

Marathon Gold Announces 2018 Financial Results

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TORONTO, March 29, 2019 - [Marathon Gold Corp.](#) (MOZ-TSX) ("Marathon") announced today its financial results for the year ended December 31, 2018.

Following the completion of the updated preliminary economic assessment ("PEA") on the Valentine Lake Gold Project in October 2018 and a successful financing transaction in February 2019, Marathon's current exploration and technical activity is in support of the pre-feasibility study ("PFS") on the Valentine Lake Gold Project.

Marathon completed the following activities in the year ended December 31, 2018, and subsequently to the date of this press release:

Financing and Liquidity:

At December 31, 2018, Marathon's cash position was \$3.7 million compared to \$7.2 million at December 31, 2017. In July 2018, Marathon closed a bought deal prospectus financing of common shares and flow through shares which generated aggregate gross proceeds of \$8.1 million and net proceeds of \$7.3 million.

Sale of NSR to Franco-Nevada:

On February 21, 2019, Marathon completed the sale of a 2% net smelter returns royalty ("NSR") to [Franco-Nevada Corp.](#) (the "FN NSR") for proceeds of \$18 million, which will fund Marathon's exploration and technical work through to completion of the PFS. The FN NSR includes an 0.5% buy-back provision that allows Marathon to reduce the royalty to 1.5% prior to December 31, 2022 at a cost of US \$7 million.

Mineral Resource Estimate:

In October 2018, Marathon released an updated mineral resource estimate which served as the foundation for the updated PEA, the highlights of which were communicated in a press release dated October 30, 2018. This revised resource estimate incorporated the results of drilling on the property through October 6, 2018.

At the date of this press release, the Valentine Lake property hosts a total Measured and Indicated resource of 2.7 million ounces of gold at a grade of 1.85 g/t and an additional Inferred resource of 1.5 million ounces at a grade of 1.77 g/t.

Updated Preliminary Economic Assessment:

In October 2018 Marathon completed an update to its initial PEA on the Valentine Lake project. This work was led by Lycopodium Minerals Canada and John T. Boyd Company. The results of the PEA were communicated in a press release dated October 30, 2018 and an accompanying NI 43-101 compliant report was filed on SEDAR on November 30, 2018.

The main driver for this updated PEA was the significant increase in mineral resources, reflecting a highly successful 2018 drilling program. The results of this study represent a significant improvement over the

results of the May 2018 PEA, confirming a potential mining operation involving conventional mill processing and heap leaching, producing an average of 225,100 ounces of gold per year during the first 12 years of operation at an all-in sustaining cost ("AISC") of US\$666 per ounce and generating an after-tax IRR of 30% on estimated pre-production costs of US\$355 million. The project is anticipated to produce an after-tax NPV (5%) of US\$493 million. The after-tax payback period is a desirable 2.5 years in a 12.2-year mine life.

As a follow-up to the results of the PEA, metallurgical work being carried out by SGS Lakefield and underway at the date of this press release is expected to result in optimized recoveries for use in the PFS.

Drilling:

Diamond drill programs, which ran from January to March and May to October 2018, focused on:

- expanding and upgrading the Marathon and Leprechaun resources in support of the May and October 2018 PEA's;
- infill drilling at the Marathon Deposit intended to upgrade inferred resources to the measured and indicated categories and additional drilling in the hanging wall and footwall of the main area of the deposit;
- completing a program of widely spaced exploration holes in the 3.5-kilometer Gap zone between the Sprite and Marathon Deposits to determine the potential of this area of the property, which has seen little in the way of exploration activity, to host mineral resources; and
- initial exploration drilling in the area immediately southwest of the Victory deposit, following on from promising results obtained from a summer program of prospecting and trenching.

Marathon's 2019 drilling programs at the Marathon and Leprechaun deposits, which are underway, are intended to upgrade inferred resources to the measured and indicated categories as Marathon moves to complete the PFS and to provide greater confidence in the continuity of high-grade material in the core of each deposit. Results to date at each deposit have been very favourable.

Operating Results:

The results of operations for the three- and twelve-month periods ended December 31, 2018 and 2017 are summarized below.

	Three months ended		Year ended	
	December 31		December 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
Expenses:				
Exploration expenses	935	961	22,749	109,311
General and administrative expenses	364,024	423,502	2,349,323	2,511,111
Other finance expense	-	50,651	47,626	162,111
Other income & royalties related to gold sales by the Golden Chest mine	(25,566)	-	(59,114)	-
Interest income	-	(12,710)	-	(79,111)
Foreign exchange loss	(10,722)	(7,069)	(13,799)	(2,611)
Loss before tax	328,671	455,335	2,346,785	2,701,111
Income tax expense (recovery)	409,652	3,400,849	500,197	1,301,111
Loss for the period	738,323	3,855,824	2,846,982	4,002,222

This press release should be read in conjunction with Marathon's consolidated financial statements for the years ended December 31, 2018 and 2017 and the related Management's Discussion and Analysis, both of which are available on www.sedar.com.

Cautionary Statement:

The updated PEA was prepared in accordance with NI 43-101. Readers are cautioned that the PEA 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 economic results reflected in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Qualified Person:

This press release has been reviewed by Phillip Walford, P.Geo. Mr. Walford is a Qualified Person in accordance with NI 43-101 and has approved the contents of this press release on behalf of Marathon.

About Marathon:

Marathon is a Toronto based gold exploration company rapidly advancing its 100% owned Valentine Lake Gold Camp located in Newfoundland and Labrador, 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 2,691,400 oz. of gold at 1.85 g/t and inferred resources totaling 1,531,600 oz. of gold at 1.77 g/t. The majority of the resources occur in the Marathon and Leprechaun deposits, which also have resources below the current open pit shell. Both deposits are open to depth and on strike. Gold mineralization has been traced down over 350 meters vertically at Leprechaun and almost a kilometer at Marathon. The four deposits identified to date occur over a 20-kilometer system of gold bearing veins, with much of the 24,000-hectare property having had only minimal exploration activity to date.

The Valentine Lake Gold Camp is accessible by year-round road and is in close proximity to the provincial 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.marathon-gold.com.

For more information, please contact:

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