Management's Discussion and Analysis of Operations and Financial Condition

Marathon Gold Corporation ("we", "us", "the Company", or "Marathon") presents below management's review of the Company's results of operations and financial condition for the three and nine month periods ended September 30, 2016 and 2015.

The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016 and 2015, including the notes thereto. This MD&A is presented as of November 10, 2016. All figures presented in this MD&A are expressed in Canadian dollars, unless specified otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A other than statements of historical fact are forward-looking statements based on certain assumptions and reflect the current expectations of Marathon's management. These statements include without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for economic and capital markets conditions for the current and subsequent fiscal years.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "considers", "intends", "targets", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". We provide forward-looking statements for the purpose of conveying information about our current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

Other than as specifically required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise.

NOTE TO U.S. INVESTORS

All references to mineral reserves and resources contained in this MD&A are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators ("CSA") and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under the Securities and Exchange Commission ("SEC") standards in the United States ("U.S."). As such, information contained in this MD&A concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. "Indicated mineral resource" and "inferred mineral resource" have a significant amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves.

1) STRATEGY

Marathon's principal business is the acquisition, exploration and development of natural resource properties located in North America. At the date of this MD&A, Marathon owns 100% interests in the following resource properties:

Newfoundland

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

Oregon, United States

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

British Columbia

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

2) OVERVIEW

At September 30, 2016, Marathon had $3.0 million in cash and working capital.

Marathon completed the following activities in the period ended September 30, 2016 and subsequently to the date of this MD&A:

- A bought deal prospectus financing of flow through shares which closed on October 27, 2016 and which generated gross proceeds of $8.0 million. The proceeds from this financing will fund ongoing mapping, prospecting and trenching programs and accelerated infill and extension drilling at the Marathon and Leprechaun Deposits. This will be followed by an updated property mineral resource estimate, expected to be completed in the second quarter of 2017. Exploration drilling is expected to focus initially on showings along a 12 kilometer strike length between the Leprechaun and Victory Deposits, an area which has had limited preliminary drilling in the past.

- A successful, oversubscribed bought deal private placement of units and flow through shares closed on May 6, 2016 and raised gross proceeds of $3.0 million, including the exercise of an over-allotment option by the underwriter.

- Substantial completion of a two-phase metallurgical testing program, approximately 75% of the costs of which have been underwritten by the Research and Development Corporation of Newfoundland and Labrador ("RDC"). This work was focused on material from the Leprechaun and Marathon Deposits, which together represent over 90% of the current measured and indicated resource associated with the Valentine Gold Camp.

The first phase of the 2016 metallurgical testing program assessed the amenability of mineralized material from the Leprechaun and Marathon Deposits to low-cost heap leaching. This could provide options to reduce both capital and operating costs significantly in the event that a production decision is warranted. Bottle roll tests leaching material obtained from drill core from both deposits and crushed to minus 0.25 inches returned very favorable results, with 73.6% recovery of contained gold in samples from each deposit after 96 hours of leaching. Thibault & Associates Inc. (“Thibault”), the independent process engineering firm performing this test program, terminated the bottle roll tests after 96 hours to proceed with more definitive column tests on coarser material, crushed to minus 0.5” and minus 0.75”. The column tests were terminated after 130 days of leaching, with recoveries ranging from 53.9% to 66.0% from material from the Marathon Deposit and from 69.6% to 72.7% for material from the Leprechaun Deposit.

A second phase of metallurgical testing focused on determining the potential recoveries achievable by processing mineralized material from the Marathon Deposit using a conventional processing flowsheet consisting of flotation, gravity separation and cyanidation of concentrate. These bench-scale tests, which were carried out on a representative sample of material from the Marathon Deposit with a grade of 3.55g/t gold, indicated that 59.4% of the contained gold was recovered by gravity separation, with total recoveries ranging from 93.4% to 98.1%.

- A short program of widely spaced exploration drill holes completed in the first quarter of 2016, covering a total of 13 holes over 2,062 meters, was focused on areas of the property to the southwest of the Marathon Deposit. This area is characterized by bogs and forests without outcrop and not amenable to drilling outside the winter months. This aggressive step-out drill program, which followed on from the results of the fall 2015 drilling program, extended the strike length of the Marathon Deposit trend by 800 meters to a total in excess of 1.6 kilometers.

- A subsequent drill program, which has run from June 2016 to the date of this MD&A, is focused primarily on expanding the Marathon Deposit resource. To date, a total of 50 new holes and 4 extensions of existing holes drilled in 2015 totaling 11,573 meters has served to expand the mineralization corridor associated with the Marathon area to more than 1.7 kilometers, both to the northwest and southwest of the Marathon Deposit resource boundary. This drilling intersected wide intervals of mineralization with higher than average grades, confirming that mineralization continues to depths in excess of 350 meters and appears to improve in grade at depth.

- Ongoing programs of mapping and prospecting along the Sprite/Marathon trend proximal to the Valentine Lake Thrust Fault and to the northeast of the Victory Deposit.

3) SUMMARY OF MINERAL RESOURCES

The tables below set out the combined current mineral resource estimates for the Leprechaun, Marathon, Sprite, and Victory Deposits at the Valentine Gold Camp.

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

Valentine Gold Camp	In Pit (0.50 g Au/t cut-off)			Underground (2.0 and 3.0 g Au/t cut-off)			Total		
	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	3,523	2.18	247,000	108	4.83	17,000	3,631	2.26	264,000
Indicated	10,440	2.00	672,000	923	4.19	124,100	11,363	2.18	796,100
Measured & Indicated	**13,963**	**2.05**	**919,000**	**1,031**	**4.26**	**141,100**	**14,994**	**2.20**	**1,060,100**
Inferred	**1,678**	**1,96**	**106,000**	**506**	**5.77**	**93,800**	**2,184**	**2.85**	**199,800**

The disclosure in this table is a composite of the most recent mineral resource estimate for the Leprechaun Deposit prepared by Roscoe Postle Associates and disclosed initially in a press release dated August 1, 2013 and mineral resource estimates for the Marathon, Sprite and Victory Deposits prepared by Micon International Limited and disclosed initially in a press release dated April 30, 2015. Detailed information concerning the tonnages, grades, resource classifications and underlying assumptions for each of these deposits is presented in Section 4 of this MD&A.

An updated resource estimate including the results of diamond drilling from programs completed in 2016 is expected to be completed in the second quarter of 2017.

4) EXPLORATION ACTIVITY IN THE PERIOD

a) Valentine Lake

Drilling Programs 2015 to 2016

During 2015 and subsequently in 2016 to the date of this MD&A, Marathon carried out a total of 24,089 meters of drilling in four programs focused on four discrete areas of the Valentine Gold Camp. For clarity, this drilling is summarized below.

	Leprechaun Deposit		Victory Deposit		Sprite Deposit		Marathon Area	
	# of holes	**Meters**	**# of holes**	**Meters**	**# of holes**	**Meters**	**# of holes**	**Meters**
Winter 2015	-	-	-	-	-	-	23	4,312
Summer/Fall 2015	-	-	4	383	4	446	30	4,402
Winter 2016	-	-	-	-	-	-	13	2,062
Summer/Fall 2016	3	291	7	620			54	11,573
	3	291	11	1,003	4	446	116	22,349

Winter 2015 Drilling and exploration programs

Marathon resumed drilling at Valentine Lake in January 2015, focused exclusively on drilling in the Marathon Zone with the intention of extending the strike length of the main structure in anticipation of completing an initial mineral resource. The program concluded in late March 2015, with a total of 23 holes over 4,312 meters and with management's broad objectives having been met. Specifically, the Marathon Zone strike length was extended to 350 meters without any significant reduction in the continuity of mineralization; the maximum width of the zone was extended to 100 meters; the deep holes served to further confirm the continuity of mineralization to depth as drilling progressed along strike; and the main Marathon structure continued to be open along strike both to the northeast and southwest and to depth. In addition, a parallel structure located between the southern boundary of the principal mineralized portion of the zone and the Valentine Lake Thrust Fault was discovered.

In addition to the drilling program, Marathon completed a test program of ground based magnetic surveying focused on the Sprite area and the Marathon Deposit. This survey was completed to improve the definition of the magnetic lows in these areas, as they are considered potential areas of gold mineralization.

Mineral Resource Estimates

Marathon engaged Micon International Limited ("Micon") to produce initial mineral resource estimates for the Marathon and Sprite Deposits and an update to the resource estimate completed in 2013 for the Victory Deposit. These estimates were completed in April 2015 and disclosed initially in a press release dated April 30, 2015.

With the completion of these resource estimates, the Valentine Gold Camp hosts 4 separate deposits representing a total measured and indicated resource exceeding 1 million ounces, with an aggregate grade of 2.20 g/t. In addition, 87% of the measured and indicated resource is quantified within a Whittle pit shell.

The details of the resource estimates for the Marathon, Sprite and Victory Deposits, prepared by Micon and excerpted from Marathon's press release dated April 30, 2015, are detailed below. These resources form a subset of the total property resource summarized in Section 3 of this MD&A.

Indicated Resource:

	In Pit (0.50 g Au/t cut-off)			**Underground (3.0 g Au/t cut-off)**			**Total**		
Deposit	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Marathon	3,008	1.92	186,100	65	4.53	9,500	**3,073**	**1.98**	**195,600**
Sprite	301	2.03	19,700	36	4.73	5,500	**337**	**2.32**	**25,200**
Victory	939	1.82	55,200	58	4.88	9,100	**997**	**2.01**	**64,300**
Total	**4,248**	**1.91**	**261,000**	**159**	**4.71**	**24,100**	**4,407**	**2.01**	**285,100**

Inferred Resource:

Category	In Pit (0.50 g Au/t cut-off)			Underground (3.0 g Au/t cut-off)			Total		
Deposit	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Marathon	234	2.21	16,600	46	4.85	7,200	**280**	**2.64**	**23,800**
Sprite	158	2.72	13,800	49	5.28	8,300	**207**	**3.33**	**22,100**
Victory	80	1.80	4,600	62	4.64	9,300	**142**	**3.04**	**13,900**
Total	472	2.31	35,000	157	4.91	24,800	**629**	**2.96**	**59,800**

Notes:

1. CIM Definition Standards were followed for mineral resources.
2. The Qualified Person for the Marathon, Sprite and Victory Mineral Resource estimate is Charley Murahwi, B.Sc., P.Geo.
3. In pit Mineral Resources are reported at a cut-off grade of 0.5 g/t Au. Pit optimizations were used to constrain the resources.
4. Underground Mineral Resources are estimated at a cut-off grade of 3.0 g/t Au, outside the open pit constraint and using high grade wireframe vein models
5. Mineral resources are estimated using an average long-term forecast, gold price of US$1,200 per ounce.
6. Totals may not add correctly due to rounding.
7. The quantity and grade of reported Inferred mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define the Inferred mineral Resources as Indicated or Measured mineral Resources. It is uncertain if further exploration will result in upgrading them to Indicated or Measured mineral Resource categories.

The details of the most recently completed resource estimate for the Leprechaun Deposit, prepared by Roscoe Postle Associates and excerpted from Marathon's press release dated August 1, 2013, are detailed below. These resources form a subset of the total property resource summarized in Section 3 of this MD&A.

Category	Open Pit (0.50 g Au/t cut-off)			Underground (2.0 g Au/t cut-off)			Total		
Leprechaun Deposit	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	3,523	2.18	247,000	108	4.83	17,000	**3,631**	**2.26**	**264,000**
Indicated	6,192	2.07	412,000	764	4.05	100,000	**6,956**	**2.29**	**512,000**
Total M & I	**9,715**	**2.11**	**658,000**	**872**	**4.17**	**117,000**	**10,587**	**2.28**	**775,000**
Inferred	**1,206**	**1.82**	**71,000**	**349**	**6.13**	**69,000**	**1,555**	**2.79**	**140,000**

Notes:

1. CIM Definition Standards were followed for mineral resources.
2. Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t Au. Pit optimizations were used to constrain the resources.
3. Underground Mineral Resources are estimated at a cut-off grade of 2.0 g/t Au, outside the open pit constraint and using high grade wireframe vein models
4. Mineral resources are estimated using an average long-term forecast, gold price of US$1,350 per ounce and an exchange rate of US$:C$ of 1:1.
5. Totals may not add correctly due to rounding.
6. The quantity and grade of reported Inferred mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define the Inferred mineral Resources as Indicated or Measured mineral Resources. It is uncertain if further exploration will result in upgrading them to Indicated or Measured mineral Resource categories.

Management considered these results a significant success, particularly since they were achieved efficiently with a limited exploration budget. Management was encouraged by the following aspects of these additional resources and the exploration work that led to their completion.

- Similar to the resource for the Leprechaun Deposit, the open pit resources reported in 2015 are relatively insensitive to gold prices in the range of US $1,100 to US $1,350, as shown below:

Victory, Sprite and Marathon Resources
Whittle In-Pit Mineral Resources by Gold Price; Open Pit (0.50 g Au/t cut-off)

Gold Price	Indicated			Inferred		
	Tonnes	Grade (g/t)	Contained Au (oz)	Tonnes	Grade (g/t)	Contained Au (oz)
$1,100	4,068,000	1.93	252,100	428,000	2.38	32,700
$1,150	4,160,000	1.92	256,700	448,000	2.34	33,700
$1,200	4,248,000	1.91	261,000	472,000	2.31	35,000
$1,250	4,371,000	1.90	267,500	498,000	2.30	36,800
$1,300	4,441,000	1.90	270,500	518,000	2.32	38,600
$1,350	4,520,000	1.89	274,200	541,000	2.30	40,100

- Development of resources at the Marathon Deposit was rapid, progressing from prospecting to a resource in seven months. The Company used its improved understanding of the underlying geology of the property to complete an initial resource with just 48 holes and 8,445 meters of drilling.
- The cost of developing new resources in each exploration area was low, amounting to approximately $10 per resource ounce.
- The overall resource grades in all deposits were consistent, running at about 2 g/t gold.
- The Marathon, Sprite and Victory Deposits are all open along strike and to depth. While the underground portion of the Sprite and Victory Deposits are considered modest at present, they appear open at depth.

Summer/Fall 2015 Drilling and exploration program

Marathon resumed drilling at the Valentine Gold Camp in late June 2015 once it became apparent that the Company's private placement of flow through shares had been well subscribed. In total, the drilling completed in the third quarter of 2015 comprised 35 new holes and 3 extensions of holes completed in earlier programs and totalled 5,231 meters of drilling in the Marathon, Sprite and Victory Areas, with the majority of the work concentrated on the Marathon Zone. Concurrent with and subsequent to the summer drilling program, Marathon undertook surface exploration programs including prospecting, trenching, geophysical surveying and detailed geological mapping around each of these areas.

The significant results from this work are summarized below.

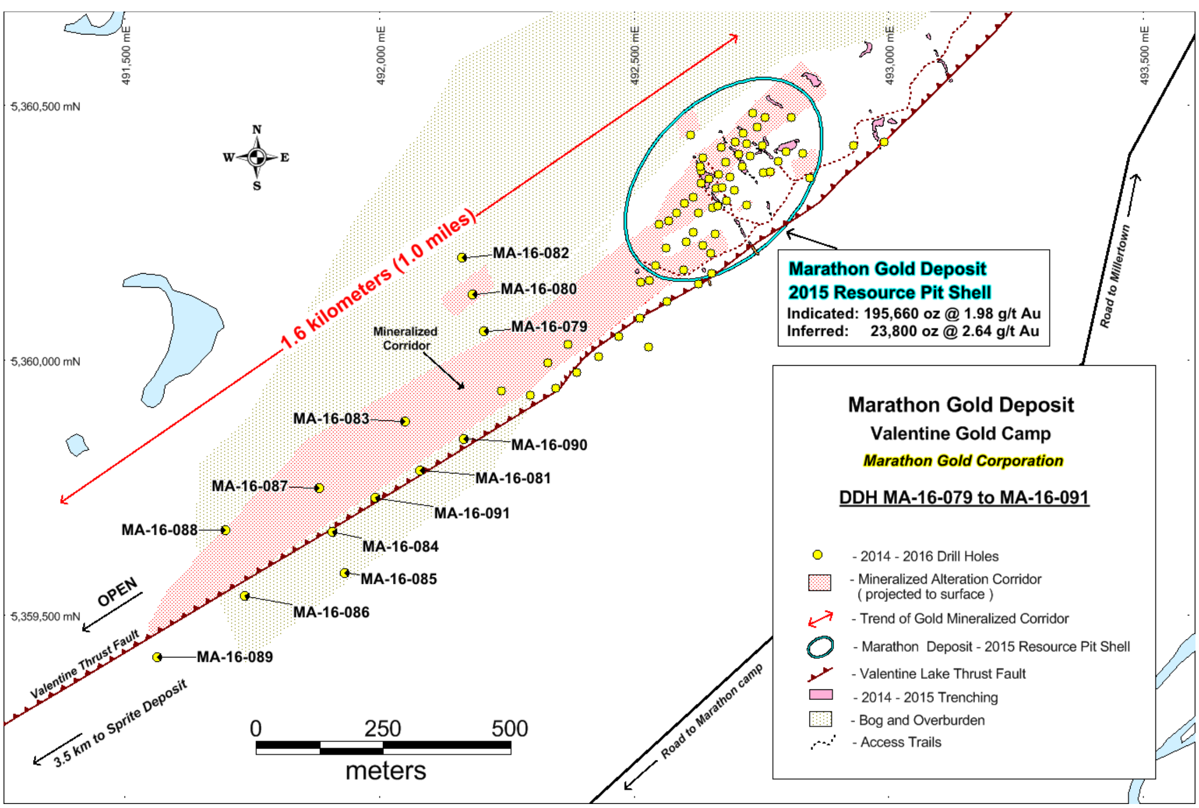
- In the Marathon Area, 7 holes drilled earlier in the year that had ended in mineralization were extended. In addition, 23 widely spaced exploration drill holes covering 4,402 meters were drilled along the Valentine Lake Thrust Fault, with the result that the strike length of the Marathon Deposit was increased over 100% to more than 850 meters. In addition, drill results appeared to confirm the continuity of mineralization over the strike length of the area, which remains open to depth and along strike to both the southwest and northeast. Drilling farther away from the Marathon Deposit resource boundaries along the main trend of mineralization was made difficult by boggy ground conditions.

- In the Sprite Area, prospecting and trenching in an area 550 meters to the northeast of a high grade gold occurrence identified in 2014 resulted in the discovery of a new, high-grade gold zone. This increased the strike length of the Sprite Area to over 1.6 kilometers and identified a number of parallel mineralized corridors flanking magnetic high areas. A total of 3 short, near-surface holes were drilled in this newly identified gold zone and encountered good gold grades.
- In the Victory Area, a total of 4 drill holes totalling 383 meters were completed. Marathon also carried out extensive prospecting, trenching and geophysical surveying in the area which identified a prospective 3 kilometer long corridor of mineralization associated with Victory.

A number of drill targets on the property lying between the Sprite, Marathon and Victory Deposits were impracticable to drill because of boggy surface conditions.

Winter 2016 Drilling and Exploration Program

Marathon resumed drilling in January 2016 in a program which consisted of 13 widely spaced step-out holes totalling 2,062 meters of drilling over a strike length of approximately 1.2 kilometers. The map below illustrates the location of these holes. This drilling focused on otherwise inaccessible areas to the southwest of the Marathon Deposit resource boundary in wetlands and boggy areas with little to no outcrop and from 1 to 9 meters of overburden.



This drilling program and an accompanying geophysical survey satisfied management's objective of confirming the mineralization trend southwest from the Marathon Deposit. The program utilized 200 meter step-out holes which expanded the strike length of the Marathon trend by another 800 meters from the boundaries of the fall 2015 drilling program. The winter drilling successfully intersected zones of variable quartz-tourmaline-pyrite veining and alteration typical of the gold mineralization throughout the property.

Metallurgical Testwork

During the third and fourth quarters of 2014 and the first quarter of 2015, metallurgical testwork was carried out on mineralized material from the Leprechaun Gold Deposit. This testwork, which was underwritten in part by RDC, concluded that direct sulphide-gold flotation followed by conventional cyanide leaching, carbon-in-pulp, and electrowinning would provide an overall recovery in the range of 92.8% to 95.6%.

In the first quarter of 2016, Marathon commenced work on an additional metallurgical testwork program, with the costs of this program being underwritten approximately 75% by RDC. This program had two objectives:

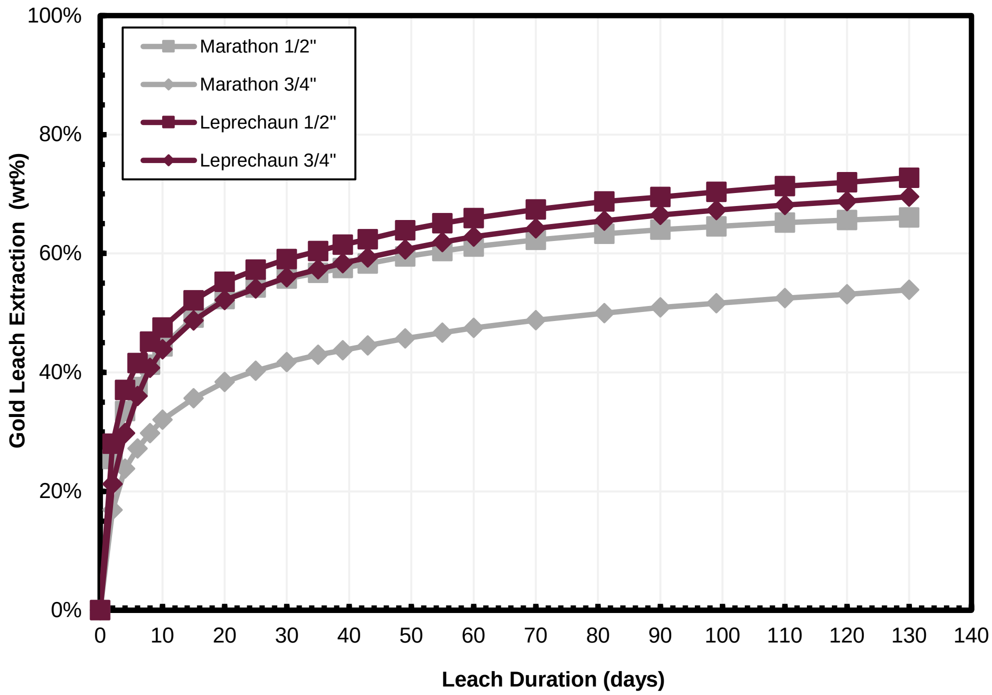
- To determine whether mineralized material from the Leprechaun and Marathon Deposits, which currently make up 92% of the measured and indicated contained gold resource at Valentine Lake and 82% of the corresponding inferred resource, was amenable to heap leaching. The ability to employ heap leaching, either as a processing solution for lower-grade open pit material or for the entire resource at Valentine Lake, would give Marathon development and processing options to reduce infrastructure and operating costs.
- To determine the potential recoveries that could be expected from processing mineralized material from the Marathon Deposit, which is hosted in rock that is more silicified than the rock associated with the Leprechaun Deposit, using the conventional processing flowsheet developed in 2014 with respect to material from the Leprechaun Deposit.

The program commenced in March 2016. Preliminary bottle roll tests were highly favorable in that after 96 hours, cumulative gold recoveries amounted to 73.6%, which exceeded management's threshold for moving to column tests. In addition, gold was continuing to leach, suggesting additional recoveries could be achieved by increasing the testing time, and the recoveries from samples from the two deposits were substantially the same.

Thibault terminated the bottle roll tests after 96 hours of testing as it had obtained sufficient information from the bottle roll test results to justify more definitive column testing of samples crushed more coarsely, to minus 0.5" and minus 0.75" respectively. These tests were discontinued after 130 days of leaching, and subsequent assaying confirmed the following recoveries:

Deposit	Sample grade	Crush size	Cumulative recovery after 130 days
Leprechaun	1.66 g/t	-0.50"	72.7%
	1.33 g/t	-0.75"	69.6%
Marathon	1.83 g/t	-0.50"	66.0%
	2.13 g/t	-0.75"	53.9%

The chart below illustrates the gold recovery over the course of the column test and demonstrates that incremental gold recoveries were continuing up to the point where the test was terminated.



In addition, Thibault carried out bench level tests to determine the maximum recovery of gold using flotation, gravity separation and cyanide leaching of gold concentrate and tailings on a representative sample of higher-grade material from the Marathon Deposit grading 3.55 g/t gold. This work was completed in the third quarter, with 59.4% of the contained gold in the sample being recovered through gravity separation. The total recoveries varied according to the processing option and are summarized below, compared to the equivalent results from bench scale testing carried out in 2014 on material from the Leprechaun Deposit.

Flowsheet Option	Process Steps	Combined Gold Extraction	
		Marathon (2016)	Leprechaun (2014)
1	Flotation + CIL of flotation concentrate	93.4%	93.7%
2	Flotation + CIL of flotation concentrate + CIL of flotation tails	98.1%	97.3%
3	Gravity separation + CIL of gravity tailings	95.3%	89.0%

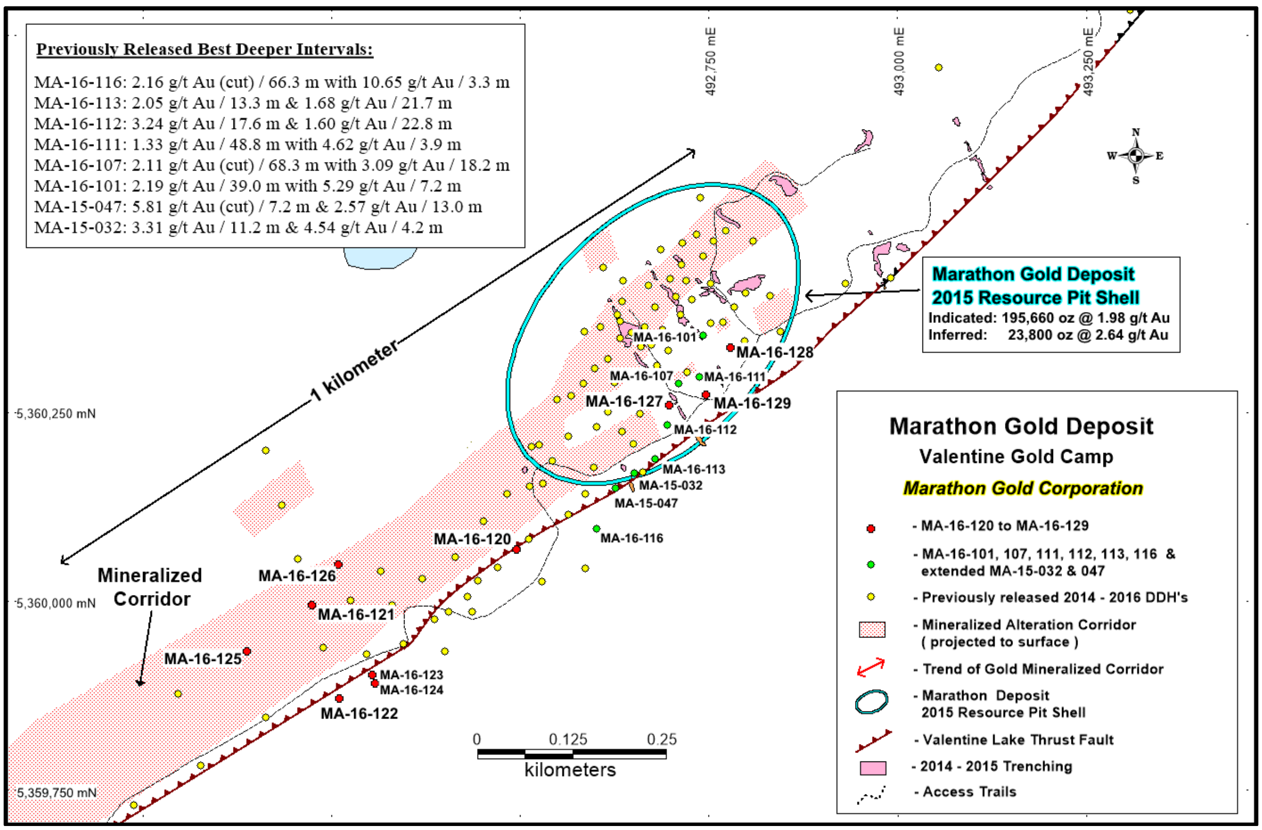
Spring/Summer 2016 Drilling and Exploration Program

Marathon resumed drilling at Valentine Lake in early June 2016 following the closing of a private placement financing in May and the end of the spring break-up.

To date, the bulk of the drilling completed in the summer program to date has focused on the Marathon Deposit, with a total of 50 new holes and 4 deep extensions of holes drilled in 2015. Marathon has had numerous successes arising from the drilling to date, including:

- Intersecting high grade mineralization in wide intervals 80 to 100 meters down-dip of previous drilling, proving that the mineralized corridor associated with the Marathon area extends to more than 350 meters in depth.
- Intercepting significant mineralization in step-out holes drilled southwest of the existing resource boundary.
- Successful infill drilling along the southwest end of the resource boundary and into the hanging wall to the northwest of the resource boundary.

Incorporating the results obtained to date, the Marathon Deposit mineralized corridor is over 1.7 kilometers in length, between 50-100 meters wide, and extends at least 350 meters to depth. The chart below illustrates the areas of focus in Marathon's current drilling program.



In addition, Marathon is carrying out a program of prospecting and mapping along the 3.5 kilometer trend between the Marathon and Sprite Deposits and to the northeast of the Victory Deposit, where very little exploration has taken place in the past. One outcome from this work is the discovery of a new gold showing, the Scott Zone, located 1 kilometer northwest of the Valentine lake Thrust Fault and 800 meters north of the Sprite area. Initial grab samples in this showing taken from extensive extensional quartz-tourmaline-pyrite veining, typical of host rock for the existing resources on the property, returned gold values ranging up to 6.65 g/t.

5) OUTLOOK

a) Valentine Gold Camp

With the successful completion of a prospectus offering of flow through shares in October 2016, Marathon's drilling program has accelerated to include a second drill on the property and will run through the third quarter of 2017. This program, which is planned to comprise approximately 31,000 meters of drilling, will include:

- infill drilling within the existing resource boundaries of the Leprechaun and Marathon Deposits;
- extension drilling intended to extend the strike length of the Marathon Deposit and to upgrade the existing high grade underground inferred resource at Leprechaun and expand the resource if possible; and
- exploration drilling of numerous showings in the gap between the Victory and Leprechaun Deposits which have had little to no drilling in the past to assess the potential of these showings to host near-surface resources.

As mentioned previously, a second drill was put into operation at the Leprechaun Deposit in late October 2016. Marathon's drilling program will continue with two machines until the end of the first quarter of 2017, at which time management expects to pause the program during spring break-up to prepare updated mineral resource estimates incorporating all drilling results since the winter of 2015 on all of the existing resource areas on the property. These resources are expected to be completed in the second quarter of 2017, and the drill program will re-commence in May 2017.

b) Golden Chest

Management is monitoring the activity of New Jersey Mining Company with respect to the Company's royalty interest in the Golden Chest property.

c) Other properties

There are no plans in place at present to carry out exploration work in 2016 at Baie Verte in Newfoundland, Bonanza in Oregon, or Gold Reef in British Columbia.

6) RESULTS OF OPERATIONS

The results of operations for the three and nine months ended September 30, 2016 and 2015 are summarized below.

	Three months ended September 30		Nine months ended September 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
Expenses:				
Exploration expenses	**21,573**	-	**21,573**	20,422
General and administrative expenses	**279,357**	475,794	**764,540**	1,053,151
Other finance expense	**-**	3,863	**6,741**	8,712
Interest income	**(1,532)**	(1,632)	**(4,605)**	(12,746)
Loss on investments	**-**	-	**-**	9,575
Foreign exchange (gain) loss	**(3,814)**	-	**21,010**	(3,399)
Loss from continuing operations before tax	**295,584**	478,025	**809,259**	1,075,715
Income taxes	**-**	-	**(415,151)**	(90,578)
Loss from continuing operations for the period	**295,584**	478,025	**394,108**	985,137
Loss from discontinued operations, net of tax	**-**	1,924,810	**-**	2,998,643
Net loss for the period	**295,584**	2,402,835	**394,108**	3,983,780
Net loss attributable to non-controlling interest	**-**	(919,678)	**-**	(1,432,755)
Loss attributable to Marathon Gold shareholders	**295,584**	1,483,157	**394,108**	2,551,025

Three months ended September 30, 2016:

As in 2015, Marathon's reported exploration expenses reflect the Company's decision to focus Marathon's resources exclusively on the Valentine Lake property and represent holding costs associated with the Bonanza property. In 2015, the equivalent costs were incurred in the second quarter.

General and administrative expenses decreased from $475,794 to $279,357. The majority of this change was driven by a performance bonus declared and paid in the third quarter of 2015, with approximately $49,000 charged to operations, while no equivalent compensation cost was incurred in 2016. In addition, Marathon awarded a total of 1,909,000 options during the third quarter of 2015, resulting in a charge to operations of $174,486, with no equivalent charge in 2016.

Nine months ended September 30, 2016:

General and administrative expenses decreased from $1,053,151 to $764,540. The most significant elements of this change are related to compensation costs charged to operations:

- Stock based compensation decreased from $174,486 to Nil as a result of no options having been awarded in 2016.
- Salaries charged to operations decreased from $473,682 to $389,115, reflecting the non-recurrence of a performance bonus incurred in 2015, approximately $49,000 of which was charged to operations, and approximately $38,000 in salaries and director fees, which would otherwise have been charged to operations, forfeited by Marathon's management and directors in the first and second quarters of 2016.
- The increase in tax recoveries compared to 2015 results from the renunciation in the first quarter of the tax benefits associated with flow through shares subscribed in two private placements in 2015 and the subsequent release in 2016 to operations of amounts recorded as flow-through share tax premium at the time each private placement was closed.

7) QUARTERLY RESULTS

Selected quarterly information derived from Marathon's consolidated financial statements for each of the eight most recently completed financial periods is set out below. Any differences between the summarized financial information below and the cumulative results reported in Marathon's interim and year-end financial statements are due to rounding.

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Statement of Operations: (all amounts in $000's)								
Exploration expenses	22	-	-	1	-	20	-	1
General and administrative expenses	279	244	242	351	476	281	295	299
Other (income) loss	(5)	6	21	13	2	1	1	57
Loss from continuing operations before tax	296	250	263	365	478	302	296	357
Income taxes	-	-	(415)	(13)	-	-	(91)	(147)
Loss (Income) from continuing operations attributable to Marathon shareholders	296	250	(152)	352	478	302	205	210
Loss (income) from discontinued operations, net of tax	-	-	-	(1,021)	1,925	1,074	-	8,212
Loss (income) from discontinued operations attributable to non-controlling interest	-	-	-	(49)	(920)	(513)	-	(3,924)
Loss for the period attributable to Marathon shareholders	296	250	(152)	(716)	1,483	863	205	4,498
Loss (Income) per Share:								
Loss (Income) from continuing operations attributable to Marathon shareholders – basic and fully diluted	$0.003	$0.002	($0.002)	$0.004	$0.005	$0.004	$0.003	$0.003
Loss (Income) attributable to Marathon shareholders – basic and fully diluted	$0.003	$0.002	($0.002)	($0.008)	$0.017	$0.011	$0.003	$0.060
Balance Sheet: (all amounts in $000's)								
Cash, cash equivalents and short term investments	3,014	3,667	1,772	2,600	2,351	3,455	1,609	2,707
Working capital	3,050	3,716	1,823	2,198	2,201	3,208	1,653	2,657
Mineral exploration and evaluation assets	46,613	45,093	44,570	44,100	43,199	41,653	41,201	40,121
Total assets	49,969	49,034	46,528	46,878	46,620	47,828	46,525	46,638

Marathon's reported exploration expenses reflect the timing of exploration activities at properties other than Valentine Lake and are not directly comparable from one accounting period to another.

Marathon's reported general and administrative expenses in the third and fourth quarters of 2015 reflect the issuance of stock options in each period.

Amounts charged to Other (income) loss in the fourth quarter of 2014 reflect the determination that $67,500 in accumulated unrealized losses with respect to Marathon's investment in equity securities were non-temporary, resulting in the transfer of such losses from Other comprehensive income to operations.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash at September 30, 2016 amounted to $3,014,384. Marathon's working capital at September 30, 2016 was $3,050,175.

Marathon's consolidated financial statements are prepared on a going concern basis. The appropriateness of this approach is discussed in detail in note 1 to the financial statements.

Marathon funded its operations in the period through the use of existing cash raised through two non-brokered private placements completed in 2015 which raised aggregate gross proceeds of $4,457,572; a private placement financing of units and flow through shares which closed on May 6, 2016 and raised aggregate gross proceeds of $3,000,180, as described in section 9; and proceeds realized from the exercise of outstanding options and warrants, which amounted to $1,163,293. In addition, subsequent to September 30, 2016 Marathon completed a prospectus offering of flow through shares, which generated gross proceeds of $7,992,000, and realized an additional $338,000 from the exercise of options and warrants.

These financings provide Marathon with sufficient resources to continue its aggressive drilling program at Valentine Lake. Marathon's ability to carry out exploration work at its mining properties, particularly resource expansion drilling, continues to depend on additional financing. While management has been successful in raising equity in current market conditions, there can be no assurance that Marathon will continue to be successful in its efforts to attract capital.

9) CAPITAL ACTIVITIES

Marathon completed one private placement financing in 2016 and a second financing subsequent to September 30, 2016, as described below.

On May 6, 2016 Marathon closed a private placement of 2,163,500 flow through shares at a price of $0.27 per flow through share and 10,504,500 units at a price of $0.23 per unit for aggregate gross proceeds of $3,000,180. Each unit consisted of one common share and one-half of one warrant, with each whole warrant exercisable at a price of $0.32 per share and expiring on May 6, 2018.

On October 27, 2016 Marathon closed a prospectus based bought deal offering of 8,880,000 flow through shares at a price of $0.90 per share, for gross proceeds of $7,992,000.

While management will continue to seek additional financing to advance the Valentine Gold Camp and has been successful in doing so to date, there can be no assurance that financing on acceptable commercial terms will continue to be available to Marathon.

10) OPTIONS

The terms of Marathon's option plan authorize the issue of share purchase options to employees, officers and directors, and third party service providers subject to a stipulation that total options issued at any point in time cannot exceed 10% of the number of common shares issued and outstanding at that time.

No options were awarded in the period ended September 30, 2016. In the comparative period ended September 30, 2015, Marathon awarded a total of 1,909,000 options exercisable at a price of $0.25 per share.

A total of 152,000 options were exercised in the period ended September 30, 2016, generating proceeds of $36,140.

11) RELATED PARTY TRANSACTIONS

Marathon incurred the following compensation costs related to key management and directors in the normal course of business in the periods ended September 30, 2016 and 2015. At September 30, 2016 and December 31, 2015, no amounts were owed by Marathon in respect of the transactions described below.

	Three months ended September 30		**Nine months ended September 30**	
	2016	2015	**2016**	2015
	$	$		$
Salaries paid to key management	**146,250**	223,250	**396,094**	515,750
Director fees	**29,875**	29,875	**75,917**	89,125
Consulting fees paid to a business controlled by a director of the Company	**-**	-	**-**	10,000
	176,125	253,125	**472,011**	614,875

12) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	118,008,952
Unexercised stock options	8,210,500
Unexercised share purchase warrants	9,064,750
Fully diluted share capital – November 10, 2016	**135,284,202**

13) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance sheet arrangements as at September 30, 2016 or subsequently to the date of this MD&A.

14) RISK FACTORS AND UNCERTAINTIES

Marathon is subject to the usual risks associated with a junior mineral exploration company. The Company competes for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom may be better capitalized. Prices for the commodities contained in Marathon's exploration properties have fluctuated significantly over the last few years and may continue to do so. Such volatility may affect the timing and magnitude of funds which Marathon may seek to raise to support further exploration of its properties or may make it difficult to complete an offering of securities.

It may not be possible to raise additional funds to complete development and achieve profitable production or to obtain the permits required to enable Marathon to commence mining operations on its properties.

Marathon has participated in the past, and may participate in the future, in exploration joint ventures as a means of earning or acquiring interests in properties with existing mineral resources and subsequently increasing shareholder value through exploration and resource expansion. The ability of Marathon to influence the nature, extent, and timing of exploration and evaluation activities at properties where Marathon is not the 100% owner depends on a number of factors, including but not limited to decisions made by project operators, who typically have control over the scope of project budgeting and the pace of work against such budgets, and the financial health of Marathon's partners. The inability of a partner in any of Marathon's projects to continue to fund the ongoing exploration work or other obligations of the project could have a material impact on Marathon's finances and the reported values of its mineral exploration and evaluation assets.

While management has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed.

For a more detailed discussion of risk factors, reference should be made to Marathon's Annual Information Form for the year ended December 31, 2015. This document may be obtained at www.sedar.com.

15) FUTURE ACCOUNTING PRONOUNCEMENTS

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after January 1, 2016:

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9")

In July 2014, the IASB published the final version of IFRS 9 *Financial Instruments* ("IFRS 9"), which brings together the classification, measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 replaces the multiple classifications for financial assets in IAS 39 with a single principle based approach for determining the classification of financial assets based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The final version of IFRS 9 is effective for periods beginning on or after January 1, 2018 and may be adopted early.

The Company is in the process of evaluating the impact of adopting this standard.

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

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

The Company is in the process of evaluating the impact of adopting this standard.

16) INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at September 30, 2016.

17) DISCLOSURE CONTROLS

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's disclosure controls and procedures as of September 30, 2016 and have concluded that these controls and procedures are effective.

18) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and at the date of the financial statements and the reported amount of expenses and other income during the year. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience.

The following are the critical judgments that management has made in the course of applying Marathon's accounting policies and which have the most significant effect on the amounts recognized in these consolidated financial statements:

Mineral exploration and evaluation assets

Marathon capitalizes exploration and evaluation costs on mineral properties with an existing mineral resource and expenses exploration costs incurred with respect to properties without existing mineral resources.

The estimation of mineral resources and reserves is complex and requires significant subjective assumptions which are valid at the time of estimation. These assumptions may change significantly over time when new information becomes available and may cause the mineral resources and reserves estimates to change. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may have a significant impact on the economic assessment of the mineral resources and reserves and may result in their restatement.

Impairment of mineral exploration and evaluation assets

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

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

- whether the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- whether substantive expenditure on further E&E of mineral resources in a specific area is either budgeted or planned;
- Marathon's financial capacity to execute exploration activities on a given property;
- the extent to which exploration for and evaluation of mineral resources in a specific area have led to the discovery of commercially viable quantities of mineral resources and any resulting decisions by management to cease or significantly reduce further E&E activities in the area; and
- the existence of sufficient data to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Stock based compensation

The compensation cost associated with stock options granted under the terms of Marathon's stock option plan is measured at the grant date by using the Black-Scholes option pricing model to determine fair value. The Black-Scholes model requires the use of subjective estimates, in particular for the estimated life of options and the expected rate of volatility in Marathon's share price over the life of the options, which can materially affect the fair value estimate.

19) ADDITIONAL INFORMATION

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

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