

# Marathon Makes Construction Decision for the Valentine Gold Project and Provides Project Development Update

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TORONTO, Sept. 01, 2022 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) announces that its Board of Directors has made a formal decision to proceed to construction of the Valentine Gold Project ("Valentine" or the "Project") located in the central region of Newfoundland and Labrador ("NL"). This decision has been made following the recent successful completion of the Project's provincial and federal environmental assessments, an updated cost to complete assessment, and an evaluation of the overall investment merits of the Project.

Matt Manson, President and CEO, commented: "Valentine is one of Canada's best undeveloped gold deposits located in one of the world's best mining jurisdictions. This is a Project blessed by its location, by the simplicity of its design and operation, by the strong support of its stakeholders and community partners, and by its rich endowment of gold mineralization. After more than three years of environmental assessment we have now been approved by the regulators to move forward with its development. The Company's decision to proceed with construction of the Valentine Gold Project considers the impact of almost two years of market inflation on the Project's costs, as well as a necessarily cautious approach to project management, contingency and scheduling. We currently assess that the Project's construction cost to complete, including early works being carried out in the fourth quarter of 2022, will be in the range of C\$470 to C\$490 million. However, we are also recognising the potential value of the Project as it continues to grow. The future addition of the new Berry Deposit, which forms the centre of our ongoing mine planning, offers an extension to the Project's mine life and an improved gold production profile, even as we manage the increased cost-of-entry to the business. This formal decision to proceed to a build, made by the Board of Directors, reflects our confidence in the significant value that the Valentine Gold Project offers to Marathon's shareholders, and its many stakeholders in the province of Newfoundland and Labrador."

George Faught, Chairman of the Board of Directors of Marathon, commented: "The Board of Directors is pleased to support management's recommendation to proceed with construction of a mine at the Valentine Gold Project and we are firmly convinced that this is a mine that needs to be built. The detailed work completed by the Marathon team over the past two years, combined with the number of successful permitting milestones achieved, including the full release from provincial and federal environmental assessment, supports our collective decision to build the largest gold mine in Atlantic Canada. We are also convinced of the exploration upside and long-term potential that the Valentine Gold Project holds and are grateful for the support of all the stakeholders involved with us as we commence with this much anticipated capital project."

## Permitting and Schedule

Provincial and Federal Environmental Assessments ("EAs") for the Project were successfully concluded in March and August of this year respectively. The Project can now proceed to development based on the satisfaction of the release conditions of each EA, and the acquisition of relevant site-specific permits. This process is progressing well. The Project's Mining and Surface Leases were issued by the NL Department of Industry, Energy and Technology in June, and the province has most recently approved the Project's Environmental Protection Plan and the Early Works Development, Rehabilitation and Closure Plan. The progress of permitting supports a development schedule of site early works commencing at the beginning of the fourth quarter of 2022, full construction mobilization by January of 2023, first ore delivered to the mill by the end of 2024, and first gold production in early 2025.

## Cost to Complete

With the Project's schedule confirmed, Marathon is able to give guidance on the Project's capital cost

estimate. Marathon currently assesses a cost to complete of between C\$470 and C\$490 million. Compared to the C\$305 million initial capital cost contained within the Project's April 2021 Feasibility Study ("FS"), the new assessment incorporates approximately 20 months of market inflation as well as the reallocation of costs previously characterised as sustaining capital items into the initial capital period. The new assessment also incorporates certain scope changes relating, principally, to updated staffing levels and the impact of moving from the 22-month construction schedule contained within the FS to the current 28-month construction schedule. The cost estimate is effective as of August 2022, and includes current market bids, contracted pricing, finalised equipment leasing arrangements, and current market data for labour and consumables, including diesel. Pre-development and owner's costs incurred to the end of July 2022 are excluded.

#### Update on Engineering and Procurement

Contingencies within the Project's cost-to-complete assessment vary by work package between 0% and 20% based on level of engineering and procurement completed to date. 37% of the assessment represents definitive pricing on already price-protected procurement orders or contracts. Another 28% is classified as substantive pricing based on the completion of detailed engineering and construction packages. Overall detailed engineering completed to the end of July stood at 43%. Detailed engineering on civils-related site activities, which characterise the early construction period, are most advanced at between 85% and 100%.

Procurement has been completed on the Project's mobile mining equipment and drills, as well as the temporary construction camp and permanent accommodation complex. Within the mill, orders have been placed on major components with long lead times, such as the primary crusher, ball and SAG mills, cyclones, ADR circuit, screens, samplers, gravity concentrator, apron feeders, vibrating grizzly, slurry pumps and thickener. Contracts have been entered into for bridge replacement and road upgrades on the Project's access road from Millertown, tree cutting, pad construction, fresh water supply, electrical sub-station, civils material testing, surveying, explosives supply, fuel supply, camp catering and the mine assay lab. JCL Investments Inc., a prominent NL based construction contractor, has been appointed as the primary civils contractor. The Project's powerline is being constructed under an implementation agreement between Marathon and NL Hydro.

#### Mine Planning

The April 2021 FS contemplated a 13-year mine life based on two mining pits at the Marathon and Leprechaun Deposits and a Mineral Reserve of 2.05 Moz of gold (47.1 Mtonnes at 1.36 g/t Au). This is the project scope that was assessed under the recently completed environmental assessments, and which Marathon will proceed to develop.

However, Marathon recently released an updated Mineral Resource Estimate for the Project that incorporated Measured and Indicated Mineral Resources from the new Berry Deposit for the first time. Berry, discovered as recently as 2020, is located midway between the Leprechaun and Marathon Deposits, immediately adjacent to the proposed location for the Project's mill. The Project's total Measured and Indicated Mineral Resources now stand at 4.0 Moz Au (64.6 Mt at 1.90 g/t Au), increases of +26% in ounces, +14% in tonnes and +10% in grade compared to the previous estimate. Additional Inferred Mineral Resources stand at 1.1 Moz Au (20.8 Mtonnes at 1.65 g/t). Within these totals, the Berry Deposit has Measured and Indicated Mineral Resources of 1.1 Moz Au (17.2 Mtonnes at 1.97 g/t Au) and Inferred Mineral Resources of 0.25 Moz Au (5.33 Mt at 1.49 g/t Au). Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Consequently, Marathon is currently engaged in a mine planning exercise that will assess the potential for Berry to comprise a third mining pit in the Project's production schedule. This new "3-Pit" mine plan is expected to show an increased Mineral Reserve, an extended mine life, and a higher gold production profile compared to the existing plan. The new study will constitute an Updated Feasibility Study (the "Updated FS"), and will include the updated life-of-mine capital and operating cost assessments, and an updated financial evaluation. The Updated FS will develop the incremental design and costs associated with the development of a Berry pit and waste rock facility. However, it will not require any changes to the Project's mill flow sheet or processing strategy, its camp, its major facilities, its road and power infrastructure, the Tailings Management Facility design, or the site's overall footprint.

The future addition of the Berry Deposit to the Project will require supplemental environmental assessment

and permitting. Marathon currently assesses between 18 and 24 months will be required to complete this process. This allows sufficient time to bring Berry ore into the Project's mine plan upon the commissioning of the mill. In addition to the clear economic benefits to the Project offered by the Berry Deposit, it is expected to bring a reduced greenhouse-gas emission profile, through reduced haul truck distances, and more flexibility in managing mining operations at the Marathon pit where the Project's Caribou Protection and Environmental Effects Monitoring Plan will be in effect.

#### 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, Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon, and Mr. David Ross, P.Geo. (Ont), Director of Mineral Resources for [Marathon Gold Corp.](#) Mr. Williams, Mr. Toscano, Mr. Powell and Mr. Ross are qualified persons under National Instrument ("NI") 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and have approved the technical content of this news release. Mr. Roy Eccles, P. Geo. (PEGNL), of APEX Geoscience Ltd. is the Qualified Person for purposes of NI 43-101 responsible for the updated 2022 MRE, which was prepared by John T. Boyd Company.

Marathon's mineral resources and mineral reserves have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and in accordance with the requirements of NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mineral resources are reported inclusive of mineral reserves. Information on data verification performed on, and other scientific and technical information relating to, the Valentine Gold Project are contained in Marathon's Annual Information Form ("AIF") for the year ended December 31, 2021 and the current technical report for the Valentine Gold Project prepared in accordance with NI 43-101 titled "NI 43-101 Technical Report & Feasibility Study on the Valentine Gold Project, Newfoundland and Labrador, Canada" prepared by Ausenco Engineering Canada Inc. with an effective date of April 15, 2021 (the "2021 Valentine Technical Report"). The AIF and the 2021 Valentine Technical Report are available at [www.sedar.com](http://www.sedar.com).

#### 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). Please see Marathon's Annual Information Form for the year ended December 31, 2021 and other filings made with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com) for further details and assumptions relating to the Valentine Gold Project.

For more information, please contact:

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To find out more information on [Marathon Gold Corp.](#) and the Valentine Gold Project, please visit [www.marathon-gold.com](http://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<sub>5%</sub>, 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, 2021.*

*You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2021 and other filings made with Canadian securities regulatory authorities available at [www.sedar.com](http://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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