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 years ended December 31, 2017 and 2016.

The MD&A should be read in conjunction with Marathon's consolidated financial statements for the years ended December 31, 2017 and 2016, including the notes thereto. This MD&A is presented as of March 27, 2018. 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 strategy is focused on the acquisition, exploration and development of mineral properties, particularly gold located in North America. At the date of this MD&A, Marathon owns 100% interests in the following resource properties:

Newfoundland

- The Valentine Lake Gold project in 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, Narrows, Rainbow and Scott 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 December 31, 2017, Marathon's cash position was $7.1 million compared to $8.5 million at December 31, 2016.

Marathon completed the following activities in the year ended December 31, 2017, and subsequently to the date of this MD&A:

Mineral Resource Estimate:

In November 2017, Marathon released an updated mineral resource estimate and the supporting National Instrument 43-101 technical report for the Valentine Lake property. This report incorporated the results of drilling on the property through the third quarter of 2017 and the re-modelling of the Leprechaun Deposit, which was undertaken to better reflect the revised geological model for this deposit. This updated estimate was the second resource estimate undertaken in 2017 and is serving as the foundation for the Preliminary Economic Assessment ("PEA"), which is currently underway. With completion of the November 2017 resource estimate, the Valentine Lake property hosts a total Measured and Indicated resource of 1.8 million ounces of gold at a grade of 1.88 g/t and an additional Inferred resource of 1.0 million ounces at a grade of 1.65 g/t. Between March 2015 and November 2017, the global measured and indicated resource increased by 0.7 million ounces or 74%, while the global inferred resource increased by 0.8 million ounces or 409%.

Buy-back of Net Smelter Returns Royalty:

On November 14, 2017 Marathon bought back a Net Smelter Returns royalty on the Valentine Lake property, which consisted of a 3% royalty on precious metal production and a 2% royalty on base metals production and which covered a land package that includes all of the current resources associated with the Valentine Lake project, for cash consideration of US $8.7 million, or $11.2 million. The royalty buy-back was a one-time opportunity that management expects will have a significant positive impact on the value of the Valentine Lake project.

Financings:

On May 25, 2017, Marathon closed a bought deal prospectus financing underwritten by a syndicate of underwriters led by RBC Capital Markets. Marathon issued a total 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 $18.6 million. In addition, on December 21, 2017 Marathon closed a private placement underwritten by a syndicate of underwriters led by Canaccord Genuity Corp., issuing a total of 4,066,000 flow through shares at a price of $1.23 for gross proceeds of $5.0 million.

The proceeds from these financings continue to fund Marathon's winter drilling exploration program in the Marathon Deposit and the boggy areas of the property between the Marathon and Sprite Zones; environmental studies which will be used in permitting; and the preliminary economic assessment ("PEA") on the Valentine Lake property, which is underway at the date of this MD&A with completion expected in the second quarter of 2018.

In addition, Marathon obtained proceeds of $2.8 million from the exercise of warrants and stock options during the year ended December 31, 2017.

Drilling:

Drill programs, which ran from January to March and June to December 2016, January to March and May to November 2017, and January 2018 to date, focused on expanding and upgrading the Marathon and Leprechaun Deposit resources. Currently two drills are operating at Valentine Lake exploring to the southwest and northeast of the Marathon Deposit, and an additional drill is deployed in the 3.5-kilometer boggy area between the Sprite and Marathon Deposits, where Marathon is carrying out a series of widely spaced exploration holes near the Sprite Deposit. Since May 22, 2017, Marathon has completed a total of 133 new holes and extended 16 drill holes covering 56,311 meters out of a planned program of 60,000 meters of infill, extension and exploration drilling at Leprechaun and Marathon, of which a total of 124 holes covering 53,791 meters have been assayed and reported.

3) SUMMARY OF MINERAL RESOURCES

An updated resource estimate including the results of drilling from Marathon's 2017 drilling to date was completed by John T. Boyd Company ("Boyd") in November 2017 and is the most current resource associated with the Valentine Lake property. This resource estimate is serving as the foundation for a PEA, which is underway at the date of this MD&A. The PEA is expected to be completed in the second quarter of 2018.

The table below sets out the combined current mineral resource estimates for the Leprechaun, Marathon, Sprite, and Victory Deposits at the Valentine Gold Camp, as excerpted from Marathon's press release dated November 30, 2017:

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

Deposit / Category	Open Pit			Underground			Total		
	Tonnes	Grade (g/t)	Gold (oz.)	Tonnes	Grade (g/t)	Gold (oz.)	Tonnes	Grade (g/t)	Gold (oz.)
Valentine Lake Gold Camp Summary									
Measured & Indicated Mill	17,479,000	2.63	1,476,400	1,810,000	3.67	213,300	**19,289,000**	**2.72**	**1,689,700**
Measured & Indicated Heap Leach	11,189,000	0.44	156,800	--	--	--	**11,189,000**	**0.44**	**156,800**
Total Measured & Indicated	**28,668,000**	**1.77**	**1,633,200**	**1,810,000**	**3.67**	**213,300**	**30,478,000**	**1.88**	**1,846,500**
Inferred Mill	8,603,000	1.97	544,900	3,412,000	3.37	369,800	**12,015,000**	**2.37**	**914,700**
Inferred Heap Leach	7,006,000	0.43	97,000	--	--	--	**7,006,000**	**0.43**	**97,000**
Total Inferred	**15,609,000**	**1.28**	**641,900**	**3,412,000**	**3.37**	**369,800**	**19,021,000**	**1.65**	**1,011,700**

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.

4) EXPLORATION ACTIVITY IN THE PERIOD

a) Valentine Lake

Drilling Programs 2016 to present

During 2016 and 2017 and subsequently to the date of this MD&A, Marathon carried out a total of 91,180 meters of drilling on four discrete areas of the Valentine Lake property. 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
2016	3	291	7	620	-	-	79	19,284
January to March 2017	7	2,560	-	-	16	2,174	21	9,940
May to November 2017	16	6,806	-	-	-	-	84	36,870
January 2018 to date	-	-	-	-	7	1,517	26	11,118
	26	9,657	7	620	23	3,691	210	77,212

2016/Winter 2017 Drilling and Exploration Programs

Marathon began its 2016 drilling program in January 2016 with a 13 widely spaced step-out holes totaling 2,062 meters of drilling over a strike length of approximately 1.2 kilometers. This drilling focused on otherwise inaccessible areas to the southwest of the 2015 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, completed in the first quarter of 2016, 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.

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. Apart from a break of approximately one month from mid-December 2016 to mid-January 2017, drilling continued to the end of March 2017, when drilling was suspended because of the annual spring break-up, with a total of 133 holes representing 34,869 meters of drilling being completed. The bulk of the drilling completed in this campaign was focused on the Marathon Deposit, which represents the largest gold resource on the Valentine Lake property. Marathon had numerous successes arising from the drilling, including:

- Drilling of three sub-vertical holes through the Marathon mineralized corridor that were allowed to run until the holes ceased to intercept QTP veining. These holes, which were the deepest holes ever drilled by Marathon at Valentine Lake, intercepted abundant QTP veining, which was associated with wide intervals of intermittent moderate to high-grade gold to depths of 966 meters. These results illustrated clearly the potential for resource expansion beneath the lower limits of the existing Marathon resource boundary.
- Intersecting high grade mineralization in wide intervals 80 to 100 meters down-dip of previous drilling, further proving that the mineralized corridor associated with the Marathon area extended to depth.
- Intercepting significant mineralization in step-out holes drilled southwest of the 2015 resource boundary.
- Successful infill drilling along the southwest end of the 2015 resource boundary and into the hanging wall to the northwest of the 2015 resource boundary.

February 2017 Resource Estimate

Management had planned to bring the 2016/2017 drilling program to a close in the third quarter of 2017 before completing an update to the mineral resource estimates for the Leprechaun, Marathon, Sprite and Victory Deposits. These plans were altered as a result of drilling success in the early part of 2017, as noted above, and the unpublished results of a preliminary internal planning estimate carried out by an independent mining engineer which concluded that the Marathon Deposit resource had increased significantly. Marathon engaged Micon International Limited (“Micon”) to complete a property-wide resource estimate incorporating the results of drilling on the property to the end of 2016 and several holes completed early in 2017. The updated resource estimate is summarized below, as excerpted from Marathon’s press release dated February 21, 2017 and the technical report, *Technical Report on the Mineral Resource Estimate of the Valentine Lake Project, Newfoundland Canada,* authored by Micon with an effective date of February 16, 2017. These results represented an increase in property-wide measured and indicated resources amounting to 328,100 ounces, or 31%, compared to the 2015 resource and an increase in inferred resources amounting to 566,700 ounces, or 284%.

Deposit / Category	Open Pit			Underground			Total		
	(0.40 g Au/t cut-off)			(1.60 g Au/t cut-off Marathon Deposit 2.00 g Au/t cut-off Leprechaun)					
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(kt)	(g/t)	(oz)	(kt)	(g/t)	(oz)	(kt)	(g/t)	(oz)
Marathon									
Measured (M)	1,153	1.73	64,100	3	2.71	300	**1,156**	**1.73**	**64,400**
Indicated (I)	7,514	1.70	411,800	80	2.94	7,600	**7,594**	**1.72**	**419,400**
M+I	8,667	1.71	475,900	83	2.93	7,900	**8,750**	**1.72**	**483,800**
Inferred	6,842	1.99	437,500	1,428	3.18	145,900	**8,270**	**2.20**	**583,400**
Leprechaun									
Measured (M)	4,096	2.00	263,000	50	5.00	8,100	**4,146**	**2.04**	**271,100**
Indicated (I)	7,797	1.91	479,000	543	3.71	64,800	**8,340**	**2.03**	**543,800**
M+I	11,893	1.94	742,000	593	3.82	72,900	**12,486**	**2.03**	**814,900**
Inferred	1,758	1.89	106,700	291	4.32	40,400	**2,049**	**2.24**	**147,100**
Sprite									
Measured (M)	0	0	0	0	0	0	**0**	**0**	**0**
Indicated (I)	301	2.033	19,700	36	4.734	5,500	**337**	**2.32**	**25,200**
M+I	301	2.03	19,700	36	4.73	5,500	**337**	**2.32**	**25,200**
Inferred	158	2.72	13,800	49	5.277	8,300	**207**	**3.33**	**22,100**
Victory									
Measured (M)	0	0	0	0	0	0	**0**	**0**	**0**
Indicated (I)	939	1.829	55,200	58	4.889	9,100	**997**	**2.01**	**64,300**
M+I	939	1.83	55,200	58	4.89	9,100	**997**	**2.01**	**64,300**
Inferred	80	1.801	4,600	62	4.644	9,300	**142**	**3.04**	**13,900**
Total Measured (M)	**5,249**	**1.94**	**327,100**	**53**	**4.87**	**8,400**	**5,302**	**1.97**	**335,500**
Total Indicated (I)	**16,551**	**1.81**	**965,700**	**717**	**3.77**	**87,000**	**17,268**	**1.90**	**1,052,700**
Total M+I	**21,800**	**1.84**	**1,292,800**	**770**	**3.85**	**95,400**	**22,570**	**1.91**	**1,388,200**
Total Inferred	**8,838**	**1.98**	**562,600**	**1,830**	**3.47**	**203,900**	**10,668**	**2.24**	**766,500**

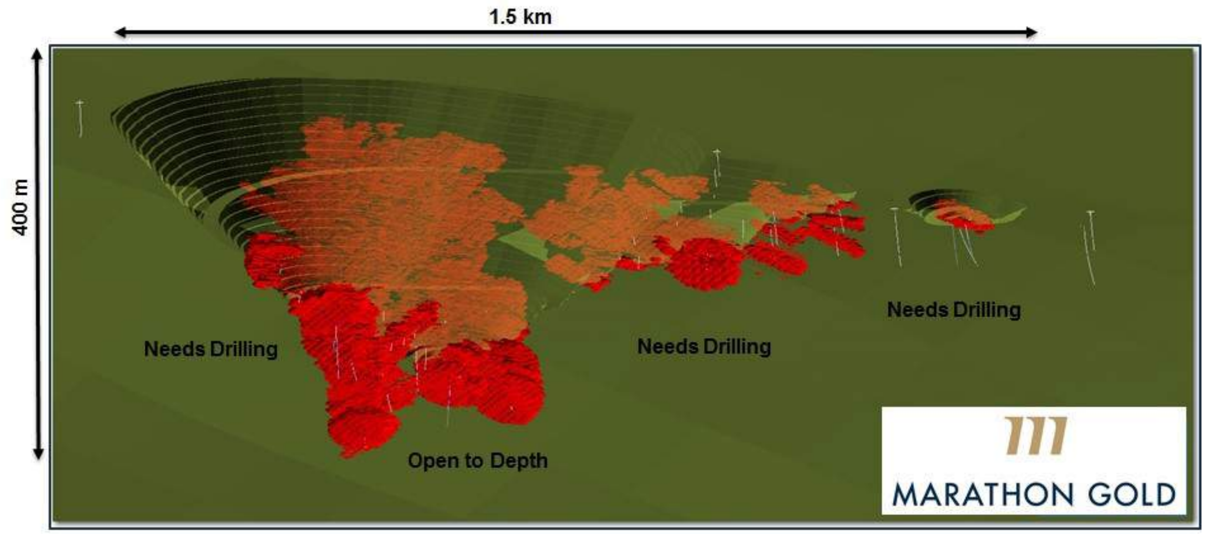
Notes:

1. CIM Definition Standards were followed for mineral resources.
2. The Qualified Person for the Leprechaun, Marathon, Sprite and Victory Mineral Resource estimate is Charley Murahwi, MSc.,P.Geo, FAusIMM
3. In pit Mineral Resources for Leprechaun and Marathon are reported at a cut-off grade of 0.4 g/t Au. Pit optimizations were used to constrain the resources.
4. Underground Mineral Resources are estimated at a cut-off grade of 1.6 g/t Au, outside the open pit constraint for the Marathon Deposit and 2 g/t Au for the narrower Leprechaun Deposit.
5. Mineral resources are estimated using an average long-term forecast, gold price of US$1,200 per ounce.
6. The Leprechaun Deposit was re-estimated using the same gold price, mining cost and recoveries as the Marathon Deposit.
7. Totals may not add correctly due to rounding.
8. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
9. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
10. In order to meet the criteria for "reasonable prospects for economic extraction" as required by CIM, the Marathon Deposit block model was constrained by an optimized pit using a gold price of US$1,200 per ounce and reasonable costs and metallurgical recovery and as well the material below the optimized pit was re-estimated using a cut-off grade of 1.6 g/t Au.

As expected given the amount of drilling carried out in the period since the completion of the 2015 resource estimate, the significant increase in resources was driven by the Marathon Zone, which presents the highest potential to increase open-pit and underground resources going forward.

A three-dimensional block model of the February 2017 Marathon Deposit resource, viewed from the north and showing gaps in drilling addressed later in the year by Marathon's 2017 drilling program, is set out below.

February 2017 Block Model looking Southeast



2017 Summer/Fall Drilling and 2018 Winter Drilling

Marathon resumed drilling in May 2017 following the closing of its prospectus financing with a plan to complete an additional 60,000 meters of drilling. The planned scope of this drilling program included:

- Down-dip extension drilling at the Leprechaun Deposit intended to test the extension of high grade intercepts below 300 meters.
- Infill drilling at the Marathon Deposit for 1,200 meters along strike, intended to increase drill density in areas drilled with widely spaced holes in 2016, to upgrade resources from inferred to indicated, and to expand the Marathon Deposit resource to the southwest.
- Extension drilling to test mineralization at the Marathon Deposit along strike and to depth, beneath the current resource pit.
- Exploration drilling to test the potential of showings between the Victory and Leprechaun Deposits to host near-surface resources.

Upon resumption of drilling in May 2017, following the commencement of the first of two financings in the year, the pace of drilling activity at Valentine Lake accelerated from May to November. Drilling at the Marathon Deposit, with three drills early in the summer and later four drills, focused on expanding the open pit resource to the southwest of the existing resource boundary, increasing the depth of the pit in the central portion of the deposit, and expanding the underground resources. A more modest program using a single drill at the Leprechaun Deposit focused on expanding the down-dip extension of the existing high-grade underground resource and testing the geological model.

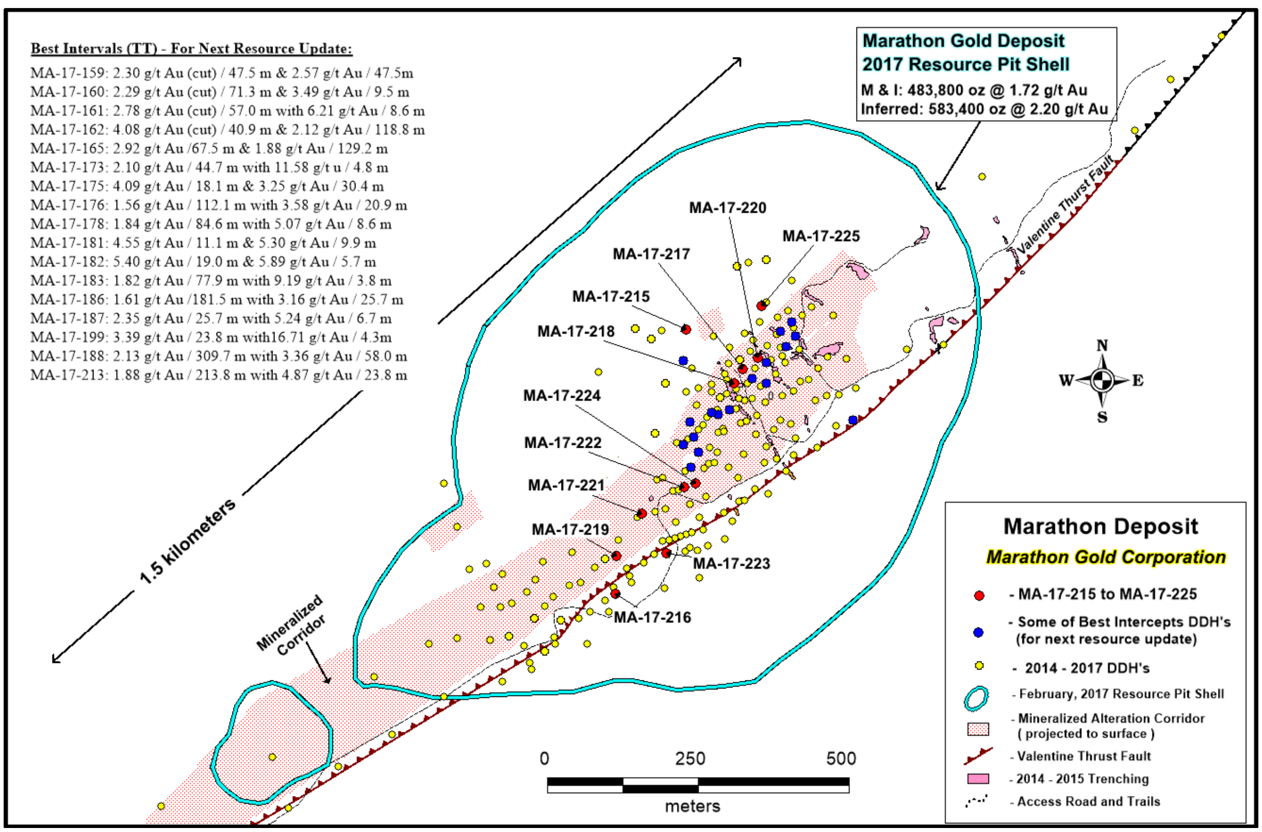
Drilling at Valentine Lake re-commenced in late January 2018. To the date of this MD&A, Marathon's drilling has focused in two areas: infill and step-out drilling using two drills at the Marathon Deposit intended to expand the Marathon Deposit resource, with the intention of incorporating any expansion of the resource in the PEA, and a series of widely-spaced exploration holes close to the Sprite Deposit in the 3.5 kilometer boggy area between the Marathon and Sprite Deposits. Drilling in this area of the property has taken advantage of winter ground conditions that made it practicable to mobilize drilling equipment in the area and is being undertaken to determine at a high level the potential for continuity of mineralization between the Marathon and Sprite Zones.

Drilling at each deposit and in the bog between the Marathon and Sprite Deposits generated excellent results in line with management's objectives.

At the Marathon Deposit, notable drilling results included:

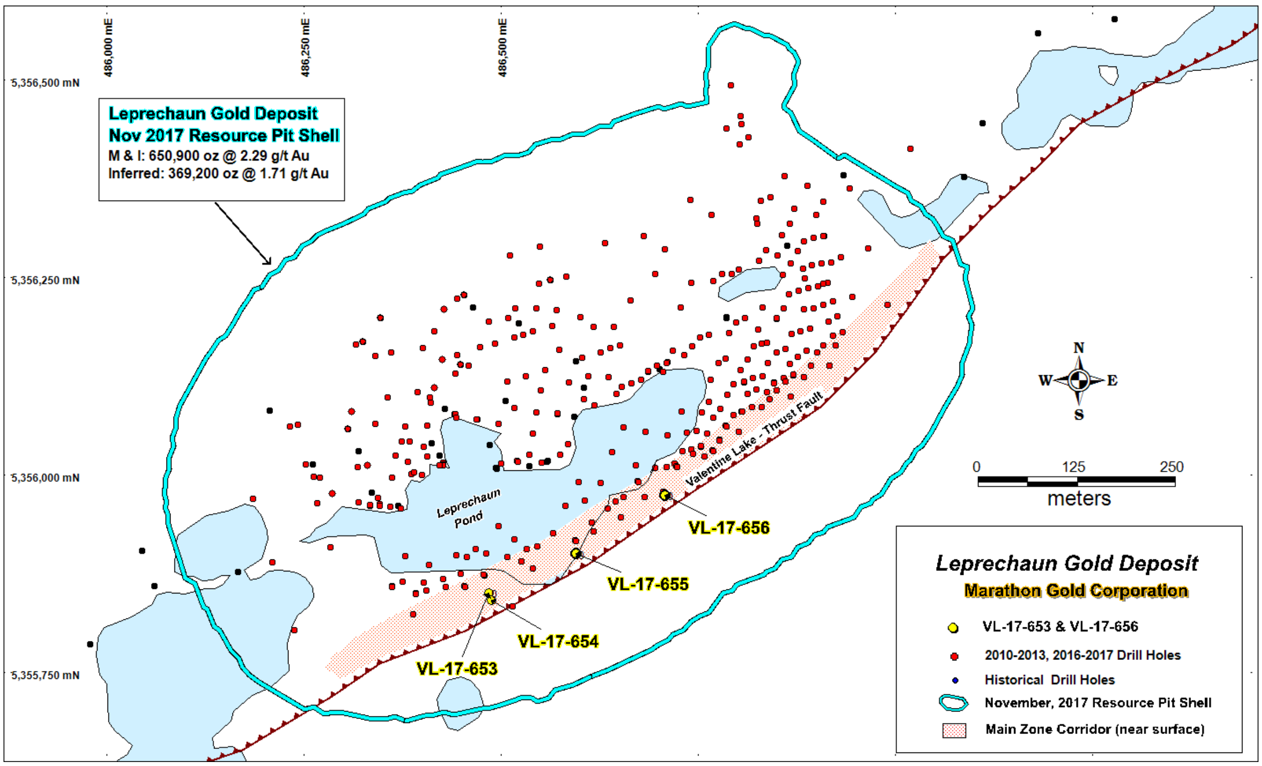
- Numerous intercepts of high-grade gold intervals encountered in drilling across the main mineralized corridor in the northeastern and southwestern portions of the deposit, with the potential to deepen the open pit and expand underground resources.
- Intercepts of high grade mineralization along the outer margin of the mineralized corridor in the southwestern area of the Marathon Deposit.

The location map below illustrates the location of drilling completed at the Marathon Deposit within the existing February 2017 resource pit shell.

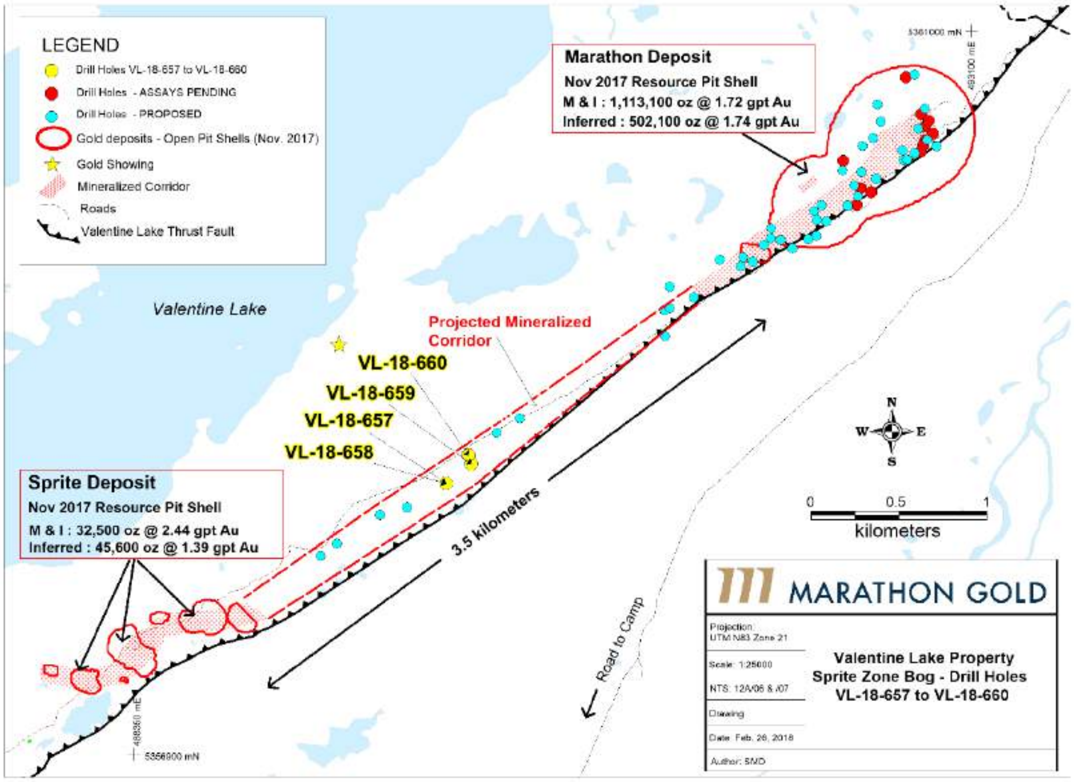


At the Leprechaun Deposit, drilling intercepted continuous, wide high-grade gold intervals in holes designed to penetrate down through the stacked QTP veining of the Main Zone corridor of the Leprechaun Deposit.

The location map below illustrates the location of drilling from the summer program at the Leprechaun Deposit within the existing February 2017 resource pit shell.



The location map below illustrates the location of exploration drilling in the bog in the winter of 2018.



November 2017 Mineral Resource Estimate

In the third quarter of 2017 Marathon engaged John T. Boyd Company ("Boyd") to complete an updated property-wide mineral resource estimate on the Valentine Lake property, incorporating the results of drilling through the end of October 2017 and the re-modelling of the Leprechaun Deposit to better reflect the current geological model and management's improved understanding of the geology of the Marathon Deposit and the Valentine Lake property generally. As planned, the results of this resource have been used as the starting point for the PEA on the Valentine Lake property, but the resource estimate will be updated to incorporate the results of some of the 2018 drilling in the course of completing the PEA.

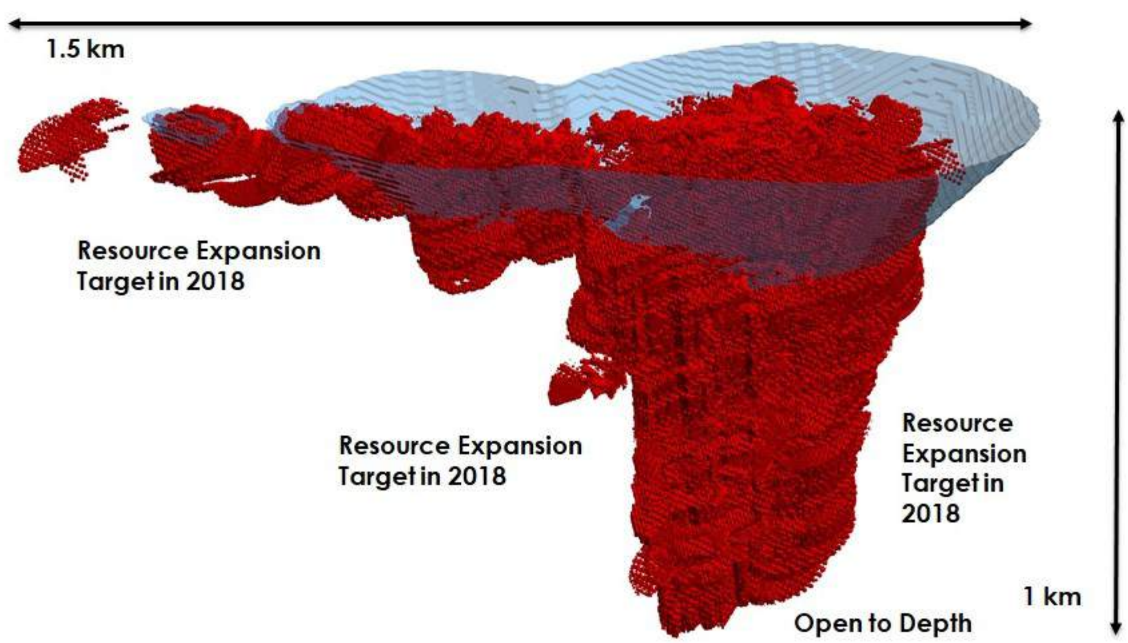
The November 2017 updated resource estimate is summarized below, as excerpted from Marathon's press release dated November 30, 2017 and the technical report, NI 43-101 *Technical Report, Mineral Resource Estimate, Valentine Gold Camp, Newfoundland and Labrador, Canada,* authored by Boyd with an effective date of November 27, 2017. Compared to the March 2017 resource estimate, the combined measured and indicated resources increased by 458,300 ounces, or 33%, and the combined inferred resource increased by 245,200 ounces, or 32%. Compared to the April 2015 resource, the combined measured and indicated resources increased by 786,400 ounces, or 74%, and the combined inferred resource increased by 812,900, or 409%.

Deposit / Category	Open Pit			Underground			Total		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
		(g/t)	(oz)		(g/t)	(oz)		(g/t)	(oz)
Leprechaun Deposit									
Measured & Indicated Mill	5,637,000	3.19	578,900	218,000	4.22	29,600	**5,855,000**	**3.23**	**608,500**
Measured & Indicated Heap Leach	2,994,000	0.44	42,400	-	-	-	**2,994,000**	**0.44**	**42,400**
Total Measured & Indicated	**8,631,000**	**2.24**	**621,300**	**218,000**	**4.22**	**29,600**	**8,849,000**	**2.23**	**650,900**
Inferred Mill	3,447,000	2.42	268,600	478,000	4.02	61,800	**3,925,000**	**2.62**	**330,400**
Inferred Heap Leach	2,790,000	0.43	38,800	-	-	-	**2,790,000**	**0.43**	**38,800**
Total Inferred	**6,237,000**	**1.53**	**307,400**	**478,000**	**4.02**	**61,800**	**6,715,000**	**1.71**	**369,200**
Sprite Deposit									
Measured & Indicated Mill	238,000	2.67	20,400	71,000	4.64	10,600	**309,000**	**3.12**	**31,000**
Measured & Indicated Heap Leach	105,000	0.44	1,500	-	-	-	**105,000**	**0.44**	**1,500**
Total Measured & Indicated	**343,000**	**1.99**	**21,900**	**71,000**	**4.64**	**10,600**	**414,000**	**2.44**	**32,500**
Inferred Mill	482,000	1.97	30,500	90,000	3.03	8,800	**572,000**	**2.13**	**39,300**
Inferred Heap Leach	447,000	0.44	6,300	-	-	-	**447,000**	**0.44**	**6,300**
Total Inferred	**929,000**	**1.23**	**36,800**	**90,000**	**3.03**	**8,800**	**1,019,000**	**1.39**	**45,600**
Marathon Deposit									
Measured & Indicated Mill	10,948,000	2.37	833,000	1,521,000	3.54	173,100	**12,469,000**	**2.51**	**1,006,100**
Measured & Indicated Heap Leach	7,672,000	0.43	107,000	-	-	-	**7,672,000**	**0.43**	**107,000**
Total Measured & Indicated	**18,620,000**	**1.57**	**940,000**	1,521,000	3.54	173,100	**20,141,000**	**1.72**	**1,113,100**
Inferred Mill	3,367,000	1.64	177,500	2,710,000	3.27	284,900	**6,077,000**	**2.37**	**462,400**
Inferred Heap Leach	2,909,000	0.43	39,700	-	-	-	**2,909,000**	**0.43**	**39,700**
Total Inferred	**6,276,000**	**1.08**	**217,200**	2,710,000	3.27	284,900	**8,986,000**	**1.74**	**502,100**
Victory Deposit									
Measured & Indicated Mill	656,000	2.09	44,100	-	-	-	**656,000**	**2.09**	**44,100**
Measured & Indicated Heap Leach	418,000	0.44	5,900	-	-	-	**418,000**	**0.44**	**5,900**
Total Measured & Indicated	**1,074,000**	**1.45**	**50,000**	-	-	-	**1,074,000**	**1.45**	**50,000**
Inferred Mill	1,307,000	1.63	68,300	134,000	3.32	14,300	**1,441,000**	**1.78**	**82,600**
Inferred Heap Leach	860,000	0.44	12,200	-	-	-	**860,000**	**0.44**	**12,200**
Total Inferred	**2,167,000**	**1.16**	**80,500**	134,000	3.32	14,300	**2,301,000**	**1.28**	**94,800**

Notes:

1. The effective date for this mineral resource estimate is November 27, 2017 and is reported on a 100% ownership basis.
2. Mineral Resources are calculated at a gold price of US$1,250 per troy ounce.
3. The mineral resources presented above are global and do not include a detailed pit or underground design, only an economic pit shell was used to determine the in-pit mineral resources. The underground mineral resources are that material outside of the in-pit mineral resources above the stated underground cut-off grade.
4. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues
5. The mineral resources presented here were estimated using a block model with a block size of 6 m by 6 m by 6 m sub-blocked to a minimum block size of 2 m by 2 m by 2 m using ID^3 methods for grade estimation. All mineral resources are reported using an open pit gold cut-off of 0.295 g/t Au and an underground gold cut-off of 1.906 g/t Au. Material between a 0.295 Au g/t value and 0.638 Au g/t is assumed to be processed on a heap leach. Material above a 0.638 Au g/t is assumed to be processed in a mill. Higher gold grades were given a limited area of influence and was applied during grade estimation by mineralized domain.
6. The mineral resources presented here were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council May 10, 2014.
7. Figures are rounded, and totals may not add correctly.

A three-dimensional block model of the November 2017 Marathon Deposit resource, looking northwest, is set out below to illustrate the impact of the resource expansion drilling program from May to November 2017.



Buy-back of Net Smelter Returns Royalty

As described in the financial statements, the Valentine Lake property was subject at all times in the period from January 1, 2016 to November 14, 2017 to a net smelter returns royalty held by Glencore Canada amounting to 2% on base metal production and 3% on precious metal production (collectively, the "NSR"). The NSR covered a land package on the Valentine Lake property that encompassed all of the current resources associated with the Valentine Lake property.

Prior to October 2017, management had not made any significant efforts to buy back the NSR or to enquire as to the potential terms for a buy-back.

On October 30, 2017, Glencore offered to sell the NSR to Marathon for cash proceeds of US $8.7 million, pursuant to Marathon's right of first offer stipulated in the NSR agreement, in advance of a planned transfer of this royalty into a new investment vehicle. Management analyzed the potential improvements in the economics of the Valentine Lake project, based in part on an early stage economic model prepared by an independent engineer earlier in 2017, and concluded that the buy-back of the NSR was accretive to the net asset value of the project at the offered price. On November 14, 2017 Marathon closed the buy-back of the NSR for cash consideration of $11,246,525 including transaction costs.

The royalty buy-back was a one-time opportunity that management expects will have a significant positive impact on the value of the Valentine Lake project.

Acoustic Surveying

Marathon engaged Acoustic Zoom Inc. ("AZI") to conduct a program of acoustic surveying on boggy areas to the southwest of the 2017 Marathon Deposit resource boundary, a part of the property with little outcrop and boggy surface conditions which limit the effectiveness of conventional prospecting techniques. The Research and Development Corporation of Newfoundland and Labrador ("RDC") underwrote a total of $742,500 of the expected final costs of this program, which amount to approximately $1.8 million. To the date of this MD&A, Marathon has received a total of $668,000 in assistance from RDC in connection with this program.

AZI completed its surveying fieldwork in January and February 2017, and its work moved on to the analysis of acoustic data gathered during fieldwork using a proprietary methodology with the primary objective of identifying swarms of gold-bearing veins at depths well beneath the current lower limit of the 2017 Marathon Deposit resource boundary and then to apply that knowledge along the 2.2-kilometer survey area. A secondary goal of the survey was to locate the important Valentine Lake Thrust Fault on the foot wall of the mineralization and the gabbro contact from surface to depth along the survey area.

As reported in Marathon's MD&A in the second and third quarters of 2017, management expected to receive deliverables from this work toward the end of July 2017. To the date of this MD&A, AZI has not provided any actionable information with respect to the objectives set out above.

Metallurgical Testwork

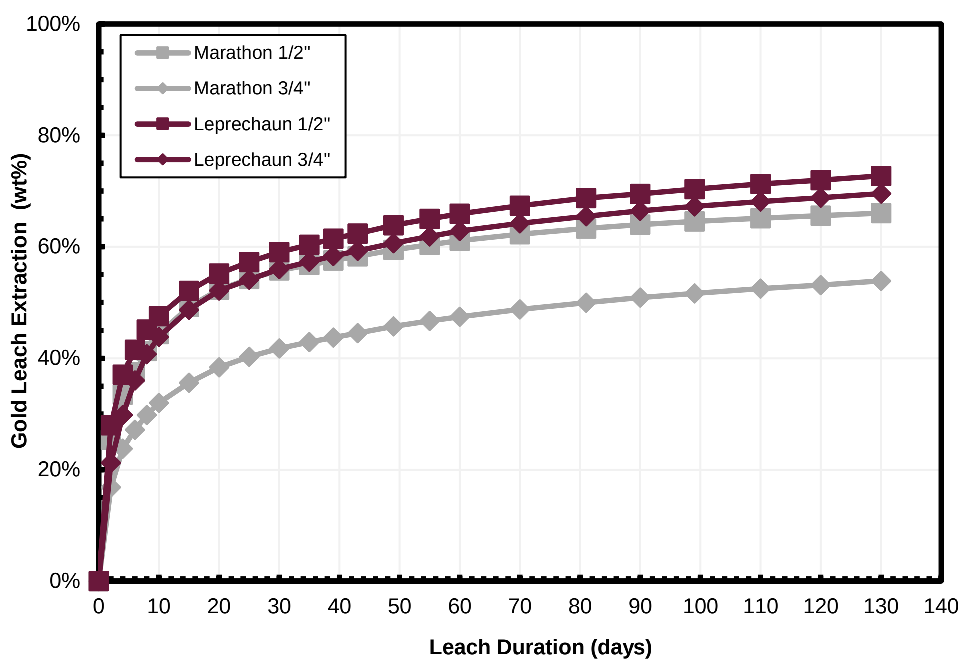
In the first quarter of 2016, Marathon commenced work on a metallurgical testwork program following on from its 2014/15 testwork program, with the costs of this program being underwritten approximately 75% by RDC. This program had two objectives:

- 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 for the Leprechaun Deposit.

The program commenced in March 2016, with the results of preliminary bottle roll testing justifying column testing of samples crushed to minus 0.5" and minus 0.75". The column tests were terminated 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, a metallurgical consultant, 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 of 2016, 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 recoveries achieved 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%

Finally, late in 2016 Marathon commissioned bottle roll testing, indicative of heap leach recoveries, on samples of lower grade mineralized material from the Leprechaun and Marathon Deposits with a designed head grade of 0.3 g/t gold and crushed to minus 0.25 inches. This work resulted in recoveries after 240 hours of leaching ranging from 61.6% to 71.5% for material obtained from the Leprechaun Deposit and from 69.1% to 79.3% for material from the Marathon Deposit.

b) Baie Verte

Marathon completed a short program in 2017 at the Baie Verte property consisting of four drill holes intended to test targets identified in prior surface exploration programs. No significant assay results were obtained from this drilling program.

5) OUTLOOK

a) Valentine Lake Gold Camp

In addition to the ongoing drilling program at Marathon, there are several activities planned at Valentine Lake over the next 6 to 12 months, including:

- Completion of the PEA on the Valentine Lake property. To date, Marathon and the team of independent advisors responsible for the PEA have completed major design elements, process flowsheets, and the layout of site infrastructure, and the finalized economic study is on track for completion in the second quarter of 2018.
- An exploration geochemical sampling program focused on areas east of the Leprechaun- Sprite area, as well as detailed prospecting and follow-up trenching focused on areas between Marathon and Victory Northeast;
- A program of detailed prospecting and follow-up trenching focused on the northeastern part of the Valentine Lake property, an area with indications of gold mineralization but limited prior exploration activity; and
- Advanced environmental studies, which are underway at the date of this MD&A. The results of this work will be incorporated into future economic studies on the project and used in the course of permitting activity.

As mentioned above, Marathon resumed drilling at Valentine Lake in early January 2018. This program is underway at the date of this MD&A and will wind down at the end of March 2018. The majority of the 2018 drilling activity focused on the Marathon Deposit with the objectives of filling gaps in drilling identified through completion of the November 2017 resource estimate and expanding the Marathon Deposit resource, but for the first time Marathon was able to take advantage of favorable access conditions and drill in the 3.5-kilometer gap between the Sprite and Marathon Deposits. This took the form of a series of widely spaced holes starting close to the southwest end of the bog, near the Sprite Deposit. Four shallow drill holes intersected high grade gold intervals at depths from 40 to 130 meters, an exciting result which demonstrates that the mineralizing system associated with all the current resources at Valentine Lake is present hundreds of meters along strike from the closest drill-tested location. Drilling is continuing in the bog, but much more drilling will be needed to confirm the potential of this new area.

With the completion of the PEA, Marathon's focus with respect to Valentine Lake is progressing toward development as opposed to a pure exploration focus. In the event that management and the board of Marathon elect to progress toward a pre-feasibility study ("PFS) on the project, Marathon expects to begin a number of development initiatives, including:

- An enhanced metallurgical testwork program to optimize recoveries from flotation processing;
- Condemnation drilling around potential infrastructure sites;
- Expansion of Marathon's existing camp to accommodate an expanded workforce;
- Geotechnical drilling to optimize pit slopes and for infrastructure foundations; and
- Community and First Nations consultation.

b) Golden Chest

Management continues to monitor the activity of New Jersey Mining Company ("NJMC") with respect to Marathon's royalty interest in the Golden Chest property.

To December 31, 2017, Marathon had received royalty payments amounting to $83,334 in respect of provisional and final payments received by NJMC for shipments of concentrate by NJMC to its refiner, and subsequently to the date of this MD&A received an additional royalty payment of $28,173. These payments are treated for accounting purposes as reductions in the carrying value of Marathon's NSR royalty on production from Golden Chest until the carrying value has been reduced to $Nil. Assuming that production and gold sales related to Golden Chest continues at a pace similar to 2017, the carrying value of this royalty will reduce to $Nil in the second quarter of 2018 and Marathon will begin to recognize royalty revenue from this property interest.

c) Other properties

The exploration program completed at Baie Verte in the first quarter of 2017 is sufficient to satisfy Marathon's work commitment with respect to the property and maintain the underlying mining claims in good order.

Marathon has no plans at the date of this MD&A to carry out any exploration activities at the Bonanza property in Oregon or the Gold Reef property in British Columbia.

6) RESULTS OF OPERATIONS

The results of operations for the three- and twelve-month periods ended December 31, 2017 and 2016 are summarized below.

	Three months ended December 31		Year ended December 31	
	2017	2016	**2017**	2016
	$	$	**$**	$
Expenses:				
Exploration expenses	**961**	954	**109,650**	22,527
General and administrative expenses	**423,502**	799,773	**2,516,676**	1,564,313
Other finance expense	**50,651**	195,766	**162,240**	202,507
Interest income	**(12,710)**	(1,566)	**(79,369)**	(6,171)
Foreign exchange (gain) loss	**(7,069)**	(5,430)	**(2,656)**	15,580
Loss before tax	**455,335**	989,497	**2,706,541**	1,798,756
Income tax (recovery)	**3,400,849**	162,367	**1,304,362**	(252,784)
Loss for the period attributable to Marathon Gold shareholders	**3,855,824**	1,151,864	**4,010,903**	1,545,972

Notes:

Three months ended December 31, 2017:

- **General and administrative expenses** decreased from $799,773 to $423,502. The principal components of this change are set out below.
  - **Salaries and wages** charged to operations increased from $157,382 to $168,633, reflecting increases to base compensation paid to Marathon's key management and directors effective January 1, 2017 following completion of a third-party review of Marathon's compensation practices.
  - **Professional fees** increased from $42,823 to $61,628 reflecting an increase in general legal work during the quarter and an increase in Marathon's annual audit fee for 2017.
  - **Listing fees and related expenses** associated with listing Marathon's common shares on the OTCQX platform in the United States amounted to $47,254 with no equivalent expense in 2017, as this listing was completed in November 2017.
  - **Investor relations** increased from $14,960 to $71,109, reflecting increased efforts by Marathon's team to connect with investors through multiple road shows and marketing activities not undertaken in 2016.
  - **Stock based compensation** charged to operations decreased from $494,609 to $Nil as the fair value of all options granted in the fourth quarter of 2017 were capitalized as part of Marathon's Exploration and evaluation assets.
  - **Tax provision –** the 2017 provision reflects the recognition of deferred tax liabilities related to the renunciation of the tax benefits of mineral exploration expenditures financed through flow through shares.

Year ended December 31, 2017:

- **Exploration expenses** incurred in 2017 increased from $22,517 to $109,650. As explained in section 4 of this MD&A, Marathon completed a short drilling program at its Baie Verte exploration property, with the timing of this program driven largely by the need to incur expenditures in 2017 to keep Marathon's mineral licenses related to Baie Verte in good standing.

- **General and administrative expenses** increased from $1,564,313 to $2,516,676. The principal components of this change are set out below.
  - **Employee and director compensation** charged to operations increased from $546,497 to $815,715 reflecting increases to base compensation paid to Marathon's key management and directors effective January 1, 2017 upon completion of a third-party review of Marathon's compensation practices; these increases reflect the first change in base compensation paid to management and the board since 2010. In addition, a performance bonus driven by the significant increase in mineral resources associated with the Valentine Lake property since the previous mineral resource in 2015 and related to performance in the 2015 and 2016 fiscal years was paid in the second quarter to management and exploration staff. As well, compensation costs in the first quarter of 2016 reflected voluntary forfeitures of salary and director fees undertaken in recognition of Marathon's weakened treasury at the time.
  - **Listing fees and related expenses** increased from $39,694 to $107,150. This increase was driven by the increase in Marathon's market capitalization, which increased the costs associated with maintaining Marathon's TSX listing, and by the decision in the fourth quarter to list Marathon's shares on OTCQX, which resulted in additional listing expenses amounting to $47,254.
  - The decrease in **occupancy costs** from $118,868 to $66,061 reflects the savings obtained by moving to new corporate offices in the third quarter of 2016.
  - **Professional fees** increased from $76,000 to $204,808, associated primarily with the independent review of Marathon's compensation practices in the first and second quarters of 2017 and with changes to corporate governance undertaken in response to issues raised by proxy advisory firms prior to Marathon's 2017 annual meeting.
  - **Stock based compensation** charged to operations increased from $494,609 to $842,513 with the increased expense being driven primarily by the increase in Marathon's share price during 2017 and the resulting increase in the grant date fair value of each option issued in the year.
  - **Other** expenses increased from $144,713 to $208,673, driven primarily by costs associated with a site visit to Valentine Lake by Marathon's board and senior management and shareholder outreach in connection with Marathon's 2017 annual meeting.
- Amounts charged as **Other finance expense** represent a portion of the share issuance costs associated with Marathon's May and December 2017 equity financings considered attributable to the Flow through share tax premium, which is classified as a liability. Such costs are charged to operations as incurred.
- **Tax provision -** the 2017 provision reflects the recognition of deferred tax liabilities related to the renunciation of the tax benefits of mineral exploration expenditures financed through flow through shares.

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.

	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Statement of Operations: (all amounts in $000’s)								
Exploration expenses	1	22	5	81	1	22	-	-
General and administrative expenses	424	510	1,229	354	799	279	244	242
Other (income) loss	30	(42)	103	(10)	190	(5)	6	21
Loss from continuing operations before tax	455	490	1,337	425	990	296	250	263
Income taxes	3,401	(222)	(700)	(1,174)	162	-	-	(415)
Loss (Income) operations attributable to Marathon shareholders	3,856	268	637	(749)	1,152	296	250	(152)
Loss (Income) per Share:								
Loss (Income) attributable to Marathon shareholders								
Basic	0.03	0.002	0.005	($0.006)	$0.013	$0.003	$0.002	($0.002)
Diluted	0.03	0.002	0.005	($0.006)	$0.013	$0.003	$0.002	($0.002)
Balance Sheet: (all amounts in $000’s)								
Cash, cash equivalents and short-term investments	7,172	17,425	21,127	5,169	8,458	3,014	3,667	1,772
Working capital	4,850	15,556	19,324	4,799	6,445	3,050	3,716	1,823
Mineral exploration and evaluation assets	73,826	59,477	55,099	51,872	48,795	46,613	45,093	44,607
Total assets	81,542	77,560	76,867	58,432	57,656	49,969	49,034	46,528

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 fourth quarters of 2015 and 2016 and the second and third quarters of 2017 reflect the issuance of stock options in each period. The decline in Marathon’s reported cash and working capital positions at December 31, 2017 compared to September 30, 2017 is in part the result of the purchase in November 2017 of the Glencore NSR, as discussed in section 5 of this MD&A.

8) CAPITAL, LIQUIDITY AND GOING CONCERN

Cash and cash equivalents at December 31, 2017 amounted to $7,172,355 compared with $8,458,077 at year-end 2016. Marathon's working capital at December 31, 2017 was $4,849,881 versus $6,445,509 at year-end 2016.

Marathon funded its operations in the year ended December 31, 2017 through the use of existing cash reserves; cash raised through two equity financings in 2017, as set out below in section 9 of this MD&A, which raised combined gross proceeds of $23,608,180; and additional proceeds in the year amounting to $2,815,398 from the exercise of warrants and stock options.

These issuances of equity have provided Marathon with sufficient resources to continue its aggressive drilling program at Valentine Lake and to complete the PEA. As Marathon moves forward, it will require additional financing to undertake exploration and development activities.

9) CAPITAL ACTIVITIES

Marathon completed two financings in the year ended December 31, 2017.

On May 25, 2017, Marathon closed a bought deal prospectus financing underwritten by a syndicate of underwriters led by RBC Capital Markets, pursuant to which Marathon issued a total of a total 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.

On December 21, 2017 Marathon closed a private placement underwritten by a syndicate of underwriters led by Canaccord Genuity Corp., issuing a total of 4,066,000 flow through shares at a price of $1.23 for gross proceeds of $5,001,180.

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. The option plan was amended during the second quarter of 2017 in advance of Marathon's annual general meeting of its shareholders, following discussions with ISS and key institutional shareholders, to place additional limits on the number and grant date fair value of options issuable to Marathon's non-employee directors, as described below:

- Options issued to non-employee directors subsequent to June 7, 2017, the date on which the amended and restated option plan was approved by Marathon's shareholders, cannot exceed 1% of Marathon's issued and outstanding shares.
- The grant date fair value of all options awarded in any fiscal year to non-employee directors is limited to $100,000 per director.

Marathon's issuances of options in the year ended December 31, 2017 complied with each of these restrictions, as follows:

- On June 21, 2017 Marathon granted a total of 610,000 options to non-employee directors, which amounted to 0.4% of Marathon's issued and outstanding shares immediately prior to the grant. On September 19, 2017 Marathon granted an additional 150,000 options following the appointment of a new non-employee director. Taken together, at December 31, 2017 the 760,000 options granted in 2017 represent 0.5% of Marathon's issued and outstanding shares.
- In aggregate, the grant date fair value of the options granted in 2017 to non-employee directors amounted to $431,510 and in no case did the fair value of such compensation to any one director exceed $100,000.

A total of 2,535,000 options were awarded in the year ended December 31, 2017 at a weighted average exercise price of $1.07 per share. Of this total, 2,435,000 options were awarded with immediate vesting with the remaining 100,000 options granted subject to vesting upon completion of the PEA on Valentine Lake. In addition, a total of 2,367,000 options were exercised in the year ended December 31, 2017, generating proceeds of $1,275,900, and 173,000 options expired in the year.

Subsequent to December 31, 2017 to the date of this MD&A, Marathon issued a total of 990,000 shares pursuant to the exercise of stock options for total proceeds of $510,400.

11) RELATED PARTY TRANSACTIONS

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

	Three months ended December 31		**Year ended December 31**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Salaries paid to officers	**155,000**	146,250	**895,000**	542,344
Director fees	**47,500**	38,875	**163,478**	114,792
Stock based compensation	**-**	627,837	**1,071,423**	627,837
	202,000	812,962	**2,129,901**	1,284,973

12) FULLY DILUTED SHARE CAPITAL

	Number of shares
Common shares	146,098,352
Unexercised stock options	9,568,500
Unexercised share purchase warrants	4,498,350
Fully diluted share capital – March 27, 2018	**160,165,202**

13) OFF-BALANCE SHEET ARRANGEMENTS

Marathon had no off balance-sheet arrangements as at December 31, 2017 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.

Marathon is nearing completion of a preliminary economic assessment on the Valentine Lake Gold Camp, the first economic study on the property. Moving forward from the results of this study, should the PEA support such activity, will require substantial financing, and it may not be possible to raise sufficient additional funds to complete development and achieve profitable production or to obtain the permits required to enable Marathon to commence mining operations on its properties.

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 several 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, 2017. 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, 2018:

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.

Marathon has commenced the evaluation of the new standard and does not anticipate any material impact from the adoption of this standard. Management will continue to monitor the potential impact of adoption as the adoption period approaches.

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, 2017.

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, 2017 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, the expected forfeiture of options issued subject to vesting, 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