

Marathon Gold Announces Q1 2019 Financial Results

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TORONTO, May 15, 2019 - [Marathon Gold Corp.](#) (MOZ-TSX) (“Marathon”) announced today its financial results for the three months ended March 31, 2019. 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 Gold Project.

Highlights

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 “FNV NSR”) for proceeds of \$18 million. This attractive transaction is anticipated to fund Marathon’s exploration and technical work through to completion of the PFS and was pursued rather than an equity financing to manage the dilution of shareholders. The FNV 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.

Financing and Liquidity

At March 31, 2019, Marathon’s cash position was \$19.4 million compared to \$3.7 million at December 31, 2018, reflecting the sale of the FNV NSR.

Infill drilling program:

Following on from successful 2018 drilling programs at the Marathon and Sprite deposits, Marathon’s 2019 infill drilling program is in progress with completion expected in the third quarter of 2019. This program is being carried out primarily on the main mineralized corridors of the Marathon and Leprechaun deposits with two concurrent objectives, both of which are directly connected to the PFS:

- To further confirm Marathon’s geological models for the Marathon and Leprechaun deposits by demonstrating the lateral continuity of the QTP-gold veining along and across strike as well as to depth within the mineralized corridors, and
- To continue to upgrade existing inferred resources in each deposit into the measured and indicated categories and to increase measured resources for the first five years of mining operations.

To date, Marathon has completed 73 holes covering 19,868 meters in the two deposits, representing approximately 44% of the infill drilling planned for the year. Results to date have exceeded management’s objectives and are expected to not only upgrade the confidence levels of the resources but achieve an overall increase in gold grades in the measured and indicated resource categories. Upon completion of the infill drilling program, Marathon will update its mineral resource estimate to support the PFS.

Environment and Stakeholder Engagement:

Marathon filed an Environmental Assessment (“EA”) Registration/Project Description with the Newfoundland and federal governments on April 5, 2019, which was subsequently accepted into the formal EA review process on April 16, 2019. These documents are posted by both governments for public review

and comment and are reviewed by the various regulatory departments to determine if, and to what extent, further EA is required. A decision on this stage of the EA process is due on May 31, 2019 by both levels of government.

Marathon commenced formal stakeholder engagement in March 2019, beginning with public meetings in the closest communities to the project, including Buchans, Millertown and Grand Falls-Windsor, to brief residents, municipal governments, and other local stakeholders on the status of the project and Marathon's development plans.

Results of Operations:

The results of operations for the three months ended March 31, 2019 and 2018 are summarized below.

| | 2019 | 2018 |
|--|-----------|------------|
| | \$ | \$ |
| Expenses: | | |
| General and administrative expenses | 583,179 | 483,630 |
| Other income – royalty payments related to gold sales by the Golden Chest Mine | (26,344) | - |
| Interest income | (27,518) | - |
| Interest expense | 216 | - |
| Foreign exchange gain | (6,587) | (5,225) |
| Loss before tax | 522,946 | 478,405 |
| Income taxes | 104,784 | (311,151) |
| Loss for the period | 627,730 | 167,254 |

This press release should be read in conjunction with Marathon's condensed interim consolidated financial statements for the periods ended March 31, 2019 and 2018 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 company rapidly advancing its 100%-owned Valentine Gold Camp located in Newfoundland and Labrador, one of the top mining jurisdictions in the world. Marathon has confirmed the feasibility of the Valentine Gold Camp, which 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 at depth and on strike. Gold mineralization has been traced down almost a kilometer vertically at Marathon and over 350 meters at Leprechaun. The four deposits identified to date occur over a 20-kilometer long system of gold bearing veins, with much of the 24,000-hectare property having had only minimal exploration activity to date.

The Valentine 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 53% to 77% recoveries via lower cost heap leaching at both the Marathon and Leprechaun Deposits.

To find out more information on the Valentine Gold Camp project, please visit www.marathon-gold.com.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to [Marathon Gold Corp.](#), certain information contained herein constitutes "forward-looking statements". Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "considers", "intends", "targets", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". We provide forward-looking statements for the purpose of conveying information about our current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in [Marathon Gold Corp.](#)'s public filings, which may be accessed at www.sedar.com. Other than as specifically required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise.

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