenses in Q2 2022 relates mainly to a decrease in DSU and RSU expense related to a decrease in the Company's share price in the second quarter of 2022.
2. The increase in finance expense in Q3 2022 relates to $2,053 in upfront fees on signing of a Master Lease Agreement with Cat Financial for equipment lease financing.
3. The increase in the deferred income tax recovery in the third quarter of 2021 is primarily due to management's reassessment of the temporary difference associated with Mineral Exploration and Evaluation assets.
4. The increase in Marathon's reported cash balance at Q2 2021 reflects the completion of the private placement financing for net proceeds of $50,369. The increase in the cash balance at Q3 2022 reflects the completion of the bought deal financing for net proceeds of $141,880.

DISCLOSURES ABOUT RISKS

Marathon is subject to the usual risks associated with a junior mineral exploration and development company. The Company competes for access to financing, specialized third party service providers and human capital against other exploration and development 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 and development of its properties or may make it difficult to complete an offering of securities.

Marathon has completed an updated feasibility study on the Project as reflected in the 2022 Valentine Technical Report. While Marathon has been successful in raising financing in the current year, Marathon may not be able to raise sufficient additional funds, if needed, to complete development and achieve profitable production.

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 AIF for the year ended December 31, 2022, 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, 2022, 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 AIF for the year ended December 31, 2022 and additional information relating to the Company are available on SEDAR at www.sedar.com.