

Marathon Gold Provides Valentine Gold Project Development Update

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TORONTO, May 06, 2021 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) is pleased to provide an update on its plans regarding the continued exploration and development of the Valentine Gold Project, central Newfoundland (the "Project").

Marathon recently published a Feasibility Study ("FS") for the Project demonstrating robust economics for a conventional open pit mining and milling operation with low initial capital cost and high rate of return. An Environmental Assessment ("EA") for the Project is ongoing with federal and provincial regulators, and is expected to be completed later this year. Marathon's 2021 exploration program continues to deliver strong results, with a recent mineral resource estimate for the new Berry Deposit demonstrating mine life extension potential for the Project. On this basis, Marathon announces the following:

- **Expanding Exploration and Resource Drilling.** An additional 50,000 metres of drilling will be targeted at the Berry Deposit, to be completed over the next 15 months. Together with drilling completed in 2020, and the 30,000 metres of drilling already budgeted for 2021, this will bring the total drilling inventory at Berry to approximately 120,000 metres by mid-2022, sufficient to establish Berry's resource potential over its full 1.5 kilometre long extent. Marathon will also continue to aggressively pursue additional opportunities for resource growth elsewhere within the Valentine Lake property.
- **Testing the Mineral Resource.** Marathon will commence a Reverse Circulation ("RC") drill program of approximately 8,000 metres on the Leprechaun and Marathon Deposits, designed to test resource reconciliation and grade distribution broadly over both deposits. The program will comprise 6 x 12 metre drill spacings to a depth of up to 50 metres, and will commence later this month. Results will be available by the third quarter of this year.
- **Environmental Assessment Proceeding with No Change to Project Scope.** Consistent with the Company's previously stated plans, Marathon will seek to complete the current EA process expeditiously, with no changes to the project scope or the mine plan described in the FS and the Project's Environmental Impact Statement. This is based on two open pits at Marathon and Leprechaun and a central 2.5 to 4 million tonne per annum mill. Following release from the EA, and upon Project approval, Marathon will commence applications for the site-specific sectoral permits required for the construction of this mine design.
- **De-risking and Re-ordering Mine Construction.** The FS contemplates project construction commencing immediately upon receipt of sufficient permits, with first gold pour in October 2023. With a view to optimising the conditions for a successful on-budget and on-schedule Project build, Marathon is assessing an execution strategy of first commencing construction on the Project's essential infrastructure elements, such as the NL Hydro powerline, site communication systems, camp facilities, and upgrades to access roads and bridges. With this well in hand, site-based construction would commence later in 2022. A development budget and schedule for this de-risked execution strategy, including a revised date of first gold production, will be prepared by the Company in the fourth quarter of this year in support of a construction decision by the Company's Board of Directors. Detailed engineering in support of this work has already commenced.

Matt Manson, Marathon's President & CEO commented: "The revised strategy for the Valentine Gold Project that we are announcing today is about both doubling-down on our successful exploration efforts with more drilling, and establishing the best possible conditions for the successful delivery of the Valentine Gold Mine. We intend to push hard on our current EA and permitting process based on our existing Project scope, and we plan to commence construction, on schedule, in early 2022. However, we will be focussed initially on the key infrastructure elements necessary for overall success: power, roads, camp and communications. This allows us to de-risk the construction of the more substantial site works, such as the tailings impoundment and the mine facilities, resulting in a mid-year mobilization for our civils work and the synchronising of the construction schedule to the most favourable seasons. With infrastructure, full financing, and permits in hand, our strategy is to progress under the "best" possible project road map rather than the "fastest". All the while, we will be increasing rather than decreasing our exploration activities, and testing our mineral resource inventory with an RC grade control program. By the time we commence major site works in 2022, we intend to better understand the full scale of the property's mineral resource potential, to have validated the quality of

our mineral resource estimate, and to have significantly de-risked the Project for successful construction."

Update on Project Financing and EPC Contract

The April 21, 2021 FS estimates an initial capital cost for the Valentine Gold Project of C\$305 million. Full project financing will include additional provisions for working capital, financing and interest costs, mine closure guarantees, cost overrun facilities, and corporate costs. Marathon intends to finance the Project with a combination of debt and equity. The Company is currently engaged with a consortium of financial institutions under an indicative term sheet and mandate letter for a senior term loan facility. Expressions of interest for project debt financing have also been received from private, non-bank lenders. As of December 31, 2020 Marathon had cash and cash equivalents of C\$52 million, with an additional C\$30 million of in-the-money warrants due in 2021. Additional equity financing will be required prior to the commencement of principal construction, and as a condition of debt financing.

Marathon is also engaged in discussions for a potential Engineering, Procurement and Construction ("EPC") contract for the Valentine Gold Project. The EPC contract, covering a substantial proportion of Project scope and with fixed pricing provisions, would be designed to provide additional cost certainty on capital budget and the de-risking of Project delivery. Discussions relating to this contract are ongoing.

Update on Communities and First Nations

On December 9, 2020 Marathon announced the completion of Cooperation Agreements with six central Newfoundland communities located close to the Project. These are Buchans, Buchans Junction, Millertown, Badger, Grand Falls-Windsor and Bishop's Falls. The six agreements identify the interests of each community in employment, business opportunities, community investment, and environmental protection.

More recently, on May 4, 2021, Marathon announced the completion of a Social and Economic Agreement ("SEA") with the Qalipu Mi'kmaq First Nation. The SEA addresses matters such as access to employment and contracting opportunities by Qalipu members and businesses, education and training, environmental stewardship and monitoring, and community investment. A separate process is ongoing with the Miawpukek First Nation with a view to establishing ongoing engagement on similar terms.

Prior to the completion of the EA process, Marathon also expects to conclude a Benefits Agreement with the Province of Newfoundland and Labrador, which will include commitments on provincial employment and purchasing, with a focus on gender equity, diversity and inclusivity in the workplace. Negotiations towards the completion of the Benefits Agreement are ongoing.

Qualified Persons

Disclosure of a scientific or technical nature in this news release has been approved by Mr. Tim Williams, FAusIMM, Chief Operating Officer of Marathon, Mr. Paolo Toscano, P.Eng. (Ont.), Vice President, Projects for Marathon, and Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon. Mr. Williams, Mr. Toscano and Mr. Powell are qualified persons under National Instrument ("NI") 43-101.

About Marathon

Marathon (TSX:MOZ) is a Toronto based gold company advancing its 100%-owned Valentine Gold Project located in the central region of Newfoundland and Labrador, one of the top mining jurisdictions in the world. The Project comprises a series of five mineralized deposits along a 20-kilometre system. An April 2021 Feasibility Study outlined an open pit mining and conventional milling operation over a thirteen-year mine life with a 31.5% after-tax rate of return. The Project has estimated Proven Mineral Reserves of 1.40 Moz (29.68 Mt at 1.46 g/t) and Probable Mineral Reserves of 0.65 Moz (17.38 Mt at 1.17 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.92 Moz (32.59 Mt at 1.83 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.22 Moz (24.07 Mt at 1.57 g/t). Additional Inferred Mineral Resources are 1.64 Moz (29.59 Mt at 1.72 g/t Au). Please see Marathon's Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities

and available at www.sedar.com for further details and assumptions relating to the Valentine Gold Project.

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To find out more information on [Marathon Gold Corp.](http://www.marathon-gold.com) and the Valentine Gold Project, please visit www.marathon-gold.com.

Cautionary Statement Regarding Forward-Looking Information

Certain information contained in this news release, constitutes forward-looking information within the meaning of Canadian securities laws ("forward-looking statements"). All statements in this news release, other than statements of historical fact, which address events, results, outcomes or developments that Marathon expects to occur are 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", "estimates", "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. More particularly and without restriction, this news release contains forward-looking statements and information about the FS and the results therefrom (including IRR, NPV_{5%}, Capex, FCF, AISC and other financial metrics), the realization of mineral reserve and mineral resource estimates, the future financial or operating performance of the Company and the Project, capital and operating costs, the ability of the Company to obtain all government approvals, permits and third-party consents in connection with the Company's exploration, development and operating activities, the potential impact of COVID-19 on the Company, the Company's ability to successfully advance the Project and anticipated benefits thereof, economic analyses for the Valentine Gold Project, processing and recovery estimates and strategies, future exploration and mine plans, objectives and expectations and corporate planning of Marathon, future environmental impact statements and the timetable for completion and content thereof and statements as to management's expectations with respect to, among other things, the matters and activities contemplated in this news release.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. In respect of the forward-looking statements concerning the interpretation of exploration results and the impact on the Project's mineral resource estimate, the Company has provided such statements in reliance on certain assumptions it believes are reasonable at this time, including assumptions as to the continuity of mineralization between drill holes. A mineral resource that is classified as "inferred" or "indicated" has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of mineral resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable mineral reserves.

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. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; uncertainty as to estimation of mineral resources; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources); the potential for delays or changes in plans in exploration or development projects or capital expenditures, or the completion of feasibility studies due to changes in logistical, technical or other factors; the possibility that future exploration, development, construction or mining results will not be consistent with the Company's expectations; risks related to the ability of the current exploration program to identify and expand mineral resources; 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;

operational 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; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to commodity and power prices, foreign exchange rate fluctuations and changes in interest rates; 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; risks relating to the Company's ability to attract and retain skilled staff; risks relating to the timing of the receipt of regulatory and governmental approvals for continued operations and future development projects; political and regulatory risks associated with mining and exploration; risks relating to the potential impacts of the COVID-19 pandemic on the Company and the mining industry; changes in general economic conditions or conditions in the financial markets; and other risks described in Marathon's documents filed with Canadian securities regulatory authorities, including the Annual Information Form for the year ended December 31, 2020.

You can find further information with respect to these and other risks in Marathon's Amended and Restated Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities available at www.sedar.com. Other than as specifically required by law, Marathon undertakes 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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