

# Marathon Gold Announces 2017 Financial Results

29.03.2018 | [GlobeNewswire](#)

TORONTO, March 29, 2018 (GLOBE NEWSWIRE) -- [Marathon Gold Corp.](#) (TSX:MOZ) ("Marathon") announced today its financial results for the year ended December 31, 2017.

## Highlights:

- At December 31, 2017 Marathon had \$7.1 million in cash and cash equivalents compared to \$8.5 million at December 31, 2016.

Marathon completed the following activities in the year ended December 31, 2017, and subsequently to the date of this press release:

- Mineral Resource Estimate -- In November 2017, Marathon released an updated mineral resource estimate and the supporting National Instrument 43-101 technical report for the Valentine Lake property. This report incorporated the results of drilling on the property through the third quarter of 2017 and the re-modelling of the Leprechaun Deposit, which was undertaken to better reflect the revised geological model for this deposit. This updated estimate was the second resource estimate undertaken in 2017 and is serving as the foundation for the Preliminary Economic Assessment ("PEA"), which is currently underway. With completion of the November 2017 resource estimate, the Valentine Lake property hosts a total Measured and Indicated resource of 1.8 million ounces of gold at a grade of 1.88 g/t and an additional Inferred resource of 1.0 million ounces at a grade of 1.65 g/t. Between March 2015 and November 2017, the global measured and indicated resource increased by 0.7 million ounces or 74%, while the global inferred resource increased by 0.8 million ounces or 409%.
- Buy-back of Net Smelter Returns Royalty -- On November 14, 2017 Marathon bought back a Net Smelter Returns royalty on the Valentine Lake property, which consisted of a 3% royalty on precious metal production and a 2% royalty on base metals production and which covered a land package that includes all of the current resources associated with the Valentine Lake project, for cash consideration of US \$8.7 million, or \$11.2 million. The royalty buy-back was a one-time opportunity that management expects will have a significant positive impact on the value of the Valentine Lake project.
- Financings -- On May 25, 2017, Marathon closed a bought deal prospectus financing underwritten by a syndicate of underwriters led by RBC Capital Markets. Marathon issued a total of 6,900,000 common shares at a price of \$1.03 per common share and 9,200,000 flow-through shares at a price of \$1.25 per flow through share, for aggregate gross proceeds of \$18.6 million. In addition, on December 21, 2017 Marathon closed a private placement underwritten by a syndicate of underwriters led by Canaccord Genuity Corp., issuing a total of 4,066,000 flow through shares at a price of \$1.23 for gross proceeds of \$5.0 million.

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

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

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

## Operating Results:

The results of operations for the three- and twelve-month periods ended December 31, 2017 and 2016 are summarized below. The 2017 results reflect increases in staff compensation costs and director fees following an independent benchmarking review of Marathon's compensation practices; a performance bonus awarded to management and employees driven by the sharp increase in mineral resources at the Valentine Lake Gold Camp; stock options issued in the second and third quarter of 2017; and professional and other fees associated with changes to Marathon's shareholder rights plan, stock option plan, and corporate governance practices and policies.

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

This press release should be read in conjunction with Marathon's consolidated financial statements for the years ended December 31, 2017 and 2016 and the related Management's Discussion and Analysis, both of which are available on [www.sedar.com](http://www.sedar.com).

## About Marathon

Marathon is a Toronto based gold exploration company rapidly advancing its 100% owned Valentine Lake Gold Camp located in Newfoundland, one of the top mining jurisdictions in the world. The Valentine Lake Gold Camp currently hosts four near-surface, mainly pit-shell constrained, deposits with measured and indicated resources totaling 1,846,500 oz. of gold at 1.88 g/t and inferred resources totaling 1,011,700 oz. of gold at 1.65 g/t. The majority of the resources occur in the Marathon and Leprechaun deposits, which also have resources below the pit shell. Both deposits are open to depth and on strike. Gold mineralization has been traced down over 350 metres vertically at Leprechaun and almost a kilometer at Marathon. The four deposits outlined to date occur over a 20-kilometer system of gold bearing veins, with much of the 24,000-hectare property having had little detailed exploration activity to date. Drilling in winter 2018 is continuing to focus on expanding the Marathon Deposit at surface and to depth as well as exploration drilling along the boggy covered area between the Marathon and Sprite Deposits.

The Valentine Lake Gold Camp is accessible by year-round road and is located in close proximity to Newfoundland's electrical grid. Marathon maintains a 50-person all-season camp at the property. Recent metallurgical tests have demonstrated 93% to 98% recoveries via conventional milling and 50% to 70% recoveries via low cost heap leaching at both the Leprechaun and Marathon Deposits. To find out more information on the Valentine Lake Gold Camp please visit [www.marathongold.com](http://www.marathongold.com).

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For more information, please contact:

Jim Kirke	Phillip Walford
Chief Financial Officer	President and Chief Executive Officer
(416) 987-0710	(416) 987-0711

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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