

Marathon Gold Announces 2016 Financial Results

TORONTO, Ontario – March 31, 2017 -- Marathon Gold Corporation (MOZ-TSX) (“Marathon”) announced today its financial results for the year ended December 31, 2016.

Highlights:

- At December 31, 2016 Marathon had \$8.5 million in cash compared to \$2.6 million in 2015.
- Marathon completed an updated mineral resource estimate and the supporting National Instrument 43-101 technical report for the Valentine Lake property, incorporating the results of drilling on the property since the completion of the previous resource estimate in 2015 through February 2017. With completion of the updated resource, the Valentine Lake Gold Camp hosts a total measured and indicated resource of 1.4 million ounces of gold at a grade of 1.91 g/t and an additional inferred resources of 0.8 million ounces at a grade of 2.24 g/t. Compared to the previous global resource estimate, the global measured and indicated resource increased by 0.4 million ounces or 31%, while the global inferred resource increased by 0.6 million ounces or 284%.
- Marathon closed two financings during 2016: a bought deal prospectus financing of flow through shares which closed on October 27, 2016, generating gross proceeds of \$8.0 million, and a successful, oversubscribed private placement of units and flow through shares which closed on May 6, 2016, raising gross proceeds of \$3.0 million. The proceeds from these financings are being used to fund ongoing mapping, prospecting and trenching programs and accelerated infill and extension drilling at the Marathon and Leprechaun Deposits.
- A two-phase metallurgical testing program was completed in 2016, approximately 75% of the costs of which were funded by the Research and Development Corporation of Newfoundland and Labrador (“RDC”). This work was focused on material from the Leprechaun and Marathon Deposits, which together represent over 90% of the current measured and indicated resource associated with the Valentine Lake Gold Camp.

The first phase of the 2016 metallurgical testing program assessed the amenability of mineralized material from the Leprechaun and Marathon Deposits to low-cost heap leaching, which could provide options to reduce both capital and operating costs significantly in the event that a production decision is warranted. Column tests were completed on material obtained from drill core from the Leprechaun and Marathon Deposits, crushed to minus 0.5” and minus 0.75”. The column tests were terminated after 130 days of leaching, with recoveries ranging from 53.9% to 66.0% for material from the Marathon Deposit and from 69.6% to 72.7% for material from the Leprechaun Deposit.

A second phase of metallurgical testing focused on determining the potential recoveries achievable by processing mineralized material from the Marathon Deposit using a conventional processing flowsheet consisting of flotation, gravity separation and cyanidation of concentrate. These bench-scale tests, which were carried out on a representative sample of material from the Marathon Deposit with a grade of 3.55g/t gold, indicated that 59.4% of the contained gold was recovered by gravity separation, with total recoveries ranging from 93.4% to 98.1%.

In addition, Marathon undertook bottle-roll testing of a further sample of mineralized material from the Leprechaun and Marathon Deposits grading 0.3 g/t to assess at a preliminary level the potential recoveries obtainable through heap leaching lower grade material. This work resulted in recoveries after 240 hours of leaching ranging from amounting to 61.6% to 71.5% for material obtained from the Leprechaun Deposit and from 69.1% to 79.3% for material from the Marathon Deposit.

- A short program of widely spaced exploration drill holes was completed in the first quarter of 2016, covering a total of 13 holes over 2,062 meters, was focused on areas of the property to the southwest of the Marathon Deposit. This area is characterized by bogs and forests without outcrop and not amenable to drilling outside the winter months. This aggressive step-out drill program, which followed on from the results of the fall 2015 drilling program, extended the strike length of the Marathon Deposit trend by 800 meters to a total in excess of 1.6 kilometers.

An expansion and upgrade drill program, which has run from June to December 2016 and from January 2017 to the date of this MD&A and continues to focus primarily on expanding the Marathon Deposit resource. To date, a total of 126 holes totaling 30,348 meters has expanded the mineralization corridor associated with the Marathon area to more than 1.7 kilometers, both to the northwest and southwest of the Marathon Deposit resource boundary, and drilling completed late in 2016 and in the first six weeks of 2017 encountered wide intervals of high grade mineralization at depths exceeding 350 meters, with grades appearing to improve at depth. All of the 2015 and 2016 drilling and a portion of the drilling results obtained from holes drilled in 2017 were incorporated into the recently completed mineral resource estimate for the Valentine Lake Gold Camp.

Operating Results:

The results of operations for the three and twelve month periods ended December 31, 2016 and 2015 are summarized below. Marathon focused its exploration efforts in 2015 and 2016 exclusively on the Valentine Lake Gold Camp and incurred no exploration costs other than holding costs related to its non-core properties.

	Three months ended		Year ended	
	December 31		December 31	
	2016	2015	2016	2015
	\$	\$	\$	\$
Expenses:				
Exploration expenses	954	831	22,527	21,253
General and administrative expenses	799,773	350,882	1,564,313	1,404,033
Other expense	195,766	23,595	202,507	32,307
Interest income	(1,566)	(1,553)	(6,171)	(14,299)
Loss on investments	-	-	-	9,575
Foreign exchange (gain) loss	(5,430)	(7,090)	15,580	(10,489)
Loss from continuing operations before tax	989,497	366,665	1,798,756	1,442,380
Income taxes	162,367	(13,333)	(252,784)	(103,911)
Loss from continuing operations for the period	1,151,864	353,332	1,545,972	1,338,469
(Income) Loss from discontinued operations, net of tax	-	(1,021,120)	-	1,977,523
Net loss(Net income) for the period	1,151,864	(667,788)	1,545,972	3,315,992
Net loss attributable to non-controlling interest	-	(48,518)	-	(1,481,273)
Loss (Income) attributable to Marathon Gold shareholders	1,151,864	(716,306)	1,545,972	1,834,719

This press release should be read in conjunction with Marathon's consolidated financial statements for the years ended December 31, 2016 and 2015 and the related Management's Discussion and Analysis, both of which are available on www.sedar.com.

About Marathon Gold Corporation

Marathon is a gold exploration company rapidly advancing its 100% owned Valentine Lake Gold Camp located in Newfoundland, one of the top mining jurisdictions in the world. The Valentine Lake Gold Camp currently hosts four near-surface, mainly pit-shell constrained, gold resources totaling 1,388,200 oz. gold at 1.91 g/t (Measured & Indicated) and 766,500 oz. gold at 2.24 g/t (Inferred) (February 2017). These resources occur over a 20-km system of gold bearing veins. Much of the 24,000-hectare property has not been explored in detail to date. Drilling in 2017 will continue to focus on expanding the Marathon Deposit at surface and to depth. The property is accessible by a year-round road and is located near Newfoundland's electrical grid. The Company has constructed and 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.

Marathon receives financial support in respect of certain of the Company's exploration expenditures from the Junior Exploration Assistance program of Newfoundland and Labrador and the Research and Development Corporation of Newfoundland and Labrador.

For more information 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 Corporation, 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 Corporation'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.