FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 *Name and Address of Company*

Marathon PGM Corporation ("Marathon" or the "Company")
330 Bay Street, Suite 1505
Toronto, Ontario M5H 2S8

Item 2 *Date of Material Change*

October 11, 2006

Item 3 *News Release*

A news release attached hereto as Schedule "A" was disseminated by Marathon on October 12, 2006 via Newswire.

Item 4 *Summary of Material Change*

Marathon announced the filing of a preliminary short form prospectus dated October 11, 2006 in each of the Provinces of Canada other than Quebec in respect of a marketed offering (the "Offering") of units (the "Units") and common shares on a "flow-through" basis for aggregate gross proceeds of up to $20,000,000.

Each Unit consists of one common share and one half of one common share purchase warrant. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

The transaction is expected to close by the end of October. TD Securities Inc. is the lead underwriter of the syndicate which includes Octagon Capital Corporation. The Underwriters will be granted an option to purchase additional Units to cover over-allotments, if any.

Item 5 *Full Description of Material Change*

See Schedule A attached hereto.

Item 6 *Reliance on subsection 7.1(2) or (3) of National Instrument 51-102*

This report is not being filed on a confidential basis.

Item 7 *Omitted Information*

No information has been omitted in respect of the material change.

Item 8 *Executive Officer*

James Kirke, Vice President, Finance and Chief Financial Officer

DATED as of this 18th day of October, 2006.

MARATHON PGM CORPORATION

Per:__________________________________

James Kirke,
Vice President, Finance and
Chief Financial Officer

SCHEDULE "A"

Marathon PGM CORPORATION

Press Release

#2006-21

Marathon Announces Filing of Preliminary Short Form Prospectus for Equity Offering

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES./

October 12, 2006– Toronto, Ontario: Marathon PGM Corporation (the "Company") (TSXV – MAR) wishes to announce the filing of a preliminary short form prospectus dated October 11, 2006 in each of the Provinces of Canada other than Quebec in respect of a marketed offering (the "Offering") of units (the "Units") and common shares on a "flow-through" basis (the "Flow-Through Shares") for aggregate gross proceeds of up to $20,000,000.

Each Unit consists of one common share and one half of one common share purchase warrant. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

The transaction is expected to close by the end of October. TD Securities Inc. is the lead underwriter of the syndicate which includes Octagon Capital Corporation. The Underwriters will be granted an option to purchase additional Units to cover over-allotments, if any.

The Company plans to use the proceeds of the Offering to fund a NI 43-101 compliant feasibility study at the Marathon PGM – Cu Project, for general corporate purposes, and to incur eligible CEE.

About the Marathon PGM – Cu Project

The Company has a 100% interest in the Marathon PGM – Cu Project, located about 10km north of Marathon, Ontario. As announced previously, the Company has completed a Preliminary Economic Assessment in compliance with the provisions of National Instrument 43-101, showing a total measured and indicated resource of 49.3 million tonnes grading 0.91 g/t palladium, 0.24 g/t platinum, 0.09 g/t gold, and 0.31% copper, representing contained metals consisting of 2 million ounces of PGM's and gold and 341 million pounds of copper that is potentially mineable. This report was completed by P&E Mining Consultants Inc. and was filed on Sedar on March 30, 2006.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking statements". Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include but are not limited to those identified and reported in Management's Discussion and Analysis for the year ended December 31, 2005. Circumstances or management's estimates or opinions could change, and management disclaims any obligation to revise or update forward-looking statements, whether for new information, future events or otherwise. The reader is cautioned not to place undue reliance on forward-looking statements.

This press release is not an offer of the securities described above for sale in the United States (the "securities"). The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. Any public offering of the securities to be made in the United States will be made by means of a prospectus that may be obtained from Marathon PGM Corporation, TD Securities Inc. or the other Underwriters and that will contain detailed information about the Company and management, as well as financial statements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

On behalf of the Board of Directors,
"Phillip C. Walford"
Phillip C. Walford
President, Chief Executive Officer & Director
info@marathonpgm.com
416-987-0711

For more information, please contact:
Jason Roy: jroy@renmarkfinancial.com
Tina Cameron: tcameron@renmarkfinancial.com
Media: Eva Jura: ejura@renmarkfinancial.com
Tel: (514) 939-3989
Fax: (514) 939-3717
www.renmarkfinancial.com