MARATHON GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2017 AND 2016

Notice to Reader

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

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

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

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

	September 30 2017	December 31 2016
	$	$
Assets		
Current assets		
Cash and cash equivalents	**17,424,682**	8,458,077
Amounts receivable	**549,278**	304,182
Prepaids and deposits	**49,144**	44,144
	18,023,104	8,806,403
Non-current assets		
Mineral exploration and evaluation assets (note 5)	**59,476,508**	48,795,366
Property, plant and equipment	**60,472**	53,840
	59,536,980	48,849,206
Total assets	**77,560,084**	57,655,609
Liabilities and shareholders' equity		
Current liabilities		
Trade payables	**994,942**	264,407
Flow-through share tax liability (notes 7(b)(i), (ii) and (iii)	**1,472,000**	2,096,487
	2,466,942	2,360,894
Equity attributable to owners (notes 7, 8, and 9)	**75,093,142**	55,294,715
Total liabilities and shareholders' equity	**77,560,084**	57,655,609

Commitments (note 14)

On behalf of the Board,

"George D. Faught"
George D. Faught
Director

"Phillip C. Walford"
Phillip C. Walford
Director

Marathon Gold Corporation
Consolidated Statements of Operations
For the three and nine months ended September 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Expenses:				
Exploration expenses (note 11)	**22,075**	21,573	**108,689**	21,573
General and administrative expenses (note 12)	**509,906**	279,357	**2,093,174**	764,540
Other finance expense (note 7(b))	**-**	-	**111,589**	6,741
Interest income	**(41,605)**	(1,532)	**(66,659)**	(4,605)
Foreign exchange (gain) loss	**(812)**	(3,814)	**4,413**	21,010
Loss before tax	**489,564**	295,584	**2,251,206**	809,259
Income tax recovery	**(222,347)**	-	**(2,096,487)**	(415,151)
Loss for the period attributable to Marathon Gold shareholders	**267,217**	295,584	**154,719**	394,108

Loss attributable to Marathon Gold shareholders:				
Basic	**0.002**	0.003	**0.001**	0.004
Diluted	**0.002**	0.003	**0.001**	0.004

Weighted average number of common shares outstanding (note 10):				
Basic	**140,666,993**	106,682,141	**128,876,805**	100,388,120
Diluted	**140,666,993**	106,682,141	**128,876,805**	100,388,120

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

Marathon Gold Corporation
Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Other comprehensive loss:				
Loss for the period	**267,217**	295,584	**154,719**	394,108
Items that may be reclassified subsequently to net loss (income):				
Currency translation adjustment	**34,396**	14,286	**66,693**	(51,993)
Comprehensive loss attributable to Marathon Gold shareholders	**301,613**	309,870	**221,412**	342,115

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

Marathon Gold Corporation
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

	2017	2016
	$	$
Cash flows used in operating activities:		
Loss for the period	**(154,719)**	(394,108)
Add (deduct) items not involving cash		
Income tax recovery	**(2,096,487)**	(415,151)
Stock-based compensation	**842,513**	-
Depreciation	**25,780**	18,261
	(1,382,913)	(790,998)
Changes in non-cash working capital items		
Increase in amounts receivable	**(290,346)**	(122,184)
(Increase) Decrease in prepaid expenses	**(5,000)**	6,361
(Decrease) Increase in accounts payable	**(24,387)**	421
Increase in flow through share tax liability	**1,472,000**	54,087
	(230,646)	(852,313)
Cash flows from financing activities:		
Common shares issued for cash	**19,886,918**	4,109,386
Share issue costs paid in cash	**(1,304,920)**	(278,235)
	18,581,998	3,831,151
Cash flows used in investing activities:		
Royalty payments related to gold sales by the Golden Chest mine	**54,847**	-
Expenditures on mineral exploration and evaluation assets	**(10,229,320)**	(2,727,539)
Government assistance	**822,138**	201,516
Purchase of capital assets	**(32,412)**	(38,700)
	(9,384,747)	(2,564,723)
Increase in cash	**8,966,605**	414,115
Cash and cash equivalents – beginning of period	**8,458,077**	2,600,269
Cash and cash equivalents – end of period	**17,424,682**	3,014,384
Cash and cash equivalents consist of:		
Cash in bank accounts	**2,386,586**	3,014,384
Term deposits maturing or callable within three months	**15,038,096**	-
	17,424,682	3,014,384

Marathon Gold Corporation
Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

	Share Capital (note 7)	Warrants (note 8)	Contributed Surplus (note 9)	Deficit	Accumulated Other Comprehensive Income	Equity Attributable to Owners of Marathon Gold Corporation
	$	$	$	$	$	$
Balance – January 1, 2016	**50,092,448**	**1,092,235**	**10,229,589**	**(15,292,724)**	**217,657**	**46,339,205**
Loss for the period	-	-	-	(394,108)	-	(394,108)
Units issued for cash pursuant to private placement	1,790,823	625,212	-	-	-	2,416,035
Flow-through shares issued for cash pursuant to private placement	530,058	-	-	-	-	530,058
Common shares issued upon exercise of stock options	53,276	-	(17,136)	-	-	36,140
Common shares issued upon exercise of warrants	1,457,330	(330,177)				1,127,153
Share issue costs	(367,566)	89,331	-	-	-	(277,235)
Warrants expired during the period	-	(400,411)	400,411	-	-	-
Currency translation adjustment	-	-	-	-	(51,993)	(66,279)
Balance – September 30, 2016	**53,556,369**	**1,076,190**	**10,612,864**	**(15,686,832)**	**165,664**	**49,724,255**
Balance – January 1, 2017	**59,702,739**	**810,509**	**11,432,216**	**(16,838,696)**	**187,947**	**55,294,715**
Loss for the period	**-**	**-**	**-**	(154,719)	**-**	(154,719)
Stock based compensation	-	-	1,437,841	-	-	1,437,841
Common shares issued pursuant to prospectus offering	7,107,000	-	-	-	-	7,107,000
Flow through shares issued pursuant to prospectus offering	10,028,000	-	-	-	-	10,028,000
Common shares issued upon exercise of stock options	1,629,745	-	(417,325)	-	-	1,212,420
Common shares issued upon exercise of warrants	1,963,965	(424,467)	-	-	-	1,539,498
Share issue costs	(1,304,920)	-	-	-	-	(1,304,920)
Currency translation adjustment	-	-	-	-	(66,693)	(66,693)
Balance – September 30, 2017	79,126,529	386,042	12,452,732	(16,993,415)	121,254	75,093,142

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

1) GOING CONCERN

The consolidated financial statements of Marathon Gold Corporation ("Marathon", the "Company", "we" or "us") have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future.

2) GENERAL INFORMATION

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

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

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

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

3) BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS34, *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2016, which were prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on November 14, 2017.

4) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the previous financial year.

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, 2017:

(Unaudited - Expressed in Canadian dollars)

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.

Management 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.

Management is in the process of evaluating the impact of adopting this standard.

5) MINERAL EXPLORATION AND EVALUATION ASSETS

	Valentine Lake Gold Project, Newfoundland	Golden Chest Royalty Interest	Bonanza Mine Project, Oregon USA	Total
	$		$	$
Balance – January 1, 2016	**43,107,802**	**138,400**	**853,588**	**44,099,790**
Property acquisition costs	6,450	-	-	6,450
Deferred exploration costs	4,718,728	-	-	4,718,728
Currency translation adjustment	-	(4,130)	(25,472)	(29,602)
Balance – December 31, 2016	**47,832,980**	**134,270**	**828,116**	**48,795,366**
Deferred exploration costs	10,801,788	-	-	10,801,788
Royalty payments related to gold sales by the Golden Chest mine	-	(54,847)	-	(54,847)
Currency translation adjustment	-	(7,392)	(58,407)	(65,799)
Balance – September 30, 2017	**58,634,768**	**72,031**	**769,709**	**59,476,508**

a) Valentine Lake gold property, Newfoundland

The Valentine Lake property is subject to two overlapping agreements, which are described below.

- A 7.5% net profits interest (the "NPI") over two land packages which cover the current resource pits associated with the Leprechaun and Victory Deposits, but not the Sprite and Marathon Deposits.
- A 2% net smelter return royalty on base metals and a 3% royalty on precious metals (collectively, the "NSR"), which covers a land package including all of the resources currently delineated on the Valentine Lake property. The NSR on gold production is reduced from 3% to 1.5% over the life of production until the earlier of the following:
  - Cumulative production exceeding 250,000 ounces of gold, or
  - An amount becoming payable under the terms of the NPI.

  Amounts payable in any period under the NSR are reduced by amounts payable in the same periods under the NPI.

On November 14, 2017, Marathon bought back the NSR for cash consideration of US $8,700,000.

In addition, a claim in the northeast area of the Valentine Lake property covering 100 hectares, which was acquired in 2011 and is situated outside the areas of interest covered by the NPI and the NSR, is subject to a 2% net smelter returns royalty. Marathon may purchase one-half of this royalty by paying the royalty holder $1,000,000.

b) Bonanza Mine gold property, Oregon

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

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

6) CAPITAL MANAGEMENT

Marathon is not subject to externally imposed capital requirements.

Marathon manages its capital structure and makes adjustments to it based on the funds available to support the acquisition, exploration and development of our mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain the future development of the business.

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

(Unaudited - Expressed in Canadian dollars)

7) SHARE CAPITAL

a) Authorized:

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

b) Issued and outstanding:

	Number	Amount
		$
Balance – January 1, 2016	**93,293,502**	**50,092,448**
Units issued pursuant to private placement (i)	10,504,500	1,965,296
Flow through shares issued pursuant to private placement (i)	2,163,500	530,058
Flow through shares issued pursuant to prospectus offering (ii)	8,880,000	5,949,600
Shares issued pursuant to the exercise of stock options	152,000	53,276
Shares issued pursuant to the exercise of warrants	3,015,450	1,887,538
Share issue costs	-	(775,477)
Balance – December 31, 2016	**118,008,952**	**59,702,739**
Common shares issued pursuant to prospectus offering (iii)	6,900,000	7,107,000
Flow through shares issued pursuant to prospectus offering (iii)	9,200,000	10,028,000
Shares issued pursuant to the exercise of stock options	2,193,000	1,629,745
Shares issued pursuant to the exercise of warrants	4,566,400	1,963,965
Share issue costs	-	(1,304,920)
Balance – September 30, 2017	**140,868,352**	**79,126,529**

i) On May 6, 2016, Marathon closed a bought deal private placement of 10,504,500 units at a price of $0.23 per unit and 2,163,500 flow through shares at a price of $0.27 per share for total gross proceeds of $3,000,180.

Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at a price of $0.32 per share and expiring two years after issue. The gross proceeds from the offering of units were allocated between Share capital and Warrants on the basis of relative fair value, which resulted in $625,212 in proceeds being allocated to Warrants.

The gross proceeds from the offering of flow-through shares were allocated between Share capital and Flow-through share tax liability using the residual method, which resulted in $54,087 of gross proceeds being allocated to the liability portion of this financing.

Marathon incurred costs in connection with this offering of $374,307, of which $6,741 was attributed to the flow through share tax liability and charged to operations.

(Unaudited - Expressed in Canadian dollars)

ii) On October 27, 2016, Marathon closed a prospectus financing of 8,880,000 flow through common shares at a price of $0.90 per flow through share, for gross proceeds of $7,992,000.

The gross proceeds from this financing were allocated between Share capital and Flow through share tax liability using the residual method, which resulted in $2,042,400 of gross proceeds being allocated to the liability portion of this financing.

Marathon incurred costs in connection with this financing amounting to $766,044, of which $195,766 was attributed to the Flow through share tax liability and charged to operations.

iii) On May 25, 2017, Marathon closed a prospectus financing of 6,900,000 common shares at a price of $1.03 per common share and 9,200,000 flow through shares at a price of $1.25 per flow through share, for aggregate gross proceeds of $18,607,000.

The gross proceeds from this financing were allocated between Share capital and Flow through share tax liability using the residual method, which resulted in $1,472,000 of gross proceeds being allocated to the liability portion of this financing.

Marathon incurred costs in connection with this financing amounting to $1,416,509, of which $111,589 was attributed to the Flow through share tax liability and charged to operations as Other finance expense.

8) WARRANTS

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

	Number	Value
		$
Balance – January 1, 2016	**8,476,445**	**1,092,235**
Issued pursuant to private placement [(a)]	5,252,250	450,739
Broker compensation warrants issued [(a)]	697,950	89,331
Exercised during the year	(3,015,450)	(421,385)
Expired	(2,346,445)	(400,411)
Balance – December 31, 2016	**9,064,750**	**810,509**
Exercised during the period	(4,566,400)	(424,467)
Balance – September 30, 2017	**4,498,350**	**386,042**

The warrants outstanding at September 30, 2017 are set out below.

Exercise price	Number of warrants	Expiry date
$0.32	4,498,350	May 6, 2018

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

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

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

In connection with this financing, Marathon also issued a total of 697,950 broker compensation warrants exercisable at a price of $0.23 per share and expiring on May 6, 2018. The fair value of these warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

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

which yielded an estimated fair value of $0.128 per warrant. These broker compensation warrants were exercised on September 26, 2016.

9) STOCK BASED COMPENSATION

Marathon has a stock option plan (the "Plan") which was reconfirmed by the Company's shareholders at its annual meeting on June 7, 2017, under which Marathon may grant options to directors, officers, employees and consultants. The number of shares reserved for issue under the Plan may not exceed 10% of the number of issued and outstanding common shares at any time. In addition, the number of common shares reserved for options granted to non-employee directors of the Company subsequent to June 7, 2017 may not exceed 1% of Marathon's issued and outstanding shares, and the grant date fair value of any options granted to non-employee directors is limited to $100,000 per director in any calendar year.

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

(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30, 2017		**Nine months ended September 30, 2016**	
	Number	**Weighted average exercise price per share**	Number	Weighted average exercise price per share
		$		$
Balance - beginning of period	**10,123,500**	**0.45**	8,510,500	0.43
Granted	2,335,000	1.07	-	-
Exercised	(2,193,000)	0.55	(35,000)	0.20
Expired	(173,000)	0.77	(85,000)	0.23
Balance – end of period	**10,092,500**	**0.57**	8,390,500	0.43

Options to purchase common shares outstanding at September 30, 2017 carry exercise prices and remaining terms to maturity as follows:

Exercise price	**Expiry date**	**Options Outstanding and exercisable**	**Contract Life (years)**
$			
0.52	January 17, 2018	979,000	0.30
0.26	September 4, 2018	110,000	0.93
0.32	February 24, 2019	720,000	1.40
0.39	July 7, 2019	672,500	1.77
0.25	August 10, 2020	1,614,000	2.86
0.20	December 18, 2020	1,444,000	3.22
0.68	December 1, 2021	2,268,000	4.17
1.02	March 28, 2022	50,000	4.49
1.08	June 7, 2022	1,475,000	4.69
1.08	June 21, 2022	610,000	4.73
1.02	September 19, 2022	150,000	4.97
0.57		**10,092,500**	**3.18**

Marathon did not grant options in the period ended September 30, 2016. The fair value of options granted by Marathon in the three- and nine-month periods ended September 30, 2017 were estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30 2017	Nine months ended September 30 2017
Risk free interest rate	1.54%	0.82%
Dividend rate	Nil	Nil
Volatility	90%	94.7%
Expected life	3 years	3 years
Fair value per option granted in the period	$0.59	$0.62

Marathon recognized total stock based compensation costs of $1,437,841 in the period ended September 30, 2017 (2016 - $Nil), of which $842,513 (2016 – $Nil) was charged to operations and $595,328 (2016 - $Nil) was capitalized as a component of Marathon's mineral exploration and evaluation assets.

10) BASIC AND DILUTED SHARES OUTSTANDING

Basic and diluted weighted average shares outstanding for the three- and nine-month periods ended September 30, 2017 and 2016 are calculated as shown in the table below.

	Three months ended September 30		**Nine months ended September 30**	
	2017	2016	**2017**	2016
Weighted average basic number of common shares outstanding	**140,666,993**	106,682,141	**128,876,805**	100,388,120
Effect of dilutive securities:				
In the money stock options	**-**	-	**-**	-
In the money warrants	**-**	-	**-**	-
Weighted average diluted number of common shares outstanding	**140,666,993**	106,682,141	**128,876,805**	100,388,120

11) EXPLORATION EXPENSES

	Three months ended September 30		**Nine months ended September 30**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Baie Verte property, Newfoundland				
Drilling and associated labour costs	-	-	**86,614**	-
	-	-	**86,614**	-
Bonanza property, Oregon				
Claim renewal costs	**22,075**	21,573	**22,075**	21,573
	22,075	21,573	**22,075**	21,573
	22,075	21,573	**108,689**	21,573

(Unaudited - Expressed in Canadian dollars)

12) GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2017	**2016**	**2017**	**2016**
	$	$	**$**	$
Wages, salaries and benefits (note 13)	**173,542**	143,146	**647,082**	389,115
Listing fees and related expenses	**-**	-	**59,896**	39,694
Investor relations	**83,165**	36,163	**154,188**	91,568
Professional fees	**5,659**	20,695	**143,180**	33,177
Occupancy costs	**15,892**	29,208	**49,643**	102,571
Part XII.6 tax	**-**	-	**11,962**	154
Depreciation	**8,895**	7,408	**25,780**	18,261
Stock based compensation charged to operations	**168,590**	-	**842,513**	-
Other expenses	**54,163**	42,737	**158,930**	90,000
	509,906	279,357	**2,093,174**	764,540

13) WAGES, SALARIES AND BENEFITS

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Fees, salaries and wages paid to employees, key management and directors (note 15)	**766,710**	507,853	**1,868,506**	1,079,611
Performance bonus paid to employees and key management	**-**	-	**388,000**	-
Social security benefits	**76,215**	41,381	**201,945**	98,110
	842,925	549,234	**2,458,451**	1,177,721
Charged to general and administrative expenses	**173,542**	143,146	**647,082**	389,115
Charged to exploration expenses	**-**	-	**4,053**	-
Capitalized as a component of exploration and evaluation assets	**669,383**	406,088	**1,807,316**	788,606
	842,925	549,234	**2,458,451**	1,177,721

14) COMMITMENTS

Operating leases

Marathon has the following commitments under operating leases.

Year ending December 31	$
2017	17,560
2018	67,986
2019	44,421
Thereafter	**-**
	129,967

(Unaudited - Expressed in Canadian dollars)

15) RELATED PARTY TRANSACTIONS

Key management

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

Marathon incurred the following compensation costs related to key management and directors in the normal course of business. At September 30, 2017 and December 31, 2016, no amounts were owed by Marathon in respect of the transactions described below.

	Three months ended September 30		**Nine months ended September 30**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Salaries and bonus paid to officers	**155,000**	146,250	**740,000**	396,094
Director fees	**40,978**	29,875	**115,978**	75,917
Stock based compensation	**118,701**	-	**1,071,423**	-
	314,679	176,125	**1,927,401**	472,011

16) SUBSEQUENT EVENTS

a) Buy-back of Net Smelter Returns Royalty

On November 14, 2017, Marathon bought back the NSR, which consists of a 2% royalty on base metals and a 3% royalty on precious metals and which covers a land package that includes all of the resources currently delineated on the Valentine Lake property, for cash consideration of US $8,700,000.

b) Options

On October 2, 2017, Marathon awarded 200,000 options with an exercise price of $1.02 per share and an expiry date of October 2, 2022 to a consultant. 100,000 of these options vested immediately upon grant, while the remaining 100,000 options vest on the business day following the announcement of the results of a preliminary economic assessment for the Valentine Lake property.

On October 25, 2017 100,000 options were exercised at an exercise price of $0.25 per share, generating proceeds of $25,000.