MARATHON GOLD CORP.

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 year ended December 31, 2010. The discussion below should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010, including the notes thereto.

This information is presented as of March 28, 2011. All figures presented in this MD&A are denominated 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 conditions and capital markets in North America for 2011 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 great 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) OVERVIEW

Marathon ended the year ended December 31, 2010 with a strong balance sheet, with $7.6 million in cash and no debt.

The operational highlights of the year include:

- In January 2011, completing the earn-in into a 50% interest in the Valentine Lake property by making a payment of $3,000,000 to Richmont Mines Inc. and triggering the formation of the Valentine Lake joint venture with Mountain Lake Resources Inc.
- Acquiring a 50% interest in Golden Chest LLC, a corporate joint venture with New Jersey Mining Company ("NJMC") established to carry out exploration of the Golden Chest gold mine near Murray, Idaho, and concurrently making an investment of US$400,000 in common shares and warrants of NJMC, which resulted in Marathon controlling 4% of NJMC's voting securities.
- Completing a summer work program at Valentine Lake in September 2010, consisting of 6,910 meters of drilling over a total of 62 holes; trenching and channel sampling; geophysics; and prospecting, aimed both at producing an updated mineral resource estimate for the end of the year and identifying additional mineralization and high priority drilling targets. Drilling intercepted multiple instances of near-surface gold mineralization situated in multiple stacked lenses and a high-grade zone 200 meters in length.
- Completing an updated resource estimate on Valentine Lake, which included measured and indicated resources of 3.3 million tonnes grading 2.6 g/t gold and an additional inferred resource of 4.4 million tonnes grading 2.0 g/t gold.
- Closing a private placement in December 2010 of 2,570,000 common shares that raised gross proceeds of $3,366,700, and an additional private placement in March 2011 of 2,528,500 flow-through shares that generated gross proceeds of $4,551,300.

2) STRATEGY

Marathon's principal business is the acquisition, exploration and development of natural resource properties. At the date of this MD&A, Marathon owns outright or is earning interests in the following resource properties:

Idaho, United States

- The Golden Chest gold property, a non-producing mine consisting of patented and unpatented mining claims covering a total of 206 hectares and located near Murray Idaho. Golden Chest is owned by Golden Chest LLC ("GCLLC"), a corporate joint venture in which Marathon holds a 50% interest.

Newfoundland

- The Valentine Lake property optioned from Mountain Lake Resources Inc. ("MOA") in the fourth quarter of 2009.

- The Finger Pond property, an unexplored gold property consisting of 256 claims covering 6,400 hectares acquired by staking in 2010, located approximately 30km southwest of the Valentine Lake property and on the same geological structure as Valentine Lake. The Finger Pond property is outside the area of interest specified in our option and joint venture agreement with MOA.

- The Baie Verte property in western Newfoundland, an early-stage exploration property being explored for its potential to host an economic gold/base metal deposit.

- The Barachois Brook gold property, an early-stage exploration property acquired early in 2011.

British Columbia

- The Gold Reef property, an exploration property located near Stewart, BC with existing underground workings and drill holes.

3) BASIS OF PRESENTATION

On September 7, 2010, Marathon PGM Corporation ("MPGM"), Marathon's then-parent company, and Stillwater Mining Company ("Stillwater") entered into an Arrangement Agreement (the "Arrangement"), which was subsequently amended on October 4, 2010. Under the terms of the Arrangement, MPGM proposed to:

- transfer certain capital assets, the rights and title to MPGM's Valentine Lake, Baie Verte, Finger Pond, and Gold Reef properties, and up to $6 million in cash ("the Transferred Assets") to Marathon in exchange for common shares,
- reorganize the share capital of MPGM into two classes of shares, Class A and Class B,
- distribute the common shares of Marathon it acquired as a result of the asset transfers described above to redeem the Class A shares, and

- list Marathon's common shares for trading on the Toronto Stock Exchange.

On November 30, 2010, the various transactions contemplated by the Arrangement were executed, and Marathon acquired the Transferred Assets by issuing a total of 17,816,428 common shares with a deemed value of $9,853,564. Because MPGM's shareholders at the time the Arrangement closed became the shareholders of Marathon immediately after closing, from the perspective of a shareholder there was no change in the control of these assets, and consequently Marathon's consolidated financial statements were prepared using continuity of interest accounting, a financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107 "Acceptable Accounting Principles and Auditing Standards for carve-out financial statements". This is explained in notes 2 and 4 of the consolidated financial statements.

4) MINING PROPERTIES

a) Valentine Lake

Upon completion of the Arrangement, the principal mining asset acquired by Marathon was MPGM's interest in the Valentine Lake project, which is in the form of a 50-50 joint venture with MOA. Although Marathon carried out a limited amount of work on the property following closing of the Arrangement, an extensive amount of work was completed by MPGM in 2010 and is summarized here.

Drilling:

MPGM started work at the Valentine Lake property in January 2010, focused initially on the Leprechaun Gold Deposit, a small part of the property that hosted a NI43-101 compliant 443,000 ounce inferred gold resource. The winter drilling program concentrated on drilling at the edges of Leprechaun Pond, as abnormally warm winter conditions made it impossible to drill through ice on the pond.

In this initial campaign, MPGM completed a total of 33 holes covering 3,998 meters with the majority of the holes intersecting gold mineralization either on the margins or outside of the existing resource envelope. In addition, MPGM encountered many intersections where no gold had been indicated before and several significant intersections of high-grade gold, including 38.3 g/t gold over 9 meters, with very high grades encountered over much shorter intercepts.

The first drilling program was completed in March 2010. In June, MPGM resumed work at Valentine Lake with an extensive summer program including:

- A drilling program, planned to total approximately 8,000 meters, to complete the drill work required to support the updating of the Leprechaun Gold Deposit mineral resource estimate, including barge-supported drilling in Leprechaun Pond itself to complete the holes originally planned to be completed in the winter.

- A detailed IP survey, followed by trenching and drilling, to be performed along the 2 km long structure hosting the Leprechaun Gold Deposit and the Sprite prospect, as well as the Valentine East prospect located 13 km along strike to the northeast.

Fieldwork for this program was completed in September 2010, with a total of 6,910 meters drilled over 62 holes. Drilling encountered multiple intercepts of near-surface gold mineralization with visible gold noted in several holes and extended the boundaries of mineralization from depth to surface. These results increase the potential of the deposit to host an economic open-pit ore body.

Metallurgy:

Prior to MPGM entering into the option agreement, MOA had concluded that metallurgical testwork commissioned by a previous operator had likely been impacted adversely by improper handling of samples at the laboratory that carried out this work. Accordingly, MPGM engaged G&T Metallurgical Services Ltd. Of Kamloops, British Columbia to carry out a new program of bench-scale metallurgical testwork on a representative composite sample from the Leprechaun Gold Deposit with an average grade of approximately 4 g/t gold. The results of this preliminary work suggested that recoveries over 93% could be achieved using a combination of gravity separation and cyanide leaching, with gravity recoveries ranging from 45% to 58%.

Our work on the property following closing of the Arrangement was focused on planning the 2011 exploration program in conjunction with MOA, negotiating an agreement covering the sharing of costs prior to the formation of a formal joint venture, and working with Micon International to complete an updated mineral resource estimate on the property. The resource was completed on December 16, 2011, with a NI43-101 compliant technical report filed on Sedar on January 31, 2011. The resource estimate below is excerpted from the technical report.

Leprechaun Gold Deposit Mineral Resource Estimate

(Cut-off Grade 0.5 g/t Au)

Classification	Tonnes	Gold Grade (g/t Au)	Contained Gold (oz)
Measured	2,104,000	2.768	187,000
Indicated	1,180,000	2.363	90,000
Measured + Indicated	3,284,000	2.622	277,000
Inferred	4,409,000	2.007	285,000

Notes:

1 Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

2 The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

On January 21, 2011, Marathon paid a total of $3,000,000 to Richmont on behalf of MOA, thereby satisfying the terms of both Richmont's option agreement with MOA and MOA's sub-agreement with Marathon and triggering the formation of the Valentine Lake 50-50Joint Venture.

Valentine Lake property is subject to two overlapping royalties. Xstrata Canada The Corporation retains a 2% net smelter return royalty on base metals and a 1.5% net smelter return royalty on the first 250,000 oz. of gold produced, increasing at that point to 3%. In addition, the Reid Newfoundland Company Ltd. ("Reid") retains a 7.5% net profits interest that accelerates the increase in Xstrata's net smelter return royalty on gold to 3% should a net profits interest royalty become payable prior to the first 250,000 oz. produced. Any amount payable to Reid for the net profits interest royalty reduces the net smelter royalty on gold payable to Xstrata.

Marathon resumed drilling at Valentine Lake in January 2011, with plans for a program of approximately 25,000 meters of drilling focused on expanding the existing mineral resource at Leprechaun Pond and delineating if possible a new resource at the Valentine East prospect. To the date of this AIF, a total of 6,747 meters had been completed with encouraging grades in both zones. At the date of this MD&A, drilling has been suspended temporarily as a result of an earlier than expected spring breakup, which has made the timber roads used to access the property unsafe for transporting heavy machinery and bulk supplies. Marathon's exploration team will focus until the end of the breakup on moving the camp and planning for an accelerated summer drilling program.

b) Golden Chest

On December 16, 2010, Marathon announced the formation of Golden Chest LLC, a joint venture with New Jersey Mining Company ("NJMC") established to explore and develop the Golden Chest mining property. The Golden Chest property consists of 21 patented mining claims and 21 unpatented mining claims covering a total of 206 hectares and is located approximately 2 miles east of Murray, Idaho in the Coeur d'Alene mining district.

The Golden Chest is a mesothermal deposit, similar to deposits in the Mother Lode district of California and the Abitibi region of Quebec, which are known for their continuity to depth and their size, and is located on the west limb of the Trout Creek anticline, a major north-trending fold of the Prichard formation. Mineralization is controlled by a thrust fault known as the Idaho Fault at the contact of Prichard formation units G and H.

The Idaho Fault strikes to the northwest and dips at 50 degrees to the southwest. All of the gold mineralization found by NJMC and previous operators is located in the Idaho Vein that occupies the

Idaho Fault, in veins running parallel to the Idaho Fault, or in the Katie/Klondike veins in the footwall rocks. These veins were reported to have a grade of 17 g/t gold and were the source of most of the historical production from the mine.

We considered this property to present an attractive opportunity to add shareholder value. The following factors influenced this assessment.

- The property is already fully permitted for underground drilling and underground mining.
- There is an existing SEC-compliant proven and probable mineral reserve of 231,713 tonnes grading 5.10 g/t, for a total reserve of 37,885 ounces of gold.
- Although there are 3,900 meters of existing underground workings on three mining levels, with gold mineralization occurring over a known strike length, NJMC had drilled only three underground holes since gaining its interest in the property in 2003 and had not drilled at depth. The ease of access to the Idaho Vein and the high-grade Katie and Dora shoots presents good potential to increase the extent of underground reserves.
- NJMC had also carried out additional drilling from surface but had made no attempt to compile their results into a mineral resource estimate, as such estimates are not permitted under the rules of the US Securities and Exchange Commission.
- The Idaho Vein outcrops on surface and represented an obvious area of emphasis in evaluating the open-pit potential of near-surface mineralization on the property.

Although this business arrangement was structured as a corporate joint venture with a 50% ownership interest being attributed to Marathon immediately upon formation, Marathon is obligated to make a total of US $4,000,000 in funding contributions to GCLLC to earn and subsequently maintain this interest. At December 31, 2010 and at the date of this MD&A, Marathon had made the first of five scheduled contributions amounting to US $1,000,000. The remaining $3,000,000 is due according to the following schedule:

Contribution deadline	Contribution amount	Dilution in percentage ownership if contribution not made
	US $	%
March 31, 2011	500,000	6.25
June 30, 2011	500,000	6.25
September 30, 2011	1,000,000	12.50
November 30, 2011	1,000,000	12.50
Total	**3,000,000**	**37.50**

Under the terms of the joint venture agreement, NJMC is the operator.

NJMC started its 2011 exploration program in February 2011, and at the date of this MD&A had completed a total of 2 underground holes and 5 surface holes, with assays complete for the first 2 surface holes. Surface core drilling through the Idaho vein, in an area north of the current reserve, returned 33.0 grams per tonne (g/t) gold over 2.6 meters (m) true thickness including 0.9 m of 62.6 g/t in GC-11-2. Visible gold was observed in this Idaho vein intercept. Five surface drill holes have been completed to date with each intercepting the Idaho vein, and extending the vein to the north and down-dip into areas where no previous drilling has taken place.

5) OUTLOOK

The bulk of our exploration efforts will be focused on Valentine Lake in 2011. For the remainder of the year, we expect to complete the drilling program we announced in January 2011, begin environmental baseline studies, and prepare for a preliminary economic assessment, which we expect to complete in the first quarter of 2012.

At Golden Chest, the pace of work is ultimately under the control of NJMC as operator. We expect to incorporate the results of drilling on that property into an updated mineral reserve and an initial NI43-101 compliant mineral resource estimate prior to the end of the year.

At Baie Verte, we plan to complete a 1,500 meter drilling program in the second half of the year. Similarly, we will carry out a modest program of ground work at Finger Pond. This work, which is necessary to retain our interest in the property, will be completed in the summer.

6) RESULTS OF OPERATIONS

The derivation of the reported consolidated results of operations of Marathon for the years ended December 31, 2010 and 2009 is detailed in note 4 to the consolidated financial statements and is based on allocations of shared MPGM administrative costs which have been allocated to Marathon based on relative levels of spending on the exploration and development properties attributable to Marathon and MPGM.

Such allocations are not necessarily indicative of expenses that would be expected to be incurred by Marathon on a stand-alone basis.

The results of operations for the three and twelve month periods ended December 31, 2010 and 2009 are summarized below.

	Three months ended December 31		Year ended December 31	
	2010	**2009**	**2010**	**2009**
	$	$	**$**	$
Expenses:				
Exploration expenses	**9,481**	49,024	**21,105**	324,076
General and administrative expenses	**549,675**	26,928	**1,169,808**	103,135
Depreciation	**13,522**	18,080	**50,641**	42,860
Stock based compensation	**802,375**	20,044	**1,014,096**	31,741
Total operating expenses	**1,375,053**	114,076	**2,255,650**	501,812
Interest income	**(4,138)**	(1,713)	**(26,451)**	(6,225)
Unrealized gain on derivative investment	**(154,218)**	-	**(154,218)**	-
Foreign exchange loss	**27**	93	**271**	123
Loss for the year	**1,216,724**	112,456	**2,075,252**	495,710

The decrease in exploration expenses in 2010 compared to 2009 in both the quarter and the year generally is due to the decision by management to focus resources on the Valentine Lake property. As explained in the notes to the consolidated financial statements, expenditures on properties with existing resources are capitalized as incurred.

The increase in administrative expenses is primarily the result of allocating 52% of shared MPGM expenses to Marathon in 2010, compared to 6% in 2009. This reflects the fact that in 2010 MPGM concentrated its focus on Valentine Lake, whereas in 2009 the bulk of Marathon's work had been concentrated on the Marathon PGM-Cu project.

7) QUARTERLY RESULTS

Selected quarterly information derived from Marathon's financial statements for each of the eight most recently completed financial periods is set out below:

	2010 Q4	**2010 Q3**	**2010 Q2**	**2010 Q1**	**2009 Q4**	**2009 Q3**	**2009 Q2**	**2009 Q1**
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Exploration expenses	9	6	1	5	49	73	41	161
Total administrative expenses	550	172	226	222	27	20	30	26
Loss for the period	1,217	180	231	447	113	95	80	207
Deficit – end of period	2,747	1,529	1,349	1,118	671	558	463	383
Capitalized exploration and development expenditures	1,270	1,710	667	1,014	-	-	-	-

As mentioned above, the reported administrative expense amounts in all periods prior to Q4 of 2010 are based on allocations of shared expenses incurred originally by MPGM. The significant increase in administrative expenses in 2010 compared to 2009 is due to the allocation of a much greater share of MPGM's expenses in 2010.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Our cash at December 31, 2010 amounted to $7,582,774. Our working capital at December 31, 2010 was $7,880,688.

Our consolidated financial statements are prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In its first month of operation Marathon incurred an operating loss of $232,830, excluding non-cash charges for stock based compensation. Marathon funded its operations in the period through the use of existing cash reserves of $6,000,000 which were transferred to Marathon from MPGM, its then-parent company, in November 2010 as described in note 4 to the consolidated financial statements and from a subsequent private placement completed prior to year end which generated cash proceeds of $3,366,700. Subsequent to year end, Marathon closed a private placement financing on March 1, 2011 which generated gross cash proceeds of $4,551,300.

After taking its existing cash reserves, the financing completed subsequent to year end, and its expectations regarding the intention of MOA to participate fully in funding the exploration activities of the Valentine Lake joint venture into account, Marathon has sufficient cash reserves to fund its planned exploration and investment activities and administrative costs for the coming fiscal year but will require additional financings to move Valentine Lake and Golden Chest toward production. While Marathon has been successful to date in obtaining the equity financing it requires to move its projects forward, it remains dependent on such financings and will continue to depend on financings as its sole source of cash inflows for the foreseeable future. There is no assurance that Marathon will continue to be able to raise cash flow in the future.

9) CAPITAL ACTIVITIES

We completed two financings between December 31, 2010 and the date of this MD&A.

a) On December 30, 2010 we closed a private placement, subscribed in its entirety by a subsidiary of Stillwater, of 2,570,000 common shares that generated gross proceeds of $3,366,700.
b) On March 1, 2011 we closed a brokered private placement of 2,528,500 flow-through common shares that generated gross proceeds of $4,551,300.

10) OPTIONS

The terms of our 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.

During the year ended December 31, 2010, we awarded a total of 1,770,000 options to directors, officers and consultants. These options were granted with immediate vesting.

No options were exercised during the year.

11) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	22,915,928
Unexercised stock options	1,820,000
Unexercised broker warrants	176,995
Fully diluted share capital – March 28,2011	**24,912,923**

12) OFF-BALANCE SHEET ARRANGEMENTS

We had no off balance sheet arrangements as at December 31, 2010 or subsequently to the date of this MD&A.

13) RELATED PARTY TRANSACTIONS

a) The details of the Arrangement pursuant to which Marathon acquired MPGM's interests in its gold exploration properties and $6,000,000 in cash are explained in note 4 to the consolidated financial statements.

b) We engage Marathon's chairman to provide administrative, financial, and public relations services pursuant to a renewable consulting agreement for these services. The value of such services was determined by negotiations between the related parties and the compensation committee of the board of directors based on a review of amounts charged by third parties for similar services. Payment in respect of such services is not in excess of market value.

   In the year ended December 31, 2010, we paid $10,150 for these services.

14) RISK FACTORS AND UNCERTAINTIES

Marathon is subject to the usual risks associated with a junior mineral exploration company. We are competing for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom are 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 we 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.

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, 2010. This document may be obtained at www.sedar.com.

15) NEW ACCOUNTING PRONOUNCEMENTS

IFRS Changeover Plan Disclosure

The Canadian Accounting Standards Board (AcSB) formally adopted the strategy of replacing Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises (PAEs). The effective changeover date is January 1, 2011, at which time Canadian GAAP will be replaced by IFRS. Following this timeline, Marathon will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011, including comparative IFRS financial results and an opening balance sheet as at January 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended December 31, 2011 with restated comparatives for the year ended December 31, 2010, and its first IFRS compliant interim financial statements will be issued for the three months ended March 31, 2011, with comparatives for the three months ended March 31, 2010.

Management is in the process of finalizing its assessment of the impact of IFRS on its financial statements.

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 December 31, 2010.

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 December 31, 2010 and have concluded that these controls and procedures are effective.

18) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Marathon's financial statements requires management to make various judgments with respect to estimates and assumptions. On an ongoing basis, management regularly re-evaluates its estimates and assumptions; however actual amounts could differ from those based on such estimates and assumptions.

The most significant components of Marathon's reported results and financial position driven by accounting estimates and management assumptions are the valuation of stock-based compensation and investments, and the recoverability of its capitalized mineral properties and deferred exploration costs. Various factors could impact the Company's ability to develop its properties to the stage of profitable production. Additionally, metal prices, exchange rates and the availability of sufficient financing could differ from the assumptions used to support the recoverability of its capitalized mineral property and deferred exploration costs.

a) ***Mineral properties and deferred exploration costs***

Acquisition, exploration and development expenditures relating to properties which have existing mineral resources or reserves or are viewed by management as extensions of properties with existing mineral resources or reserves are deferred. Any deferred costs will be amortized over the estimated useful life of the related property on a unit-of-production basis over proven and probable reserves against future production following commencement of commercial production, or written off if the properties are sold, allowed to lapse, or abandoned. Properties which do not have existing mineral resources are considered to be too early stage to justify the capitalization of costs, and consequently all acquisition, exploration and development expenditures relating to such properties are expensed as incurred.

Management reviews and evaluates the carrying value of its exploration properties for impairment when events or changes in circumstances indicate that the carrying amounts of related assets may not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is measured and assets are written down to fair value which is normally the discounted value of future cash flows.

Assumptions underlying future cash flow estimates are subject to risks and uncertainties. It is possible that changes in estimates could occur which may materially affect the expected recoverability of the Company's mineral properties and deferred exploration costs.

b) Stock-based compensation

Stock options awarded to employees, directors and non-employees are measured and recognized in the statement of operations at the fair value at the grant date using the Black-Scholes option pricing model and recognized immediately, since the options granted to date have been awarded with immediate vesting. The use of the Black-Scholes financial model to estimate the fair value of options requires management to make a number of subjective assumptions, particularly the expected future volatility of Marathon's share price, and the expected time that each option will be held before being exercised. The key assumptions which drive the determination of the fair value of these financial instruments are detailed in note 11 to the financial statements.

c) Investments

We value our investment in warrants issued by NJMC using the Black-Scholes option pricing model. The same uncertainties which apply to our use of this model to estimate the fair value of options awarded under the terms of our stock option plan apply to the valuation of these warrants.

19) ADDITIONAL INFORMATION

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

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

(Signed) "James Kirke"
James Kirke
Chief Financial Officer