



MARATHON GOLD

TSX: Moz

Marathon Announces \$8 Million Bought Deal Offering of Flow-Through Shares

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TORONTO, ON – September 29, 2016 – Marathon Gold Corporation (“Marathon” or the “Company”) (TSX: **MOZ**) is pleased to announce that it has entered into an agreement with Haywood Securities Inc. (“**Haywood**”), on behalf of a syndicate of underwriters (collectively, the “**Underwriters**”), to purchase, on a bought deal basis, or alternatively to arrange for the purchase of, as agent for substituted purchasers, 8,880,000 flow-through shares (“**Flow-Through Shares**”) in the capital of the Company at a price of \$0.90 per Flow-Through Share (the “**Issue Price**”) for gross proceeds to the Company of \$7,992,000 (the “**Offering**”).

In addition, the Company has granted the Underwriters an over-allotment option (the “**Over-Allotment Option**”) exercisable, in whole or in part at any time up to 30 days following the closing of the Offering, to purchase up to an additional 15% of the number of Flow-Through Shares issuable under the Offering at the Issue Price for additional gross proceeds to the Company of up to \$1,198,800. In the event that the Over-Allotment Option is exercised in full, the total aggregate proceeds of the Offering will be \$9,190,800.

The closing of the Offering is expected to occur on or about October 27, 2016 and is subject to the completion of formal documentation and receipt of regulatory approval, including the approval of the Toronto Stock Exchange.

The proceeds received by the Company from the sale of Flow-Through Shares will be used to incur Canadian exploration expenditures (as such term is defined in the Income Tax Act (Canada)) on the Company’s Valentine Lake Gold Property in Newfoundland (the “**Qualifying Expenditures**”). The Qualifying Expenditures will be renounced to the subscribers with an effective date no later than December 31, 2016, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of Flow-Through Shares.

The Flow-Through Shares to be issued under the Offering will be offered by way of a short form prospectus to be filed in all of the provinces of Canada other than Quebec.

The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

About Marathon Gold Corporation

Marathon is a Toronto based gold resource company focused on its 100% owned Valentine Gold Camp located in central Newfoundland. The Valentine Gold Camp 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), (April 2015). These resources, open along strike and to depth, cover less than 10% of the total length of the highly prospective Valentine Lake Thrust Fault and associated splay faults which host the majority of the gold mineralization within the property. 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, results or otherwise.