MARATHON GOLD CORP.

MARATHON GOLD CORPORATION

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2018

MARCH 22, 2019

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual information form ("**AIF**") and the documents incorporated herein by reference contain forward looking statements. Such forward-looking statements include, but are not limited to, statements about drill results, commodity prices, and core intersection lengths, in that they constitute estimates, based on certain assumptions of mineralization that may be encountered if a deposit were to be mined. In addition, the technical report related to the Corporation's material resource property, incorporated by reference in this AIF, contains forecasts and estimates concerning annual gold production, gold grades, metallurgical recoveries, metal pricing, and production and capital costs.

In some cases, forward-looking statements can be identified by the use of words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved or other variations of these words or phrases, or other comparable words or phrases. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Marathon Gold Corporation ("**Marathon**" or the "**Corporation**"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- the possibility that future exploration, development, construction or mining results will not be consistent with the Corporation's expectations;
- risks relating to possible variations in grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price and foreign exchange rate fluctuations;

- the uncertainty of profitability based upon the cyclical nature of the mining industry;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental or other stakeholder approvals or in the completion of development or construction activities;
- risks related to environmental regulation and liability, government regulation and permitting;
- political and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Corporation's prospects, properties and business strategy.

A discussion of these and other factors that may affect the Corporation's actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in this AIF and other documents incorporated or deemed to be incorporated in this AIF.

This list is not exhaustive of the factors that may impact the forward-looking statements. These and other factors should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Corporation undertakes no obligation to update forward looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Specifically incorporated by reference and forming a part of this AIF is the technical report entitled “Technical Report, Preliminary Economic Assessment of the Valentine Lake Gold Project, Newfoundland, NL, Canada” dated November 26, 2018 with an effective date of October 30, 2018 and authored by Lycopodium Minerals Canada Limited (“Lycopodium”), John T. Boyd Company, Mining and Geological Consultants (“BOYD”), APEX Geoscience Ltd. (“APEX”), and Stantec Consulting Ltd. (“Stantec”) (the “2018 Valentine Lake Technical Report”). The principal authors of the 2018 Valentine Lake Technical Report are Messrs. Neil Lincoln, P.Eng., of Lycopodium; Robert J. Farmer, P.Eng., of BOYD; Roy Eccles of APEX; and Paul Deering of Stantec.

Copies of the document incorporated by reference are available electronically at www.sedar.com. Copies can also be obtained without charge upon written request to Marathon at its offices located at 10 King Street East, Suite 501 Toronto, Ontario M5C 1C3.

NI 43-101 QUALIFIED PERSON

Except where specifically indicated otherwise, the disclosure in this AIF of technical and scientific information regarding the Corporation's mineral exploration and development projects has been reviewed and approved by Mr. Phillip Walford, P.Geo., President and Chief Executive Officer, while the disclosure information with respect to mine development and operations has been reviewed by Mr. Robbert Borst, Chief Operating Officer. Both Mr. Walford and Mr. Borst are Qualified Persons as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

CORPORATE STRUCTURE

The Corporation was incorporated as 7289812 Canada Inc. under the *Canada Business Corporations Act* on December 3, 2009, for the purpose of exploring mineral properties in Canada. On March 12, 2010, the Corporation's name was changed to Marathon Gold Corporation.

The Corporation became a reporting issuer on November 30, 2010 following a plan of arrangement with its former parent Marathon PGM Corporation ("**MPGM**") and the acquirer of MPGM, Stillwater Mining Company. All of the shareholders of MPGM received common shares of the Corporation pursuant to the arrangement, after which the Corporation became a reporting issuer or the equivalent in the same jurisdictions that MPGM was a reporting issuer, being the provinces of British Columbia, Alberta, Manitoba, Ontario, Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

The registered office of the Corporation and the Corporation's principal office are located at 10 King Street East, Suite 501 Toronto, Ontario M5C 1C3.

The following table sets forth the name of all subsidiaries of the Corporation and the jurisdiction of incorporation and the percentage ownership by the Corporation of each such subsidiary.

Name of Subsidiary	**Jurisdiction of Incorporation**	**Percentage Ownership**
Marathon Gold USA Corporation	USA	100%
Mountain Lake Resources Inc.	BC	100%

GENERAL DEVELOPMENT OF THE BUSINESS

Marathon's principal business is the acquisition, exploration and development of mineral resource projects. Its principal and only material mining project is its 100% owned Valentine Lake gold property in Newfoundland (the "**Valentine Lake Gold Property**").

The commentary below summarizes significant activities in the general development of Marathon's business in the three most recent fiscal years.

Year ended December 31, 2016:

Mining Property Interests

Valentine Lake Gold Property

Winter 2016 drilling
Marathon resumed drilling in January 2016 in a program which consisted of 13 widely spaced step-out holes covering 2,062 meters of drilling over a strike length of approximately 1200 meters. This drilling was focused on areas to the southwest of the Marathon Deposit resource boundary in wetlands and boggy areas with little to no outcrop and up to 9 meters of overburden. These areas had been identified as targets but had not been drilled previously because of difficulties in gaining access outside the winter months.

This drilling program satisfied management's objective of confirming the mineralization trend southwest from the Marathon Deposit using 200-meter step-out holes which expanded the strike length 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.

2016 Summer/Fall Drilling
Following the successful closing of a financing in May 2016, Marathon resumed drilling at the Valentine Lake Gold Property in early June 2016, in a program which continued until mid-December 2016 and resulted in 76 holes covering a total of 18,133 meters.

The bulk of the drilling completed in this campaign focused on the Marathon Deposit, which represented and continues to represent the largest gold resource on the Valentine Lake Gold Property. Marathon had numerous successes arising from this drilling, including:

- Intersecting high grade mineralization in wide intervals 80 to 100 meters down-dip of previous drilling, proving that the mineralized corridor associated with the Marathon area extends to more than 350 meters in depth.

- Intercepting significant mineralization in step-out holes drilled southwest of the 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.

Incorporating the results obtained to the end of 2016, the Marathon Deposit mineralized corridor was over 1.7 kilometers in length, between 50-100 meters wide, and extends at least 350 meters to depth.

Metallurgical testwork program

In February 2016, Marathon commenced work on a two-phase program of metallurgical testwork. The objectives of this work were twofold:

- To determine the amenability of mineralized material from both the Leprechaun and Marathon Deposits to low-cost heap leaching, and
- To determine the metallurgical recoveries that could be anticipated from processing mineralized material from the Marathon Deposit using the conventional processing approach applied in 2014 to material from the Leprechaun Deposit.

Heap leach amenability testing

Initial bottle roll tests of mineralized material taken from drill core from the Leprechaun and Marathon Deposits yielded recoveries that were sufficient to justify terminating bottle roll tests after 96 hours of testing in order to focus on column tests of the same mineralized material crushed to minus 0.5" and minus 0.75". The column tests were terminated after 130 days of leaching, with gold continuing to leach from the mineralized samples, with the following results:

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%

Following completion of the column tests above, Marathon commissioned a further round of bottle roll testing 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". 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.

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

Golden Chest Property
Marathon sold its joint venture interest in the Golden Chest mine in Idaho, USA in December 2015 to New Jersey Mining Company ("NJMC"), who assumed 100% ownership of the property, in return for consideration including a 2% net smelter returns royalty on gold sales by Golden Chest.

During 2016, NJMC focused on making improvements at the Golden Chest property to replace infrastructure removed from the property by Juniper when it abandoned mining operations at Golden Chest in 2015 and otherwise readying the property and NJMC's mill in Kellogg, Idaho for the resumption of mining. NJMC reported that mining resumed in the third quarter of 2016, with an initial 20-ton shipment of gold-bearing concentrate to NJMC's refiner occurring in January 2017.

Financing

Marathon completed two financings in the year ended December 31, 2016. These are described below.

- On May 16, 2016, Marathon closed a brokered bought deal private placement of 10,504,500 units at a price of $0.23 per unit and 2,163,500 flow through common shares at a price of $0.27 per flow through share, for aggregate gross proceeds of $3,000,180.

Marathon incurred share issuance costs in connection with this financing amounting to $374,307.

- On October 27, 2016 Marathon closed a prospectus bought deal offering 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. Marathon incurred share issuance costs in connection with this financing amounting to $766,044.

Year ended December 31, 2017:

Mining Property Interests

Valentine Lake Gold Property

2017 drilling

Marathon commenced drilling in January 2017 and, with the exception of a break during April and May, continued until the end of November 2017. Marathon's 2017 drilling program resulted in 133 holes covering a total of 58,350 meters, by far the largest drilling campaign undertaken by Marathon since optioning the Valentine Lake Gold Property in 2010.

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 Gold Property. Marathon had numerous successes arising from the drilling, including:

- Drilling of four 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 from 900 to 1,001 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.
- Exploration drilling to test the potential of showings between the Victory and Leprechaun Deposits to host near-surface resources.
- 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.

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.

Mineral Resource Estimates:

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 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 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. This mineral resource 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%.

In the third quarter of 2017 Marathon engaged BOYD to complete an updated property-wide mineral resource estimate on the Valentine Lake Gold 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 Gold Property generally. As planned, the results of this resource were used as the starting point for the May 2018 PEA on the Valentine Lake Gold Property.

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%.

Buy-Back of Glencore Net Smelter Returns Royalty:

Prior to November 14, 2017 the Valentine Lake property was subject to a net smelter returns royalty held by Glencore Canada amounting to 2% on base metal production and 3% on precious metals production (the "Glencore NSR"). The Glencore NSR covered a land package on the Valentine Lake Gold Property that encompassed all of the current resources associated with the Valentine Lake Gold Property.

On October 30, 2017, Glencore offered to sell the Glencore NSR to Marathon for cash proceeds of US $8.7 million, pursuant to Marathon's right of first offer stipulated in the Glencore NSR agreement, in advance of a planned transfer of this royalty to a third party. On November 14, 2017 Marathon closed the buy-back of the Glencore NSR for cash consideration of $11,246,525 including transaction costs.

Financing

Marathon completed two financings in the year ended December 31, 2017. These are described below.

- 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. Marathon incurred costs in connection with this financing amounting to $1,416,508.

- On December 21, 2017, Marathon closed a private placement financing of 4,066,000 flow through shares at a price of $1.23 per flow through share, for total gross proceeds of $5,001,180. Marathon incurred costs in connection with this financing amounting to $366,478.

Golden Chest Property

Marathon received a total of $83,334 in cash during 2017 in the form of royalties from gold sales by the Golden Chest mine. These funds drew down the carrying value of Marathon's royalty interest in Golden Chest.

Year ended December 31, 2018:

Mining Property Interests

Valentine Lake Gold Property

2018 drilling

Drilling at the Valentine Lake Gold Property ran from mid-January to April and May to October 2018.

Marathon's drilling in the first phase of the 2018 drilling program focused on two areas:

- infill and step-out drilling using two drills intended to expand the Marathon Deposit resource and add to the PEA, and
- a series of 14 widely-spaced exploration holes extending to the northeast of the Sprite Deposit resource boundary in the 3.5-kilometer Gap zone between the Marathon and

Sprite deposits. Drilling in this area of the property took advantage of frozen ground to test a high potential area 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, drilling completed in 2018 prior to March 5, 2018 was incorporated into the March 2018 updated resource estimate for the Marathon Deposit, which served as the foundation for the May 2018 PEA. 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, some of which were in areas with little previous drilling.

The drilling completed in the zone between the Sprite and Marathon deposits (currently referred to as the Gap zone) during the first phase of the 2018 drilling program was not intended to contribute immediately to a change in mineral resources but instead to assess the potential for this ground to host additional mineral deposits. Management considered the results of drilling in this area of the property a success. All fourteen holes intercepted mineralization with intervals of mineralization sufficient to justify further drilling to potentially develop open pit resources, and drilling succeeded in extending the mineralized corridor associated with the Valentine Lake Gold Property by 2 kilometers.

Marathon restarted its drilling program in late May 2018 following spring break-up, focused primarily on infill drilling at the Marathon Deposit. This program was completed in late October 2018 with total of 56 holes of infill drilling covering a total of 21,805 meters.

The objectives of this program included:

- Step-out drilling intended to expand the existing resource associated with the Marathon Deposit along strike and to depth

- Conversion of a portion of the existing inferred mineral resource into either measured or indicated categories

- Drilling material in the hanging-wall and footwall of the Marathon main deposit area to reduce the strip ratio associated with the Marathon Deposit pit.

This infill drilling program was a success and drove further increases in the Marathon resource, which is set out below. Assaying of core obtained from the 2018 drill program was completed in January 2019, with the last drilling results from the 2018 drilling program reported in a press release dated January 21, 2019.

In addition to drilling at the Marathon Deposit, Marathon completed a program of 13 drill holes covering 1,832 meters of drilling in the area between the Victory and Marathon deposits and 8 drill holes covering 1,768 meters of drilling in the Sprite Zone. The Victory drilling followed on from earlier programs of prospecting and trenching to the southwest of the Victory Deposit in 2017 and 2018 which exposed a strike length of 1.5 km of mineralization with abundant QTP veining and visible gold, identical to the mineralizing system found elsewhere throughout the property.

Preliminary Economic Assessment

The results obtained to October 5, 2018 from the 2018 drilling program above were used as the foundation for a mineral resource estimate and a preliminary economic assessment ("PEA") which updated an earlier PEA completed in May 2018. The results of the updated PEA were announced by way of a press release dated October 30, 2018 and the 2018 Valentine Lake Technical Report was filed on SEDAR at www.sedar.com on November 30, 2018.

The economic highlights of the updated PEA and the change in each economic measure from the initial PEA on the Valentine Lake Gold Property, completed in May 2018, are summarized below and are excerpted from the October 30, 2018 press release. All figures reported in the table below are expressed in US dollars. These results do not include the effect of the sale in 2019 of a 2% net smelter returns royalty on the Valentine Lake Gold Property, as discussed on page 15 of this AIF.

	October 2018	May 2018	Change
Preproduction Capital	$355 Million	$380 Million	-$25 Million
Pre-Tax NPV (5%)	$834 Million	$ 597 Million	+$ 237 Million
Pre-Tax IRR	44%	34%	+10%
After-Tax NPV (5%)	$493 Million	$367 Million	+$126 Million
After- Tax IRR	30%	25%	+5%
Pre-Tax Payback Period	1.7 years	2.3 years	-0.6 years
After-Tax Payback Period	2.5 years	2.8 years	-0.3 years
Mine Life	12.2 years	10.2 years	+2 years
Recovered Gold Ounces	2,723,300	1,896,300	+827,000
Average Annual Production	225,100 ounces (12-year average)	188,500 ounces (10-year average)	+68,000 ounces (12-year average)
LOM Average Cash Cost	$603 / oz Au	$557 / oz Au	+$46 / oz Au
LOM Average AISC – All in Sustaining Costs	$666 / oz Au	$595 / oz Au	+$71 / oz Au
Throughput (tonnes per day) – Mill and Heap Leach	9,000 tpd / 9,000 tpd	7,500 tpd / 9,000 tpd	+1,500 tpd to the mill
Mill Grade & Recovery	2.2 g/t / 95%	2.2 g/t / 95%	No change
Heap Leach Grade & Recovery	0.5 g/t / 59%	0.5 g/t / 53%	+6% recovery
Initial Production	2022	2022	No change
Gold Price	$1,250 / oz Au	$1,250 / oz Au	No change
FX Rate (CDN$/US$)	$0.769	$0.787	-$0.018

More detailed information about the Valentine Lake Gold Property, the most recent mineral resource estimate on the property, and the PEA are contained in the “Material Resource Properties” section of this AIF.

Financing

On July 19, 2018, Marathon closed a prospectus financing of 5,900,000 common shares at a price $0.85 per common share and 2,900,000 flow through shares at a price of $1.05 per flow through share, for aggregate gross proceeds of $8,060,000. Marathon incurred costs in connection with this financing amounting to $772,121.

In addition, during the year ended December 31, 2018 Marathon received aggregate cash proceeds of $1,439,472 from the exercise of warrants and $569,800 from the exercise of stock options.

Subsequent to December 31, 2018:

Exploration and development activity

Marathon's exploration and development activity in the period from January 1, 2019 to the date of this AIF is in support of a pre-feasibility study on the Valentine Lake Gold Project. Marathon's current activity includes the following work;

- An extensive infill drilling program at the Leprechaun and Marathon deposits, with a total of 35 holes completed to the date of this AIF covering a total of 8,101 meters.

  The objectives of this drilling are to confirm the lateral continuity of higher-grade mineralization in the core of the Marathon Deposit in particular and to upgrade existing inferred resources in each deposit into the measured and indicated categories prior to completion of the PFS to maximize the conversion of the existing global resource at each deposit into reserves. Drilling to date has generated excellent results in line with these objectives, providing further confirmation of the geological model associated with the property and the potential of increasing the mineral resources for both deposits.

- Metallurgical testing on material from the Leprechaun and Marathon deposits is nearing completion, including column testing on material considered potentially heap leachable and mill test work on higher grade material. The results of both test programs have been highly encouraging, and final results of this work, which will be used in the PFS, are expected to be announced in the second quarter of 2019 once final assays have been completed.

- Marathon has begun the process of consultation with federal and provincial regulators with a focus on advancing Marathon through the environmental review and permitting process with an initial focus on filing a Project Description for the project. The Project Description sets out, among other things, the magnitude of the project, including planned open pits and infrastructure; the processes expected to be used in production; details concerning environmental impacts, including from the generation of wastes during construction and operation and management's plans for mitigating or avoiding such impacts; and details concerning the construction, operation, decommissioning and abandonment of the project.

- Marathon has begun the process of community consultation with communities potentially impacted by the development of the Valentine Lake project.

Sale of Royalty Interest

On February 21, 2019 Marathon completed the sale of a 2% net smelter returns royalty (the "FN NSR") to Franco-Nevada Corp. for gross proceeds of $18,000,000. The FN NSR covers the sale of precious and base metals from the Valentine Lake Gold Property. Marathon retains the right to buy back 25% of the FN NSR until December 31, 2022 at a cost of US $7,000,000.

NARRATIVE DESCRIPTION OF THE BUSINESS

Marathon's principal business is the acquisition, exploration and development of natural resource properties. At the date of this AIF, the Corporation owns 100% interests in four resource properties:

Newfoundland

- The Valentine Lake Gold Property in western Newfoundland, Marathon's flagship property and the focus of virtually all of Marathon's exploration and development activity.
- The Baie Verte property in western Newfoundland, an early-stage exploration property explored prior to 2018 for its potential to host an economic gold/base metal deposit. Marathon intends to allow the claims which underly this mineral property to lapse in 2019.

Stewart, British Columbia

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

Oregon, United States

- The Bonanza gold property, a historic past-producing gold property acquired in December 2011.

In addition, Marathon retains a 2% net smelter returns royalty on sales of precious and base metals by the Golden Chest mine in Idaho, USA.

RISK FACTORS

An investment in the Corporation should be considered highly speculative due to the nature of its activities and the present stage of its development. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the exploration and development of the Valentine Lake Gold Property, and the operating results, earnings, business and condition (financial or otherwise) of the Corporation. Investors should carefully consider the following risk factors.

Limited Operating History

Marathon has no history of earnings, has earned no revenue since commencing operations and has no source of operating cash flow, and there is no assurance that additional funding will be available to it for exploration and development. Furthermore, additional financing will be required to continue the development of the properties even if the Corporation's exploration programs are successful. There can be no assurance that Marathon will be able to obtain adequate financing in the future or that the commercial terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Marathon's mineral properties with the possible loss of such properties.

Mineral Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that the Corporation's properties can be mined at a profit. Factors beyond the control of the Corporation will affect the profitability of existing royalty assets and may affect the marketability of any minerals discovered at the Valentine Lake Gold Property. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Marathon may be affected by numerous factors which are beyond Marathon's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in Marathon not receiving an adequate return of investment capital.

The Valentine Lake Gold Property is in the exploration and development stage. Development of the Valentine Lake Gold Property and/or any other of the Corporation's properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on the Corporation's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of the Corporation.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Marathon's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Marathon's operations will, in part, be directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or that funds required for development can be obtained on a timely basis.

Marathon Depends on Financing to Fund its Exploration Activities

Marathon has no source of operating income and no assurance that additional funding will be available to it for further exploration and development of its projects. Although Marathon has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to progress its exploration properties, particularly with respect to the Valentine Lake Gold Property.

Management and Key Personnel

Recruiting and retaining qualified personnel is critical to Marathon's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Corporation believes that it will be successful in recruiting excellent personnel to meet its corporate objectives but, as the Corporation's business activity grows, it may require additional key financial, administrative and technical personnel. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that the Corporation is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

Title

No assurances can be given that title defects to Marathon's properties do not exist. The properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects. If title defects do exist, it is possible that Marathon may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. There is no guarantee that title to the properties will not be challenged or impugned. While, to the best of Marathon's knowledge, title to its properties is in good standing, this should not be construed as a guarantee of title. In Canada, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the government.

Government

Government approvals and permits are currently, and may in the future be, required in connection with Marathon's properties. To the extent such approvals are required and not obtained, Marathon may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on Marathon and cause increases in capital expenditures or production costs or reductions in levels of production or require abandonment or delays in development.

Environment

Marathon's operations will be subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect Marathon's operations.

Government approvals and permits may be required in connection with Marathon's operations. To the extent such approvals are required and not obtained, Marathon may be delayed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Marathon and require increased capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Pre-Existing Environmental Liabilities.

Pre-existing environmental liabilities may exist on the properties in which Marathon will hold an interest or on properties that may be subsequently acquired by Marathon which are unknown and which have been caused by previous or existing owners or operators of the properties. In such event, Marathon may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Marathon may not be able to claim indemnification or contribution from other parties. In the event Marathon was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Marathon and the value of its securities.

Calculation of Mineral Resources is Only an Estimate

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being mined or dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on mineral prices. Any material change in the quantity of reserves, resources, or grade may affect the economic viability of Marathon's properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Operating Hazards and Risks

Mineral exploration, development and production are subject to many conditions that are beyond the control of Marathon. These conditions include, but are not limited to, natural disasters, unexpected equipment repairs or replacements, unusual geological formations, unexpected geotechnical conditions, environmental hazards and industrial accidents. The occurrence of any of these events could result in delays, work-stoppages, damage to or destruction of property, loss of life, monetary losses and legal liability, any of which could have a material adverse effect upon Marathon or the value of its securities.

While Marathon maintains insurance against risks which are typical in the mining industry, insurance against certain risks to which Marathon may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, Marathon might elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should Marathon suffer a material loss or become subject to a material liability for which it was not insured, such loss or liability could have a material adverse effect upon Marathon and the value of its securities.

Tax

No assurance can be given that new taxation rules will not be enacted or existing rules will not be applied in a manner which could result in the Corporation being subject to additional taxation or which could otherwise have a material adverse effect on the Corporation's results from operations and financial condition.

Competition

The mining industry is intensely competitive in all of its phases, and Marathon competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect Marathon's ability to attract appropriately skilled labour and to acquire suitable properties or prospects in the future.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks, and Marathon may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation has not generated revenue or cash flow from the Valentine Lake Gold Property. As a result of the Corporation's negative cash flow, the Corporation continues to rely on the issuance of securities or other sources of financing to generate the funds required to develop the Valentine Lake Gold Property and for corporate expenditures. During the fiscal year ended December 31, 2018, the Corporation had negative cash flow from operating activities and may continue to have negative cash flow from operating activities into the future as the Corporation continues its exploration and development of the Valentine Lake Gold Property.

<u>Forward-Looking Information</u>

Investors should not place undue reliance on forward-looking information. By their nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

MATERIAL RESOURCE PROPERTIES

At the date of this AIF, Marathon has one material resource property, namely the Valentine Lake Gold Property in Newfoundland. The Valentine Lake Gold Property currently consists of four gold deposits - Leprechaun, Marathon, Sprite and Victory. The following information pertaining to the Valentine Lake Gold Property is extracted from the 2018 Valentine Lake Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The operational and economic information contained within this section of the AIF doe not reflect the results of the sale of the FN NSR.

1.1 Overview

The 2018 Valentine Lake Technical Report was prepared for Marathon by Lycopodium, with input from BOYD, APEX and Stantec, to summarize the results of a PEA of the Valentine Lake Project (the "Project"). The Project is located in the west-central region of the island of Newfoundland, NL, Canada.

For the purpose of the 2018 Valentine Lake Technical Report, gold bearing rock that is processed to recover gold is referred to as "material".

1.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Valentine Lake Gold Property is accessed by a 73 km well-maintained year-round gravel road from the Town of Millertown to the northeast end of the Property. Millertown is situated 10 km by paved road off the Buchans Highway which provides paved road access to the Trans-Canada Highway, which transects the island of Newfoundland from east to west and connects the major populated centres.

The Project is located in the Central Uplands of Newfoundland, typified by gentle to moderately steep, hilly terrain. The Project is situated at the southern end of Valentine Lake. Numerous small ponds occur within the Valentine Lake Gold Property and a distinct northeast trending ridge occurs along the length of the property, dissected by shallowly incised ephemeral streams.

Maximum elevation on the Valentine Lake Gold Property is 480 m above sea level (masl), with lower ground on the flanks of the ridge to the northwest and southeast. The minimum elevation on the property is 320 masl and represents the level of the Victoria Lake in the south-western part of the property. Victoria Lake is a hydroelectric reservoir.

Marathon has constructed an exploration camp in the southeast of the property proximal to the shoreline of Victoria Lake. The camp is powered by diesel generators and back-up generators, and includes accommodation, messing, cold/dry storage, core cutting, core storage and office facilities. A network of permitted and gated access roads from the camp to each prospect has been progressively developed by Marathon Gold and their predecessors.

Marathon does not control surface rights at the Valentine Lake Gold Property. Title to surface rights will be obtained by Marathon when the company applies for and is issued a mining lease prior to any potential mining activities.

1.3 History

The Valentine Lake Gold Property has historically been explored by several companies since the 1960s (Table 1.1). The region was originally explored for base metals exploration by ASARCO Inc., and Hudson's Bay Oil and Gas Company; this exploration was consistent with historically significant base metal discoveries in the Dunnage Zone (e.g. Buchan's and Duck Pond-Boundary Cu-Zn±Au past-producing deposits).

The Valentine Lake Gold Property was first recognized as a gold prospect by Abitibi Price Inc. in 1983 and was acquired by BP Canada Inc. in 1985. Noranda Inc. acquired the Valentine Lake Gold Property from BP Canada Inc. in 1992, prior to entering into a joint venture agreement with Mountain Lake Resources in 1998.

Table 1.1 Summary of Ownership History

Date	Operator
1960s	ASARCO Inc.
1970s to 1983	Hudson's Bay Oil and Gas Company
1983 - 1985	Abitibi Price Inc.
1985 - 1992	BP Canada Inc.
1992 - 1998	Noranda Inc.
1998 - 2003	Mountain Lake Resources Inc.
2003 - 2007	Richmont Mines Inc.
2007 - 2010	Mountain Lake Resources Inc.
2010 - 2011	Marathon PGM Corporation
2011 - Present	Marathon Gold Corporation

1.4 Geology and Mineralization

The Valentine Lake Gold Property is located within the Newfoundland Appalachians, which formed during closure of the Iapetus Ocean in the Cambrian to Ordovician, resulting in the accretion of Laurentia and Gondwana (Piercey et al., 2014). Newfoundland is divided into four major tectonostratigraphic zones which are juxtaposed by major regional sutures. From west to east, the Zones include the Humber Palaeozoic continental margin, the Dunnage Cambro-Ordovician mobile belt, the Gander Ordovician volcano-sedimentary sequence, and the Avalon Devonian sedimentary group. Granitoid and mafic intrusions were emplaced during the Devonian and intrude all four major tectonic subdivisions.

The Dunnage Zone hosts the Project and is characterized by island arc volcano-sedimentary sequences and ophiolite lenses that formed during the Middle to Late Ordovician, Taconic, and Penobscot orogenies. The Dunnage Zone is subdivided into the Notre Dame and Exploits subzones, which represent the Laurentian and Gondwana margins, respectively. The Dunnage Zone was subjected to later deformation during the Silurian Salinic orogeny and was intruded by Devonian granitoid plutons, and mafic stocks and dykes.

Gold mineralization within the Dunnage Zone occurred coincident with late syn- to post-Salinic orogenic events (Murahwi, 2017), and is typically spatially related to major structural features and proximal to, or hosted in, intrusive bodies. The Dunnage Zone is also host to the past producing Buchans and Duck Pond copper-zinc volcanogenic massive sulfide (VMS) deposits and several other VMS occurrences. The authors have been unable to verify these historical deposits, and therefore, the deposits are not necessarily indicative of the mineralization the property that is the subject of the 2018 Valentine Lake Technical Report.

Four gold deposits and several gold prospects and occurrences at earlier stages of exploration have been discovered to date over a total strike length of 20 km of the Valentine Lake Gold Property. Mineralization is hosted almost entirely within the Valentine Lake Intrusive Complex (VLIC) and is associated at a project scale with poorly defined second and third order splay faults off the Valentine Lake Thrust Fault. This major fault system appears to have acted as a pathway and loci for gold-mineralizing fluids. The VLIC occurs at a major flexure in the Valentine Lake Thrust Fault, and deformation associated with sinistral shear along this thrust is inferred to have been a major factor in the structural control on gold deposition at the Project.

The Leprechaun, Marathon, Sprite, and Victory gold deposits are the most advanced within the Valentine Lake Gold Property, with other gold prospects at the Frank, Rainbow, Triangle, Victoria Bridge, Narrows, and Victory NE occurrences located intermittently proximal to the contact between the VLIC and the Rogerson Lake Conglomerate. All the gold occurrences share similar general characteristics, where gold mineralization is associated with dominantly extensional and lesser shear parallel QTP veins hosted within trondhjemite and quartz porphyry sub-units of the VLIC.

1.5 Mineral Processing and Metallurgical Testing

Metallurgical testwork programs were conducted on mineralized samples from the Valentine Lake Gold Property between 2006 and 2018. The majority of the testwork programs were carried out for the Leprechaun deposit, with Marathon deposit included in more recent testwork. Thus far, no representative samples from the Sprite or the Victory deposits have been tested, although all the gold occurrences for these deposits share similar general characteristics, where gold mineralization is associated with quartz-tourmaline-pyrite (QTP).

The following testwork programs has been conducted to date:

- 2006 preliminary scoping tests by Laboratoire LTM Inc. (LMT).
- 2010 preliminary testwork program by G&T Metallurgical Services (G&T).
- 2011 preliminary gold recovery flowsheet development by G&T.
- 2014 preliminary assessment of gold processing options by Thibault & Associates Inc. (Thibault).
- 2016 Marathon deposit flowsheet assessment by Thibault & Associates Inc.
- 2018 Testwork on Marathon Gold, Valentine Lake Project Samples (in-progress at SGS).

Lycopodium was directed by Marathon to utilize the data from the Thibault reports (2014 and 2016) and the interim SGS testwork results for the 2018 Valentine Lake Technical Report, as they contain the latest metallurgical testwork results for the Leprechaun and Marathon deposits.

Table 1.2 presents a summary of the overall gold recovery options tested for the various flowsheets.

Table 1.2 Overall Gold Recovery for Various Flowsheet Options

Flowsheet Option	Unit Operation (Gold Recovery %)	Unit Operation (Gold Recovery %)	Unit Operation (Gold Recovery %)	Overall Gold Recovery
Option 1 (Minimum)	Flotation – FL-05 to FL-18 (94.7%)	Cyanidation of Flot. Conc. – CN-LEA-07 (91.0%)	N/A	86.1%
Option 1 (Maximum)	Flotation – FL-05 to FL-18 (94.7%)	Cyanidation of Float Conc. – CN-LEA-17 (98.6%)	N/A	93.4%
Option 2 (Minimum)	Flotation – FL-05 to FL-18 (94.7%)	Cyanidation of Flot. Conc. – CN-LEA-07 (91.0%)	Cyanidation of Flot. Tails – CN-LEA-11 (88.8%)	90.8%
Option 2 (Maximum)	Flotation – FL-05 to FL-18 (94.7%)	Cyanidation of Flot. Conc. – CN-LEA-17 (98.6%)	Cyanidation of Flot. Tails – CN-LEA-11 (88.8%)	98.1%
Option 3	Gravity Recovery –KN-01 (59.4%)	Cyanidation of Gravity Tails – CN-LEA-10 (88.4%)	N/A	95.3%

A combined gold recovery of 93.4% was achievable for Option 1 when using the most aggressive leach conditions. The highest overall gold recovery for Option 2 of 98.1% was achieved by using the most aggressive concentrate leach conditions tested along with leaching of the flotation tailings. Maximizing the gold extraction using Option 2 may be justified, as long as the concentrate leach tails could be used as the source of cyanide and the additional capital cost of the tailings leaching circuit was low enough to provide a net improvement from the revenue increase. The use of gravity recovery followed by direct tailings leaching also provided an attractive gold recovery at 95.3% with Option 3. The cyanide addition in this case was similar to the flotation concentrate leach Option 1. Tests to optimize cyanide concentration in the leaching of gravity tailings were not conducted and further decreases in cyanide use for gravity tailings may still be possible. The direct leach of gravity tailings in Option 2 may provide similar or higher gold recoveries as Option 1, using flotation pre-concentration; however, additional capital will be required in Option 3 based on a larger cyanide leach circuit.

Lycopodium believes that gravity recovery of gold ahead of flotation in any option would likely improve overall recovery, reduce the amount of gold to be loaded on carbon, reduce in-plant gold inventory, and lead to greater circuit stability.

Initial tests on the Marathon low grade and Leprechaun low grade samples indicate that there is good potential for gold in lower grade material to be recovered by heap leaching. Bottle rolls tests were conducted on crushed material to determine leachability and reagent requirements.

The crushed material bottle roll leach tests indicated similar gold leachability for head grades ranging from 0.34 to 1.84 g/t gold. In addition, short column leach tests with continuous cyanide solution irrigation for 130 days were conducted at two different crush sizes. Results for the short column leach tests are as follow:

- Leprechaun low grade (LG) – 72.7% (minus ½”), 69.6% (minus ¾”).
- Marathon LG – 66.0% (minus ½”), 53.9% (minus ¾”).

The results also showed that the Leprechaun LG sample was more leachable than the Marathon LG sample. The Marathon LG sample appeared to be more sensitive to the crush size, and it was observed that a ½” or finer crush size would improve gold recovery.

The milling recovery equations were kept the same as the ones used in the preliminary economic assessment published on July 13, 2018. However, the heap leach recovery equations were amended upon receiving interim column leach results from the 2018 SGS program. The overall heap leach recovery for the combined Marathon and Leprechaun material increased from ~53.5 to ~60% by using the amended equations.

1.6 Mineral Resource

BOYD's Mineral Resource estimate for the deposit is provided in Table 1.3.

Table 1.3 Undiluted Resource Estimate

Material/Category	Open Pit			Underground			Total		
	Tonnes (t)	Grade (g/t)	Gold (oz)	Tonnes (t)	Grade (g/t)	Gold (oz)	Tonnes (t)	Grade (g/t)	Gold (oz)
All Material Leprechaun Deposit									
Measured	5,760,000	2.381	440,800	81,000	3.910	10,200	5,841,000	2.402	451,000
Indicated	3,010,000	1.916	185,500	64,000	3.460	7,100	3,074,000	1.949	192,600
M+I	**8,770,000**	**2.221**	**626,300**	**145,000**	**3.711**	**17,300**	**8,915,000**	**2.246**	**643,600**
Inferred	7,533,000	1.476	357,400	388,000	4.274	53,300	7,921,000	1.613	410,700
All Material Sprite Deposit									
Measured	0	0.000	0	0	0.000	0	0	0.000	0
Indicated	708,000	1.703	38,800	9,000	2.403	700	717,000	1.712	39,500
M+I	**708,000**	**1.703**	**38,800**	**9,000**	**2.403**	**700**	**717,000**	**1.712**	**39,500**
Inferred	1,291,000	1.173	48,700	46,000	2.702	4,000	1,337,000	1.226	52,700
All Material Marathon Deposit									
Measured	10,637,000	1.985	679,000	142,000	7.990	36,500	10,779,000	2.064	715,500
Indicated	23,211,000	1.559	1,163,700	513,000	4.797	79,100	23,724,000	1.629	1,242,800
M+I	**33,848,000**	**1.693**	**1,842,700**	**655,000**	**5.489**	**115,600**	**34,503,000**	**1.765**	**1,958,300**
Inferred	13,784,000	1.693	750,100	1,839,000	3.862	228,300	15,623,000	1.948	978,400
All Material Victory Deposit									
Measured	0	0.000	0	0	0.000	0	0	0.000	0
Indicated	1,009,000	1.537	49,900	2,000	1.848	100	1,011,000	1.538	50,000
M+I	**1,009,000**	**1.537**	**49,900**	**2,000**	**1.848**	**100**	**1,011,000**	**1.538**	**50,000**
Inferred	1,821,000	1.264	74,000	155,000	3.174	15,800	1,976,000	1.414	89,800
All Material All Deposits									
Measured	16,397,000	2.124	1,119,800	223,000	6.508	46,700	16,620,000	2.183	1,166,500
Indicated	27,938,000	1.601	1,437,900	588,000	4.605	87,000	28,526,000	1.663	1,524,900
M+I	**44,335,000**	**1.794**	**2,557,700**	**811,000**	**5.128**	**133,700**	**45,146,000**	**1.854**	**2,691,400**
Inferred	24,429,000	1.566	1,230,200	2,428,000	3.862	301,400	26,857,000	1.774	1,531,600

1. The effective date for this mineral resource estimate for Sprite, and Victory is 27 November 2017, and is reported on a 100% ownership basis. The effective date for the mineral resource estimate for Marathon is 9 October 2018. The effective date for

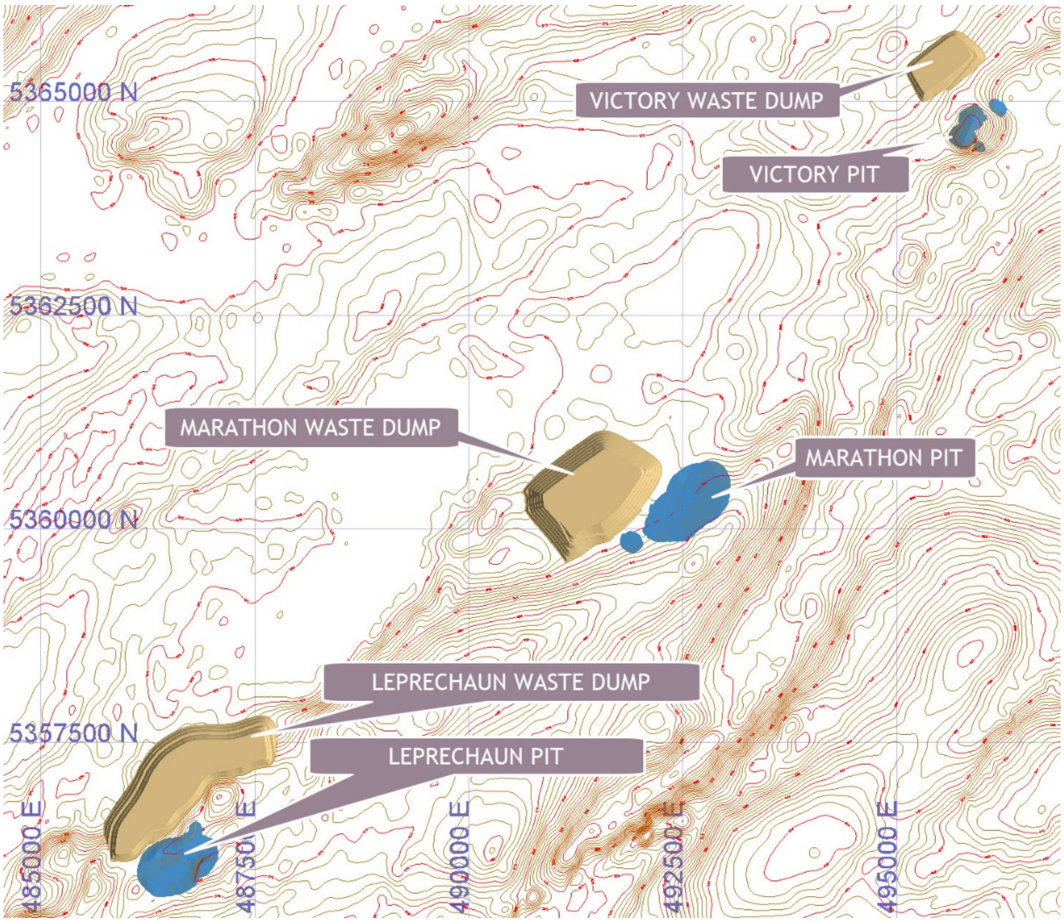
the mineral resource estimate for Leprechaun is 5 October 2018. The resources have been restated using the updated PEA economics. All material tonnes and gold values are undiluted.

2. Mineral Resources are calculated at a gold price of $1,250 /troy oz.
3. The open-pit mineral resources presented above use an economic pit shell to determine material available for open-pit mining. 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 x 6 m x 6 m sub-blocked to a minimum block size of 2 m x 2 m x 2 m using ID^3 methods for grade estimation. Mineral resources for the Leprechaun and Sprite deposits are reported using an open-pit gold cut-off of 0.281 g/t Au and an underground gold cut-off of 1.767 g/t Au. Material between a 0.281 Au g/t value and 1.142 Au g/t is assumed to be processed on a heap leach. Material above a 1.142 Au g/t is assumed to be processed in a mill. Higher gold grades were given a limited area of influence and applied during grade estimation by mineralized domain. Mineral resources for the Marathon and Victory deposits are reported using an open-pit gold cut-off of 0.328 g/t Au and an underground gold cut-off of 1.731 g/t Au. Material between a 0.328 Au g/t value and 0.700 Au g/t is assumed to be processed on a heap leach. Material above a 0.700 Au g/t is assumed to be processed in a mill. Higher gold grades were given a limited area of influence which 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 10 May 2014.
7. Figures are rounded and totals may not add correctly.

1.7 Mining

The Project comprises four potential mining areas: Leprechaun in the southwest, the Sprite Zone adjoining Leprechaun towards the northeast, the Marathon deposit located about 4.1 km northeast of the Sprite Zone, and the Victory Deposit located 5.5 km northeast of the Marathon Deposit. These four mining areas are shown below in Figure 1.1.

Figure 1.1 Valentine Lake PEA Mining Locations



For the 2018 Valentine Lake Technical Report, BOYD only considered surface mining methods for each of the deposits. In the previous preliminary economic assessment, BOYD determined that additional deep exploration drilling was required in order to complete an underground stope optimization. Since the completion of the previous preliminary economic assessment, the additional exploration drilling has been confined to areas that would potentially be developed using surface mining techniques. As a result, potentially underground-mineable mineral resources have been excluded from the 2018 Valentine Lake Technical Report. Ultimate pit limits were developed for the four deposits using the pit optimization process described below. Based on these initial results, mineral resources for the Sprite Zone have been excluded from the 2018 Valentine Lake Technical Report until further exploration drilling and resource modelling can be completed. As a result, only potentially surface-mineable mineral resources from the Leprechaun, Marathon, and Victory deposits were considered in the 2018 Valentine Lake Technical Report.

The 2018 Valentine Lake Technical Report assumes that standard surface mining techniques will be utilized to create an open pit within each of the three mining areas. The Leprechaun pit design comprises four mining phases and has maximum approximate dimensions of 900 m southwest to northeast by 600 m southeast to northwest, and a maximum depth of 300 m below current ground level. The Marathon pit design includes seven mining phases with one phase being a small standalone pit slightly southwest of the main Marathon pit. The Marathon pit has approximate dimensions of 1,200 m southwest to northeast by 700 m southeast to northwest and a maximum depth of 400 m below current ground level. The Victory pit design consists of four mining phases with one small pit located slightly northeast of the main Victory pit. The Victory pit has approximate dimensions of 540 m southwest to northeast by 280 m southeast to northwest, and a maximum depth of 130 m below current ground level. Design of all of the pits was guided by the Whittle optimization process described in Section 16.1.2.

Marathon will have responsibility for site preparation, haul road construction and maintenance, production drilling and blasting, the excavation and haulage of material and waste, management of material stockpiles, oversize breakage, pit dewatering, and haul road maintenance. Marathon will provide the open-pit equipment, operator training, supervision, pit technical support services, mine consumables, and the pit operations and maintenance facilities. The manufacturer, per the terms and conditions of a standard maintenance and repair (“MARC”) agreement, will supply mine maintenance personnel. Specialized contractors will provide explosives storage on site. Established suppliers will provide explosives, blasting agents, fuel, and other consumables.

The ultimate pit designs developed for each of the three mining areas of Project are based on the results of the Whittle pit optimization work. To approximate the optimal extraction sequence, the three mining areas are planned to be developed using a total of 15 distinct mining phases. Pit design parameters, such as wall slope angles and bench dimensions, were provided by Stantec. A mine production schedule for the entire complex was prepared by BOYD using Maptek’s Chronos scheduling software.

1.8 Recovery Methods

The process plant design is based on a robust metallurgical flowsheet developed for optimum recovery while minimizing initial capital expenditure and operating costs. The flowsheet is based on unit operations well proven in the industry.

The Project consists of two gold process plants, i.e. a Milling/Flotation/Carbon in Leach plant (Mill) and a Heap Leach plant. Both plant designs are based on a 13-year mine life.

The Mill will process 3.0 Mtpa of high-grade material from open pit mines. The Mill will consist of crushing, milling, gravity recovery, flotation of gravity tails, flotation concentrate regrind, cyanidation of both flotation concentrate and flotation tailings via a carbon in leach (CIL) circuit, carbon elution and gold recovery circuit. CIL tails will be treated for cyanide destruction and disposed of as tails in the tailings storage facility (TSF). The Heap Leach plant will process 3.0 Mtpa of low-grade material from open pit mines and will consist of crushing, heap leaching and carbon-in-column (CIC) gold adsorption. The loaded carbon from this heap leach facility will be sent in carbon transport vessels to the milling facility for further processing in the elution circuit.

The key project design criteria for the plants are:

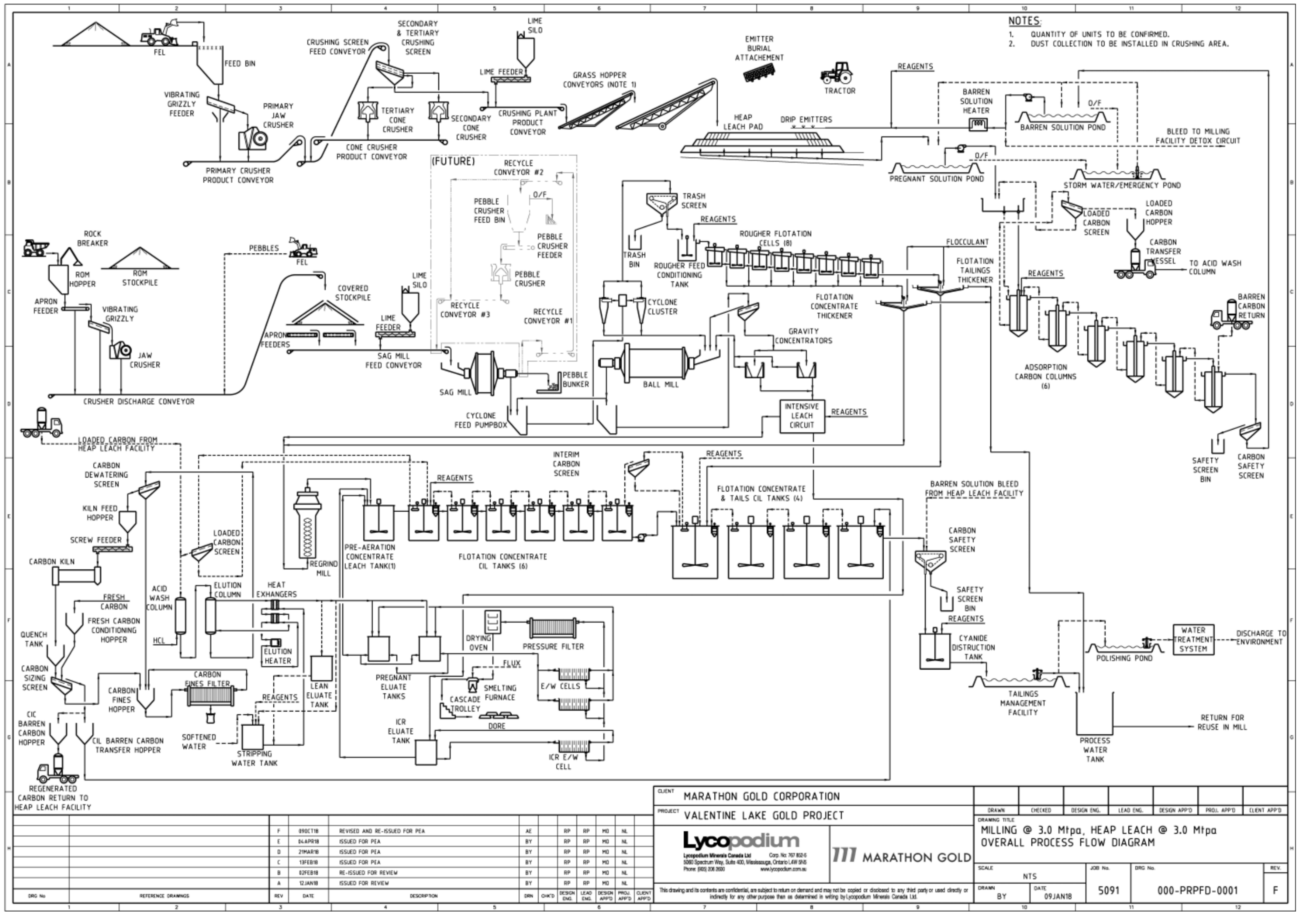
- Nominal throughput of 9,000 t of material per day for milling facility and 9,000 t of material per day for heap leach facility, equivalent to 6.0 Mtpa.

- Crushing plant availability of 75% for both flotation and heap leach plants.

- Plant availability of 91.3% for heap leach solution circulation, CIC area, grinding, gravity concentration, flotation, and leach plant and gold recovery operations.

An overall process flow diagram depicting the unit operations incorporated in the selected process flowsheet is presented in Figure 1.2 below.

Figure 1.2 Overall Process Flow Diagram



1.9 Infrastructure

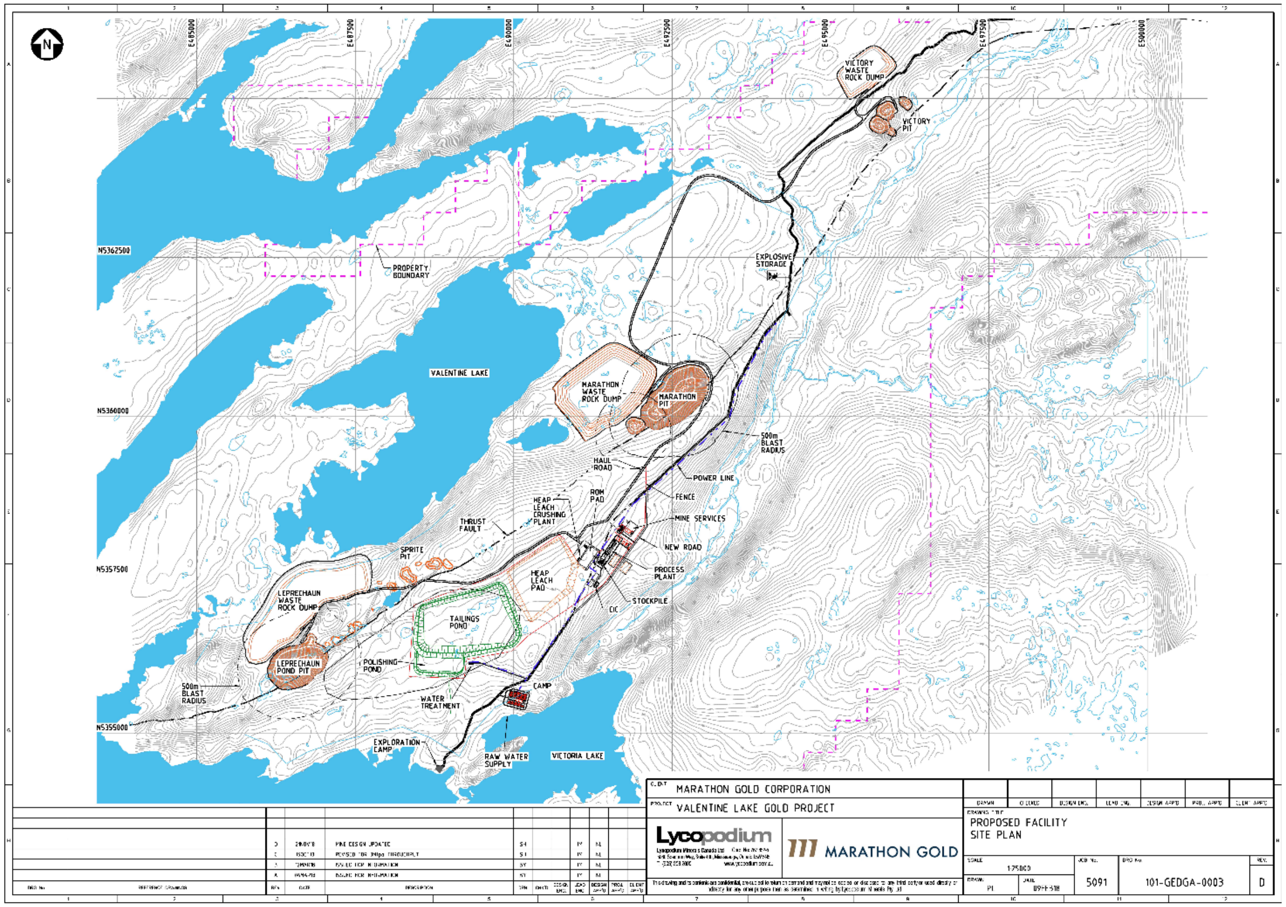
The overall site plan is shown in Figure 1.3 and includes major facilities of the Project including open pit mines, heap leach and milling/flotation/CIL processing plants, TSF, heap leach pad (HLP), waste rock facilities, polishing pond, mine services, access road, accommodations camp and waste water treatment plant.

Access to the facility is from the northeast side of the Valentine Lake Gold Property off the existing access road. Main access will be via the main security gate near the process plant.

Grid power will be provided from an incoming HV line from the northwest side of the Valentine Lake Gold Property.

The site as a whole will be fenced to clearly delineate the mine area and deter access by unauthorized people.

Figure 1.3 Overall Site Plan



1.10 Environmental Studies, Permitting and Social or Community Impact

The Project is located in rural central Newfoundland, in the Central Newfoundland Forest Eco region, which covers most of the central and northeastern portions of the Island. This part of the Island is characterized by a boreal forest (mainly coniferous forest) and continental climate (colder winters and warmer summers than coastal areas). The Project is in a relatively undisturbed wilderness.

The Project will be subject to the Newfoundland and Labrador Environmental Protection Act, associated Environmental Assessment Regulations, and the Canadian Environmental Assessment Act, 2012. The Project will also require standard environmental permits and approvals including water use authorizations, fish and fish habitat authorization, emissions and discharge approvals, and approvals for infrastructure placement within the Project. These approvals can only be applied for once the Project has been released from Environmental Assessment ("EA"). In support of the Project and the EA process, numerous baseline environmental studies have been completed and additional surveys and studies are planned for the upcoming field season.

The TSF and HLP locations have been selected to reduce the potential risk to the surrounding environment by placing them in close proximity to the mill and in areas that have low potential for impacting major water bodies and fish habitat. The TSF will consist of earth embankment structure with a maximum dam height of 40 m. The HLP will consist of a double lined pad for leak detection and containment and have material placed in 10 m lift terraces with a maximum overall thickness of 40 m.

Rehabilitation and closure planning are a requirement under the Newfoundland and Labrador Mining Act. A complete plan has not been developed for the Project. This will be completed as part of the EA process, and will describe the proposed methods to restore the site to as close to pre-development conditions as practicable or to a suitable condition for an alternate use upon Project closure. It will outline the methods to be used for progressive and closure rehabilitation, and post-closure monitoring and required treatment.

Marathon is committed to sustainable exploration and development of Newfoundland and Labrador's rich resource potential, and realize the importance of building strong, long-term relationships and investments in people and communities. A key element to this is to actively consult with members of the general public and special interest groups, communities, Indigenous groups, associations, and regulators who have interest in or may be affected by the Project. Throughout the life of the Project, Marathon aims to achieve positive and constructive relationships with all stakeholders. They currently have Procurement and Community Relations Policies which are being used to guide the development of the Consultation Strategy that will develop and strengthen stakeholder relationships.

1.11 Capital and Operating Costs

The capital estimate for the Project is summarized in Table 1.4. All overall costs are expressed in United States Dollars ($) unless otherwise stated, and are based on Q3 2018 pricing and deemed to have an accuracy of ±35%. The capital cost estimate conforms to AACEI (Association for the Advancement of Cost Engineering International) Class 5 estimate standards as prescribed in recommended practice 47R11.

The capital cost estimate was based on an engineering, procurement, and construction management ("EPCM") implementation approach and typical construction contract packaging. Equipment pricing was based on quotations and actual equipment costs from recent similar Lycopodium projects considered representative of the Project.

Table 1.4 Capital Estimate Summary by Area (Q3 2018, ±35%)

Area	**$ Including Contingency/Excluding Duties and Taxes**
000 Construction In-directs	$21,257,000
100 Treatment Plant Costs - Heap Leach Circuit	$47,626,000
100 Treatment Plant Costs - Milling Circuit	$92,739,000
200 Reagents & Plant Services - Heap Leach Circuit	$4,030,000
200 Reagents & Plant Services - Milling Circuit	$21,355,000
300 Infrastructure	$73,192,000
400 Mining#	$56,231,000
500 Management Costs	$22,434,000
600 Owners Project Costs	$16,440,000
Subtotal Directs	**$355,303,000**

#Mining capital costs are based on leased mining equipment and the initial capital is a 30% down payment of the mine fleet. This cost includes mine services and pre-production stripping.

The operating costs for the facilities are summarized in Table 1.5. The 2018 Valentine Lake Technical Report estimates that the Project will produce approximately 2,723,300 oz of gold during the life of the Project, or an average of 225 koz/y for Years 1 to 12.

Mine operating costs were calculated from first principles using vendor-supplied estimates and BOYD's experience with similar mining operations. Fuel costs were calculated based on vendor-provided fuel consumption and a vendor quote for diesel of $0.943 /L. Over the life of the Project, overall mining operating costs, excluding rehandle, are estimated to be $2.099 /t mined.

The process plant operating costs were developed by Lycopodium based on a design processing rate of 3.0 Mtpa of material for the milling circuit, and 3.0 Mtpa of material for the heap leach circuit. Both circuits will normally operate 24 hrs/day, and 365 days/y with 75% (6,570 hrs/y) crushing plant availability and 91.3% plant utilization (nominal 8,000 hrs/y operation). The process operating costs for the Project have been developed in detail according to typical industry standards applicable to gold material processing plants.

Table 1.5 Operating Cost Summary (Q3 2018, +35%)

Cost Centre	Total Operating Cost		Proportion of Operating Cost
	$/y	$/t Material	
Plant: Milling[(1)]			
Operating Consumables[(4)]	$22,367,756	$7.46	16.6%
Plant Maintenance	$1,649,092	$0.55	1.2%
Power [(5)]	$5,514,058	$1.84	4.1%
Laboratory	$82,202	$0.03	0.1%
Labour (O & M)	$3,443,952	$1.15	2.6%
Subtotal - Milling	$33,057,060	$11.02	24.5%
Plant: Heap Leach[(2)]			
Operating Consumables	$3,745,846	$1.25	2.8%
Plant Maintenance	$787,950	$0.26	0.6%
Power	$592,031	$0.20	0.4%
Laboratory	$20,641	$0.01	0.0%
Labour (O & M)	$2,899,369	$0.97	2.1%
Subtotal - Heap Leach	$8,045,838	$2.68	6.0%
Common[(3)]			
Labour (G & A)	$1,000,113	$0.17	0.7%
G&A - Expenses	$1,946,840	$0.32	1.4%
Plant Maintenance	$689,953	$0.11	0.5%
Permanent Camp Catering	$2,362,668	$0.39	1.8%
Permanent Camp Power	$98,279	$0.02	0.1%
Subtotal Common Plant	$6,097,854	$1.02	2.7%
Subtotal - Plant Operating Cost	$47,200,751	$7.87	35.0%

Cost Centre	Total Operating Cost		Proportion of Operating Cost
	$/y	$/t Material	
Mining(3)			
Total	$86,683,000	$14.45	64.2%
Subtotal - Mine Operating Cost	$86,683,000	$14.45	64.2%
Water Treatment Plant(3)			
Plant Maintenance	$100,000	$0.02	0.1%
Labour (O & M)	$236,775	$0.04	0.2%
Power	$4,449	$0.00	0.0%
Others including Consumables	$721,580	$0.12	0.5%
Subtotal - Water Treatment Plant	$1,062,804	$0.18	0.8%
Grand Total Operating Cost (3)	$134,946,555	$22.49	100.0%

Notes:
1. $/t is based on milling material throughput of 3.0 Mtpa.
2. $/t is based on heap leach material throughput of 3.0 Mtpa.
3. $/t is based on total throughput of 6.0 Mtpa.
4. Includes consumables for common elution, carbon regeneration and gold room areas.
5. Includes power for elution and carbon regeneration of carbon from heap leach and mill, gold room, and mine surface loads.
6. Figures are rounded, and totals may not add correctly.

1.12 Economic Analysis

A preliminary economic assessment of the Project has been conducted using a simple pre and after-tax cash flow model prepared by Lycopodium on behalf of Marathon. The model was structured using an EXCEL workbook.

The 2018 Valentine Lake Technical Report was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). Readers are cautioned that the 2018 Valentine Lake Technical Report is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the 2018 Valentine Lake Technical Report will be realized. Mineral resources that 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.

Input data was provided from a variety of sources, including the various consultants’ contributions to the 2018 Valentine Lake Technical Report, pricing obtained from external suppliers and contractors, and exchange rates and project specific financial data such as the expected Project taxation regime received from Marathon.

The project economics are summarized in Tables 1.6 and Table 1.7.

Table 1.6 Net Profit after Tax Summary

	$M	**$/Processed**	**$/oz Au**
Revenue	$3,404	$46.90	$1250
Mine Operating Cost	$1,058	$14.58	$388
Processing Cost	$493	$6.79	$181
G&A Cost	$87	$1.21	$32
Refining Costs	$5	$0.07	$2
Total Operating Cost	**$1,643**	**$22.64**	**$603**
EBITDA	**$1,761**	**$24.26**	**$647**
Capital Costs	$338	$4.66	$124
Gross Profit before tax	**$1,253**	**$17.26**	**$460**
Newfoundland Mining Tax	$148	$2.03	$54
Income Tax Payable	$332	$4.58	$122
Net Profit after tax	**$773**	**$10.65**	**$284**

Table 1.7 Financial Summary

	Value
Revenue from gold	$3,404M
AOC	$603 /oz Au
Initial Capital	$355M
Sustaining capital	$150M
Closure costs/salvage	$20M
Pre-tax economics:	
IRR	44.0%
NPV (5%)	$834M
Payback	1.68 years
Post-tax economics:	
IRR	30.3%
NPV (5%)	$493M
Payback	2.48 years

The Project value was assessed by undertaking sensitivity analyses on gold price, gold recoveries, operating costs and capital costs. The results of all sensitivity analyses are presented in Tables 1.8 and 1.9 and in Figures 1.4 and 1.5.

The Project is most sensitive to changes in capital and operating costs because of the large range used in measuring their sensitivity. These ranges were chosen to align with the intended accuracy of the capital and operating costs. However, a ±10% change in gold price has a significant impact on the Project revenue.

Table 1.8 NPV Sensitivity Analysis (Pre-Tax)

	Lower	Base Case	Higher
Gold Price (±10%)	$577,820,437	$833,705,894	$1,089,591,351
CAPEX (±35%)	$996,491,550	$833,705,894	$670,920,238
OPEX (±35%)	$1,267,486,498	$833,705,894	$399,925,290
Mill Recovery (±2%)	$788,962,601	$833,705,894	$878,449,187
HL Recovery (±10%)	$801,905,376	$833,705,894	$865,506,412

Table 1.9 IRR Sensitivity Analysis (Pre-Tax)

	Lower	Base Case	Higher
Gold Price (±10%)	32%	44%	56%
CAPEX (±35%)	80%	44%	28%
OPEX (±35%)	64%	44%	24%
Mill Recovery (±2%)	42%	44%	46%
HL Recovery (±10%)	43%	44%	45%

Figure 1.4 NPV Sensitivity Analysis (Pre-Tax)

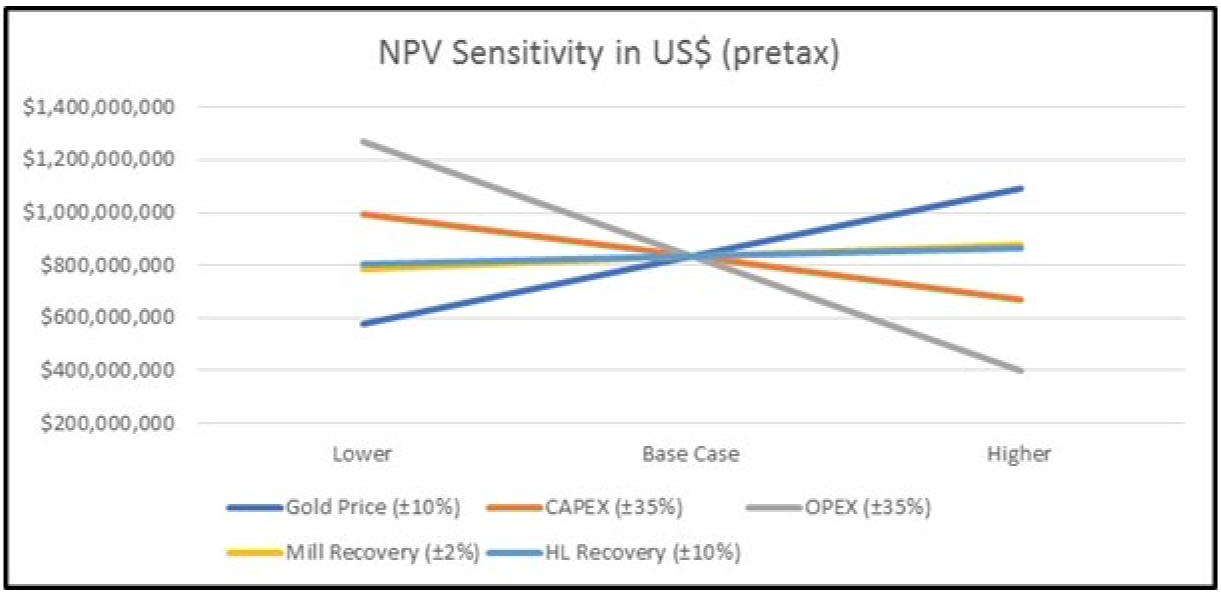
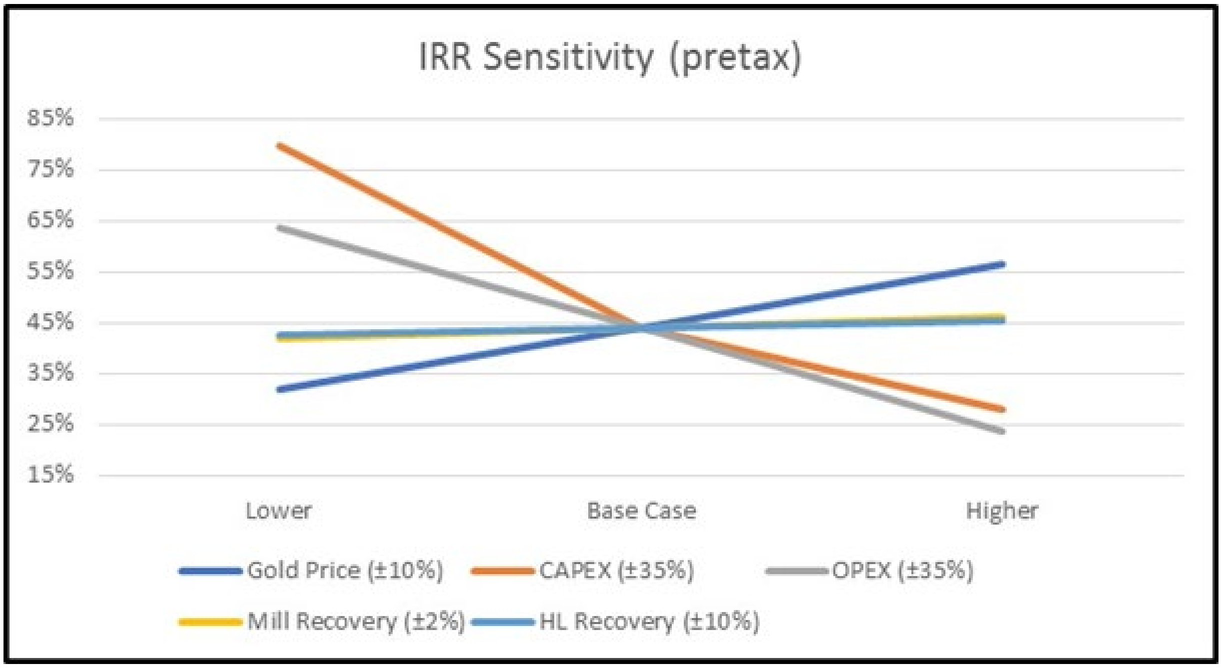


Figure 1.5 IRR Sensitivity Analysis (Pre-Tax)



1.13 Recommendations

1.13.1 Overall

The financial analysis of the 2018 Valentine Lake Technical Report demonstrates that the Project has robust economics, and it is recommended to continue developing the Project through further engineering and de-risking.

1.13.2 Exploration

It is recommended that additional focused prospecting and trenching, as well as detailed interpretation of the amalgamated aeromagnetic and ground geophysical surveys data is conducted to identify additional potential structural targets for channel sampling and exploratory drill testing.

This work should focus in areas along strike extension of known mineralization and in areas of low magnetic intensity west of, and proximal to, the Valentine Lake Thrust Fault, primarily between the Sprite and Marathon deposits. Ground and downhole IP surveys have been of little to no use to date in identifying new QTP mineralization as there is no distinct chargeability or resistivity signature to the QTP zones relative to host rock. The use of detailed magnetic surveys is much more useful in identifying mag-low alteration zones and brittle deformation zones potentially associated with mineralized systems.

Marathon has planned additional drilling to expand and upgrade the resources at depth and along strike. Geological and geophysical studies indicate the structure hosting gold mineralization may continue both east and west of the current resources as well as down plunge. Addition of further resources through drilling has the potential to increase the life of mine and resulting economics.

1.13.3 Access Road

It is recommended to further define the scope of the 88 km access road and associated bridges, particularly the bridges over Victoria River. The schedule and sequencing of the road and bridge upgrades is to be defined. A trade-off study with an alternative shorter access road east of the current route should be conducted before entertaining a pre-feasibility study (PFS).

1.13.4 Metallurgical Testwork

It is recommended to continue the ongoing metallurgical testwork program at SGS Lakefield to support a PFS process plant design.

1.13.5 Heap Leach Pad

It is proposed to construct a heap leach pad at the Project site to use for mineral extraction. There have not been any geotechnical site investigations or design studies completed at this time to support this infrastructure on site. It is recommended for the Project to proceed to the PFS stage, that specific geotechnical investigations and design studies be completed.

1.13.6 Tailings Storage Facility

The following activities are recommended to support the design of the TSF for the PFS:

- Further fish sampling to be conducted to confirm fish presence/absence in the waterbodies of interest.
- Condemnation drilling for the selected site to verify the absence of mineralization.
- Geotechnical site investigations at the preferred site to characterize the foundation conditions and potential borrow sources.
- In-situ permeability tests of the overburden soils and bedrock.
- Tailings assessment to help characterize the geotechnical properties in order to understand the deposition characteristics.
- Refinement and further study of the proposed dam alignment and configuration.
- Further evaluation of the dam requirements such as allowable seepage gradients and management of seepage water.

1.13.7 Geotechnical Input for Mine Design

A drill program is recommended to provide geotechnical and hydrogeological data to support a PFS level of design for open-pit and underground mining.

Phase 1 – Geotechnical data collection:

- Training of Marathon staff in geotechnical data collection.
- Testing of relevant core from different lithologies.
- Compilation of the collected geotechnical data into a format suitable for rock slope stability analysis and underground ground control.

Phase 2 – Pit Slope and Underground Mine Design:

- Recommendations for face and inter-ramp pit slope angles.
- Geotechnical input for mining method selection.
- Ground support recommendations.
- Crown pillar assessment between open-pit and underground workings.

1.13.8 Environment, Permitting, and Community Relations

- Pursue environmental approvals, authorizations, and permits required to develop and initiate a mining operation.
- Develop a consultation strategy to engage with all stakeholders of the Project.
- Develop a tracking system to record stakeholder consultation and engagement activities

DIVIDENDS

No cash dividends or distributions have been declared since inception. Marathon has no intention of declaring dividends or other distributions in the foreseeable future.

CAPITAL STRUCTURE

Marathon is authorized to issue an unlimited number of Common Shares, of which 161,146,702 Common Shares are issued and outstanding as fully paid and non-assessable at the date of this AIF and an unlimited number of preference shares issuable in series, none of which are outstanding at the date of this AIF.

The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

The holders of Common Shares shall be entitled to receive dividends if, as and when declared by the directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the directors may from time to time determine.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Common Shares will be entitled to all remaining property and assets of the Corporation after satisfying claims of secured and unsecured creditors.

The holders of the Common Shares shall be entitled to receive notice of and to attend all annual and extraordinary meetings of the shareholders of the Corporation and to one vote in respect of each Common Share held at all such meetings.

Shareholder Rights Plan

Marathon is a party to an amended and restated shareholder rights plan agreement (the “**Rights Plan**”), designed to encourage the fair treatment of all shareholders in connection with any initiative to acquire control of Marathon. The Rights Plan was last approved by the shareholders of Marathon at its annual meeting held on June 7, 2017 and has a three-year term. Under the Rights Plan, one right (a “**Right**”) has been issued and attached to each Marathon share outstanding and will be attached to each Marathon share subsequently issued.

Each Right will entitle the holder to purchase one Marathon share for an exercise price (the "**Exercise Price**") equal to **three** times the prevailing market price of a Marathon share as at the Separation Time. If a person becomes the beneficial owner of 20% or more of the outstanding Marathon shares or announces an intention to commence a take-over bid, other than pursuant to a Permitted Bid, a Competing Permitted Bid or certain other exceptions, each Right (other than the Rights beneficially owned by the bidder and its joint actors) shall constitute the right to purchase from Marathon that number of Marathon shares that have a market value at the date of occurrence equal to twice the Exercise Price, for an amount in cash equal to the Exercise Price (i.e., at a 50% discount).

A "**Permitted Bid**" is a take-over bid made to all holders of Marathon shares that remains open for 105 days after the bid is made. If at least 50% of the Marathon shares held by persons independent of the bidder are deposited or tendered pursuant to the bid and not withdrawn, the bidder may take up and pay for such shares. The bid must then remain open for a further period of 10 clear business days on the same terms.

A **"Competing Permitted Bid"** is a take-over bid made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid and that satisfied all the criteria of a Permitted Bid except that since it is made after a Permitted Bid has been made, the minimum deposit period and the time period for the take-up of and payment for shares tendered under a Competing Permitted Bid is not 105 days, but is instead the later of (i) the last day on which a takeover bid must be open for acceptance after the date of such bid under applicable securities legislation, and (ii) the earliest date for take-up and payment of shares under any other Permitted Bid then in existence.

A copy of the Rights Plan has been filed with the Canadian securities administrators at www.sedar.com.

MARKET FOR SECURITIES

Trading Price and Volume

Marathon's shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**").

The table below sets out the high and low trading prices and volumes on the TSX for the Common Shares for the period commencing on January 1, 2018 and ending on December 31, 2018.

	High	Low	Volume
	$	$	#
January 2018	1.28	1.03	6,610,465
February 2018	1.05	0.89	5,023,889
March 2018	1.01	0.88	2,156,067
April 2018	0.97	0.85	3,155,564
May 2018	1.12	0.85	6,361,850
June 2018	0.98	0.84	2,877,070
July 2018	0.99	0.85	2,230,172
August 2018	0.96	0.83	3,144,041
September 2018	0.94	0.82	2,311,743
October 2018	0.86	0.73	1,727,523
November 2018	0.85	0.65	2,576,013
December 2018	0.83	0.71	2,370,631

Prior Sales

Marathon issued the following Common Shares and other equity securities during the year ended December 31, 2018.

Date	Number of securities	Description of securities	Issue or exercise price
January 2, 2018	447,000	Common shares issued pursuant to the exercise of stock options	$0.52 per share
January 3, 2018	9,000	Common shares issued pursuant to the exercise of stock options	$0.52 per share
January 4, 2018	114,000	Common shares issued pursuant to the exercise of stock options	$0.52 per share
January 5, 2018	150,000	Common shares issued pursuant to the exercise of stock options	$0.52 per share

Date	Number of securities	Description of securities	Issue or exercise price
January 9, 2018	35,000	Common shares issued pursuant to the exercise of stock options	$0.52 per share
March 20, 2018	35,000	Common shares issued pursuant to the exercise of stock options	$0.32 per share
March 22, 2018	50,000	Common shares issued pursuant to the exercise of stock options	$0.68 per share
April 9, 2018	60,000	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
April 10, 2018	35,000	Common shares issued pursuant to the exercise of stock options	$0.68 per share
April 11, 2018	110,000	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
April 24, 2018	55,000	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
April 25, 2018	37,850	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
April 26, 2018	382,500	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
April 27, 2018	725,000	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
May 1, 2018	2,412,500	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
May 3, 2018	106,500	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
May 4, 2018	60,900	Common shares issued pursuant to the exercise of unit warrants	$0.32 per share
July 19, 2018	2,900,000	Flow through common shares issued pursuant to prospectus offering	$1.05 per share
July 19, 2018	5,900,000	Common shares issued pursuant to prospectus offering	$0.85 per share
August 27, 2018	110,000	Common shares issued pursuant to the exercise of stock options	$0.26 per share
October 12, 2018	35,000	Common shares issued pursuant to the exercise of stock options	$0.20 per share

Marathon also issued the following stock options during the year ended December 31, 2018. Each option is exercisable into one Common Share under the terms of Marathon's stock option plan.

Date	Exercise Price	Number of Options
February 27, 2018	$1.00	440,000
July 30, 2018	$0.91	2,134,000
August 2, 2018	$0.86	200,000

DIRECTORS AND OFFICERS

At the date of this AIF, the directors and officers of Marathon, as a group, beneficially own, either directly or indirectly, or exercised control or direction over an aggregate of 9,985,100 Common Shares, representing approximately 6.20% of the total issued and outstanding Common Shares at such date.

Name, Occupation and Security Holding

The following table sets forth the name, municipality of residence, office held with Marathon, date on which each first become a director (if applicable) and principal occupation during the last five years of each of the directors and officers of Marathon holding office at the date of this AIF.

Name and Municipality of Residence	Principal Occupation	Position with Marathon	Date of Appointment as a Director of Marathon	Number of common shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, as at March 22, 2019
Phillip C. Walford Mississauga, Ontario Canada	President and Chief Executive Officer of the Corporation since December 3, 2009.	President and Chief Executive Officer	December 3, 2009	5,273,712
George D. Faught Toronto, Ontario Canada (1)	Non-Executive Chairman of the Corporation since October 2011. Mr. Faught is also a Director of Aberdeen International, a Canadian public company	Non-Executive Chairman of the Board of Directors	November 24, 2010	1,805,000
Joseph G. Spiteri Acton, Ontario Canada(2)	Private consultant to mining companies.	Director	November 24, 2010	329,050
Julian B. Kemp Toronto, Ontario Canada(1)(2)	Business executive and consultant. Chairman of the Board of Rubicon Minerals Corporation, a Canadian public company,	Director	November 2, 2012	100,000

	since 2016 and Interim President and Chief Executive Officer from April 1, 2016 to December 20, 2016. Vice President and Chief Financial Officer of Fortune Minerals Limited, a Canadian public company, from 2004 to 2014. Director of Central Timmins Exploration Corporation, a Canadian public exploration company, since 2018.			
Douglas H. Bache (1)(2) Burlington, Ontario Canada	Mining consultant and financial executive that provides corporate development and strategic management services primarily to junior mining companies. He is a director of Treasury Metals Inc., a Canadian focused gold exploration and development company.	Director	June 18, 2013	515,000
Janice A. Stairs (2) Halifax, Nova Scotia Canada	General Counsel and Corporate Secretary, Namibia Rare Earths Inc. since September 2011. She is also a director of Trilogy Metals Inc. and Gabriel Resources Inc.	Director	September 19, 2017	100,000
James D. Kirke Toronto, Ontario Canada	Chief Financial Officer of the Corporation since November 24, 2010. Vice President Finance of the Corporation since December 3, 2009.	Vice President, Finance and Chief Financial Officer	N/A	866,838
Sherry Dunsworth Pasadena, Newfoundland Canada	Vice President Exploration of the Corporation since November 24, 2010.	Senior Vice President, Exploration	N/A	975,500
Robbert Borst Oakville, Ontario Canada	Chief Operating Officer of the Corporation since August 2, 2018	Chief Operating Officer	N/A	20,000

(1) Member of Audit Committee
(2) Member of Compensation, Nominating and Corporate Governance Committee

Cease Trade Orders

To the best of Marathon's knowledge, no director or proposed director of Marathon is, or within the ten years prior to the date hereof has been, a director or executive officer of any company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Bankruptcies

Except as described below, to the best of Marathon's knowledge, no director or proposed director has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Kemp has been a director of Rubicon Minerals Corporation ("**Rubicon**") since May 2010 to the present and Interim President and Chief Executive Officer from April to December 2016. Rubicon effected a restructuring transaction by voluntary commencement under the Companies Creditor Arrangement Act, Ontario ("**CCAA**") on October 20, 2016. Rubicon emerged from the CCAA proceedings on December 20, 2016 after a successful implementation of its plan of compromise and arrangement.

Other Penalties

To the best of Marathon's knowledge, no director or proposed director of Marathon has:

- been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Certain directors and officers of Marathon are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of Marathon. As required by law, each of the directors of Marathon is required to act honestly, in good faith and in the best interests of the Issuer. Any conflicts which arise shall be disclosed by the directors and officers in accordance with the *Canada Business Corporations Act* and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

AUDIT COMMITTEE INFORMATION

The Audit Committee ("the Committee") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of Marathon and quarterly external reviews and annual external audits of Marathon's financial statements. The Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to Marathon's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in Marathon's audit committee mandate.

The Committee consists presently of Julian Kemp (Chairman), George Faught, and Douglas Bache. All of the members of the committee are independent and are considered financially literate.

Relevant Education and Experience of Audit Committee Members

Julian Kemp, CPA, CA, C.Dir. (Chairman) – Mr. Kemp is a Business Executive and Consultant. Mr. Kemp has over 30 years of experience in the mining industry, mostly serving in senior financial and administrative management roles. His experience has been focused on restructuring and transforming exploration and development companies into producers. Mr. Kemp has guided various junior mining companies with precious metals, base metals and coal operations in North America and internationally as well as mining engineering and contracting companies. Formerly, he was the Interim President & CEO of Rubicon Minerals Corporation (TSX: RMX) from April to December 2016 and Vice President Finance and Chief Financial Officer of Fortune Minerals Limited, a position he held from 2004 to 2014. He is currently the Chairman of Rubicon Minerals Corporation, a director and Audit Committee Chairman of Marathon (TSX: MOZ) and a director and Audit Committee Chairman of Central Timmins Exploration Corporation (TSXV: CTEC). Mr. Kemp has also previously served as a Director for a number of public companies such as Director and Audit Committee Chairman of Claim Post Resources Inc. (TSX-V:CPS) and Director and Audit Committee Chairman of Goldgroup Mining Inc. (formerly Sierra Minerals Inc.) (TSX:GGA). Mr. Kemp is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Business Administration (BBA) degree from Wilfrid Laurier University. In addition, Mr. Kemp obtained the Chartered Director (C.Dir.) designation from The Directors College (a joint venture of McMaster University and The Conference Board of Canada) in 2012.

George Faught, CPA, CA - Mr. Faught has over 35 years of senior management, corporate development and operational experience in the natural resources, financial services and health services industries in the North America and international markets. Mr. Faught currently serves as the Chairman of Marathon.

He has held senior executive positions with North American Palladium, Hudson Bay Mining and Smelting, Aberdeen International, First Uranium, William Resources and Dundee Capital. Mr. Faught has also served on the board of directors and audit committees of numerous public companies in the resource sector, including Sulliden Gold Corp., Crocodile Gold Corp., Avion Gold Corp., First Uranium Corp., Premier Royalty Inc., Marathon PGM Corporation, Dacha Strategic Metals Inc. and Central Sun Mining Inc.

Mr. Faught has broad financial management, corporate development and M&A experience and has established companies and successfully managed their growth, acquired and sold projects/companies and arranged numerous debt and equity financings.

Mr. Faught received an Honours Bachelor of Commerce degree from the University of Windsor. He is also a CPA, CA and worked in the audit and tax departments of Deloitte & Touche and practiced in the area of international tax.

Douglas Bache – Mr. Bache is President of DHBache & Company Inc. and Maxum Capital Markets Inc., a private investor, and provides corporate development and strategic management services primarily to junior mining companies. Mr. Bache has over 25 years' experience in mine finance, financial management, corporate strategy and development and has been a director and officer of various public companies. He is currently a director of Treasury Metals Incorporated and chairs its Audit Committee. Mr. Bache was president of Valencia Ventures Inc. from April 2006 to June 2008 and prior to that was Treasurer of North American Palladium Ltd. and a senior executive with Inco Limited.

External Auditor Services and Fees by Category

The following table provides information about the fees billed to or estimated to be payable by Marathon for professional services rendered by PricewaterhouseCoopers LLP, Chartered Professional Accountants, exclusive of disbursements, in respect of the 2016, 2017 and 2018 fiscal years:

Category of Fee	**Description**	**2018 $**	**2017**	**2016 $**
Audit fees	Fees billed or estimated to be billable in connection with the audit of Marathon's financial statements	40,000	40,000	37,500
Audit-related fees	Fees billed in connection with quarterly unaudited interim financial statements	5,000	5,000	7,500
	Fees billed in respect of professional services with respect to filing prospectus	70,000	70,000	60,000
		75,000	75,000	67,500
Other fees	Fees billed in connection with review of financial models used in the 2018 Valentine Lake Technical Report	9,000	-	-
Total Fees		**124,000**	**115,000**	**105,000**

LEGAL PROCEEDINGS

At December 31, 2018, and subsequently to the date of this AIF, there were no legal proceedings involving Marathon.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since the incorporation of Marathon, no director or executive officer of the Corporation or any person or company owning beneficially, either directly or indirectly, in excess of 10% of Marathon's Common Shares has had a material interest in any transaction involving the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) in Toronto, Ontario.

MATERIAL CONTRACTS

There are no contracts considered material to the Corporation other than in the ordinary course of business.

INTERESTS OF EXPERTS

To the knowledge of Marathon, neither Lycopodium, BOYD, APEX, Stantec nor the experts named in this section owned beneficially, either directly or indirectly, any Common Shares of Marathon at any time in the year ended December 31, 2018 or subsequently to the date of this AIF.

The auditors of Marathon are PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Toronto, Ontario. PricewaterhouseCoopers LLP report that they are independent of the Corporation in accordance with the Code of Ethical Principles and Rules of Conduct in Ontario, Canada.

No person named as an expert in this section has been appointed as an employee, officer or director of Marathon or is proposed or expected to be appointed to such office in the foreseeable future.

ADDITIONAL INFORMATION

Additional information related to Marathon may be found on SEDAR at www.sedar.com. Additional financial information is provided in Marathon's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2018.

For additional copies of this AIF please contact:

Marathon Gold Corporation
10 King Street East
Suite 501
Toronto, Ontario M5C 1C3

CORPORATE DIRECTORY

Chairman of the Board:

Mr. George D. Faught

President and Chief Executive Officer:

Mr. Phillip C. Walford

Other Non-Executive Directors:

Mr. Douglas H. Bache
Mr. Julian B. Kemp
Mr. Joseph G. Spiteri
Ms. Janice A. Stairs

Head Office:

501-10 King Street East
Toronto, Ontario
M5C 1C3

Stock Exchange Listings:

Toronto Stock Exchange – Code: MOZ
OTCQX – Code: MGDPF

Transfer Agent:

AST Trust Company (Canada)
1 Toronto Street
Suite 1200
Toronto, Ontario
M5C 2V6
416-682-3864

Investor Relations:

Christopher Haldane
416-987-0714

Auditor:

PricewaterhouseCoopers LLP
Toronto, Ontario

Legal counsel:
Norton Rose Fulbright LLP
Toronto, Ontario

SCHEDULE A

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Role and Objective

The Audit Committee is a committee of the Board of Directors of the Corporation established for the purpose of overseeing the accounting and financial reporting process of the Corporation and external audits of its financial statements. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval the Corporation's audited annual financial statements and other mandatory financial disclosure.

The Corporation's external auditor is accountable to the Board and the Committee as representatives of shareholders of the Corporation. The Committee is directly responsible for overseeing the relationship of the external auditor. The Committee has such access to the external auditor as it considers necessary or desirable in order to fulfill its duties, and the external auditor reports directly to the Committee.

The objectives of the Committee are as follows:

a) To satisfy itself as to the credibility and integrity of the Corporation's financial reports;

b) To support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the financial statements of the Corporation;

c) To facilitate communication between the Board and the external auditor and to receive all reports of the external auditor directly from the external auditor;

d) To satisfy itself as to the external auditor's independence and objectivity; and

e) To strengthen the role of the Corporation's independent directors by facilitating in-depth discussions where deemed to be necessary or desirable between members of the committee, management and the Corporation's external auditor.

Composition

a) The Committee shall consist of at least 3 directors, all of whom must be independent.

b) Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation.

c) The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The

Committee Chair shall satisfy the independence, financial literacy and experience requirements (as described above).

d) The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation as it considers being necessary or advisable in order to perform its duties and responsibilities.

Meetings

a) At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

b) A quorum for meetings of the Committee shall be a majority of its members.

c) Meetings of the Committee shall be scheduled at least quarterly and at such other times during each year as it deems appropriate. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at every meeting.

d) The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.

e) The Committee shall meet periodically with the Corporation's external auditor (in connection with the preparation of the annual financial statements and otherwise as the Committee may determine), part or all of each such meeting to be in the absence of management.

Responsibilities

a) As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and external audits of the Corporation's consolidated financial statements. In that regard, the Committee shall:

b) Satisfy itself on behalf of the Board with respect to the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Corporation (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;

c) Review with management and the external auditor the annual financial statements of the Corporation, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and earnings press releases (collectively, "Annual Financial Disclosure") prior to their submission to the Board for approval. This process shall include, but not be limited to:

i) Reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;

ii) Reviewing significant accruals, reserves or other estimates;

iii) Reviewing accounting treatment of unusual or non-recurring transactions;

iv) Reviewing disclosure requirements for commitments and contingencies;

v) Reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and

vi) Reviewing unresolved differences, if any, between the Corporation and the external auditor;

d) Review with management all interim financial statements of the Corporation and related financial reporting including Management's Discussion and Analysis and earnings press releases (collectively "Quarterly Financial Disclosure") and, if thought fit, approve all Quarterly Financial Disclosure;

e) Satisfy itself as to the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and periodically assess the adequacy of those procedures;

f) Review with management and recommend to the Board for approval, any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus of the Corporation;

g) With respect to the external auditor:

i) Receive all reports of the external auditor directly from the external auditor;

ii) Discuss with the external auditor:

A. Critical accounting policies;

B. Alternative treatments of financial information within GAAP discussed with management (including the ramifications thereof and the treatment preferred by the external auditor);

C. Other material, written communication between management and the external auditor;

h) Consider and make recommendations to the Board as to the appointment or re-appointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;

i) Review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees and make a recommendation to the Board as to the compensation of the external auditor;

j) When there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;

k) Oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;

l) Review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence, including, without limitation:

   i) Requesting, receiving and reviewing, on a periodic basis, written or oral information from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Corporation;

   ii) Discussing with the external auditor any disclosed relationships or services that the external auditor believes may affect the objectivity and independence of the external auditor; and

   iii) Recommending that the Board take appropriate action in response to the external auditor's information to satisfy itself of the external auditor's independence;

m) As may be required by applicable securities laws, rules and guidelines, either:

   i) Pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of de minimis non-audit services, approve such non-audit services prior to the completion of the audit; or

   ii) Adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services;

n) Review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

o) Establish procedures for:

   i) The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

   ii) The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

p) Review with external auditor its assessment of the internal controls of the Corporation, its written reports containing recommendations for improvement, and the Corporation's response and follow-up to any identified weaknesses;

q) With respect to risk management, be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting (and review senior management's assessment thereof) to ensure compliance with any applicable legal and regulatory requirements;

r) Review annually with management and the external auditor and report to the Board on insurable risks and insurance coverage; and

s) Engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.

SCHEDULE B

AUDIT COMMITTEE "WHISTLE-BLOWER" PROCEDURES POLICY

MARATHON GOLD CORPORATION (the "Corporation")

The Corporation is committed to maintaining high standards of business conduct and ethical behavior, as well as complying fully with applicable laws, rules and standards applying to corporate reporting and continuous disclosure, accounting practices and controls, and processes for the prevention and detection of fraud, bribery or other improper activities. Collectively, these represent “Governance Concerns”.

MI 52-110 Requirement

Pursuant to Multilateral Instrument 52-110, the Corporation's Audit Committee is required to establish procedures for:

a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

This procedures policy is designed to achieve this purpose and to address more generally any Governance Concerns, as described below, raised by directors, officers, employees and service providers working at any level within the Corporation (each a “Relevant Individual”)

Governance Concerns Explained

For the purposes of this Policy, “Governance Concerns” are intended to be applied broadly and to encompass any matter or behavior which, in the reasonable and genuinely held belief of a complainant, represents professional malpractice; is illegal, unethical, or criminal in nature; is in violation of any promulgated policy of the Corporation; or is in some other manner improper. It is not intended to deal with personal grievances or employment-related disputes.

Examples of a Governance Concern addressable by this policy include, but are not limited to, allegations of the following:

- Violation of any law or regulation that relates to corporate reporting and disclosure.
- Fraud or intentional acts of misstatement in the preparation, evaluation and review of the Corporation’s financial statements and other continuous disclosure documents.
- Fraud or deliberate error in the recording and maintenance of the Corporation’s financial records.
- Violations of the Corporation’s internal policies.
- False statements by or to a director, officer or employee of the Corporation with respect to matters reflected in the Corporation’s financial records and financial reporting, or other elements of the Corporation’s continuous disclosure.

The Corporation's Procedure

Relevant Individuals having Governance Concerns are encouraged to submit such concerns (the "Governance Complaint") to the Chair of the Corporation's Audit Committee.

Any Relevant Individual who wishes to make a Governance Complaint may do so anonymously or in confidence by directing such Governance Complaint in writing directly to the Chair of the Audit Committee. Delivery may be made directly to the Chair or to the Chair care of the Corporation and marked “Personal and Confidential”.

Upon receiving a Governance Complaint, the Chair of the Audit Committee will, depending upon the apparent urgency of the matter, call a meeting of the Audit Committee or add the Governance Complaint to the agenda for consideration at the next regularly scheduled meeting of the Audit Committee.

The Audit Committee shall review and discuss, on a preliminary basis, the nature of the Governance Complaint and the accounting, auditing, control or other matters that are called into question. In conducting this review, the Audit Committee will hold an *in camera* session, and then may request the attendance, at its discretion, of the Chief Executive Officer, the Chief Financial Officer, the Corporation's auditor and/or the person making the Governance Complaint (if known and if such person is amenable) and/or such other persons as it deems necessary. The purpose of the meeting and the nature of the Governance Complaint shall have been communicated to all such attendees by notice prior to the meeting.

If the Audit Committee is satisfied upon a preliminary review that the Governance Complaint has merit, the Audit Committee shall authorize the Chair of the Audit Committee to retain and consult with an appropriately qualified: (1) law firm; and/or (2) a registered public accounting firm, within the meaning of applicable securities legislation, other than the independent auditor, in order to review the Governance Complaint. Following the conclusion of its inquiries, the Audit Committee shall meet to determine the merit of the Governance Complaint. Minutes of such meeting shall be kept in the normal course in order to ensure a record of the nature and treatment of the Governance Complaint.

Upon reaching such determination, the Audit Committee will communicate its findings and recommendations to the Board. The Board shall consider and implement such recommendations, as it deems advisable, to rectify any deficiencies identified in the Governance Complaint and shall communicate same to management.

The Audit Committee shall ensure that confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances; and the person who makes the Governance Complaint (if known) shall receive a written summary of the final determination.

The Audit Committee shall retain all documentation regarding the Governance Complaint, its preliminary review, any investigation, determination and implementation of recommendations for a period of no less than ten (10) years.

Administration

The Corporation, through the Chief Executive Officer shall be responsible for the dissemination of this Policy to all Relevant Individuals.

No Retaliation

The Corporation will not allow or pursue retaliation of any kind in respect of a Governance Complaint, or for assistance or information provided to applicable authorities in connection with an investigation of breaches of applicable securities law, where such are made or provided in good faith. In addition, no employee may be adversely affected because the employee refused to carry out a directive which, in fact, constitutes corporate fraud, is a violation of this Procedure, a violation of the law or presents a substantial and specific danger to the public's health and safety. Any retaliatory action should immediately be reported to the Chairman or any other member of the Corporation's Board of Directors.