

# CEO INTERVIEWS

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## Marathon: Moving along the Trend

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Tanya Tettelaar, Marathon Gold Exploration Manager examining a new gold occurrence on the shore of Valentine Lake

Marathon Gold Corp

### Marathon: Moving along the Trend

Marathon Gold's (T.MOZ) Valentine Lake gold camp in Central Newfoundland was initially discovered by prospecting in 1985. Phil Walford, Marathon's President and CEO explains, "When Sherry Dunsworth, VP Exploration and I visited the property in late 2009, we were impressed with the potential and became the operators of the property in that year. The majority of work on the property has been conducted by Marathon Gold since then."

For a greenfields property size really matters, in this case 24,000 hectares. Land size is not the most important element, mineralization is, and there is now a well established 20 km gold trend on the property with four known deposits hosting gold resources and many showings requiring drilling. Essentially there has to be enough gold in the ground to make the mine and the mill required to process the gold profitable for the exploration company and it looks like there just might be enough gold there to do that.

"We're working along the 20 km trend." said Walford. The April 2015 resource estimate revealed the property currently hosts four near-surface, mainly pit-shell constrained, gold resources totaling 1,060,100 oz. gold at 2.20 g/t (Measured & Indicated) and 200,000 oz. gold at 2.85 g/t (Inferred).

"A good example of how quickly we can develop resources is the Marathon Deposit which was in an area with no work ." said Walford. "We found an outcrop in a bog with gold mineralization in September of 2014, were drilling it the next month and continued to drill till March 2015 and had a pit constrained resource by April 2015. A lot of credit goes to the exploration crew in rapidly advancing the property."

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“We drilled some very widely spaced holes to the southwest of the Marathon Deposit resource and have intersected mineralization for 1.7 km along strike” said Walford, “Clearly we have a lot of work to do here as well as on the rest of the property. It is very encouraging to trace the mineralization at the Marathon Deposit down over 350 m from surface with good widths and grades. The Leprechaun Deposit, which has a resource approaching one million ounces, also has good grade mineralization that is open below 300 m and will be drilled during the winter program.”

Marathon’s plan is to keep drilling, with two drills, around the clock, until the end of March. “We’ll be looking for more drill results and we hope to have a revised resource estimate in the second quarter of 2017.” said Walford. “There is a natural break in our drilling program from the end of March to sometime in May because of spring break up. We’ll review our drill results and look at new targets.”

The overall goal is to come to a Preliminary Economic Assessment (PEA) fairly quickly based on the new resources. “The PEA lays out the groundwork for the feasibility study. We want to have a clear idea of what we have would be mined by open pit methods and what we are looking for underground. And, of course, we want to have an estimate of the projected mine life.” said Walford.

“So the steps are, drill and then release a revised resource estimate. Then make the decision to go to a PEA and complete that. Then, if the PEA looks viable, we will begin work for a full feasibility study.”

A big part of that calculation is the actual metallurgy of the rock Marathon would be mining. “We’ve completed and announced (in [September](#)) tests on heap leaching the material.” said Walford. “We’ve seen 93% to 98% recoveries via conventional milling and 50% to 70% recoveries at both the Leprechaun and Marathon Deposits through heap leaching. While the heap leaching is a much less expensive extraction method, it doesn’t have as good a recovery of gold. These results give Marathon the opportunity to integrate one or both of the processes to maximize the economics of the project. This is an option that few projects have.”

With the drills turning and the metallurgy looking promising, Marathon has a pathway to production. Critically, Marathon also has successfully raised 8 million dollars in flow-through money at \$0.90 per flow-through share. “We took this opportunity to raise money so that we could look at a larger production profile and better economics.” said Walford. “Being able to raise at .90 a share was very attractive.”

The results of the drilling push are beginning to be released with a [news release November 21](#) reporting 3.2 gpt gold over 14 meters. Walford was quoted in this release as saying, “The recent \$8 million flow through financing combined with the \$3 million already in the treasury has put Marathon in a strong position to aggressively drill for resource expansion on the Valentine Lake property for the remainder of this year and 2017. We are delighted by the consistent growth of both the higher-grade underground mineralized corridor as well as shallower open-pit mineralization as we push southward from the 2015 Marathon Deposit resource pit shell. Also we now have the finances to test the underground potential of the Leprechaun Deposit in the coming year. Two drills continue working round-the-clock at the Marathon Deposit as we focus on maximizing the 2017 resource update planned for the second quarter of 2017.”

Marathon has an ambitious, well financed and well-planned program which will increase shareholder value. Whether Marathon proceeds towards actually mining the deposit or is taken over by a larger producing gold company is an open question at this point.

“I want to maximize shareholder value.” said Walford.

Exploring along the trend at Valentine Lake, drilling promising targets, increasing the size of the resource and looking at alternative processing opportunities all contribute to creating that shareholder value. The milestones – a revised resource estimate, a Preliminary Economic Assessment and, if everything lines up, a full feasibility study – are all targets within sight. Walford and Marathon are committed to hitting those targets.

At time of writing Marathon was trading at \$0.60 with 87.92 million shares outstanding for a market cap of \$50.12 million.



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