



Marathon Gold Reports a New Open Pit and Underground NI 43-101 Resource Estimate and a 61% Increase in M&I at the Leprechaun Gold Deposit, Valentine Lake Project

TORONTO, ON – October 22, 2012 - Marathon Gold Corporation (“Marathon” or the “Company”) (MOZ: TSX) today announced a new open pit and underground National Instrument 43-101 ("NI 43-101") compliant mineral resource estimate on the Leprechaun Gold Deposit, Valentine Lake Project, Newfoundland (see Table 1). This new mineral resource estimate has resulted in a 61% increase in contained gold in the Measured and Indicated category, as compared with the previously released resource estimate of March 29, 2012. This update incorporates results from 19,800 meters of drilling and 69 drill holes completed in 2012.

Highlights:

- **Measured and Indicated: 9.54 million tonnes @ 2.22 g/t Au containing 682,000 oz
Inferred: 1.96 million tonnes @ 2.30 g/t Au containing 145,000 oz**
- The resource has not only significantly increased by 61% in the M&I category, but the grade has increased by 8% as well
- The resource has advanced to an open pit and underground resource (Table 1)
- The deposit is composed of several different zones and the most important in gold content is the Main Zone. The top cut on this zone has risen from 30 g/t Au to 35 g/t Au as higher grade intersections have been added
- One drill rig is currently turning at the newly discovered J. Frank Zone southwest extension, which is 1.5 kilometers southwest along strike from the current Resource

To view a 3D Model of the Leprechaun Gold Deposit and the Resource Pit Shell, please click [here](#).

“This year’s drilling program was successful for Marathon as we not only achieved a 61% increase in the Measured and Indicated category as compared with the previous mineral resource estimate, but we now have a resource constrained by a pit shell and underground parameters at the Leprechaun Gold Deposit. This gives us a much better idea of how the deposit is evolving. The mineralization within the pit shell is very well defined and requires only minor additional drilling. The upcoming drilling program will now be focused on developing and upgrading resources below pit and expanding the open pit resource along strike. We will also be focusing on defining new deposits along strike of the current resource to the northeast and the southwest.” said Philip Walford President and CEO of Marathon Gold. “The Company’s mission

has always been to generate value for its shareholders through building and expanding resources and that is exactly what we have done.”

The current constrained resource estimate is summarized below.

Table 1: Leprechaun Gold Deposit Mineral Resources as at October 22, 2012

	Open Pit (0.50 g Au/t cut-off)			Underground (1.5 g Au/t cut-off)			Total		
Category	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)	Tonnes (kt)	Grade (g/t)	Gold (oz)
Measured	2,890	2.25	209,000	141	3.34	15,000	3,033	2.30	224,000
Indicated	5,270	2.07	352,000	1,230	2.69	106,000	6,505	2.19	458,000
Total M & I	8,166	2.14	561,000	1,371	2.75	121,000	9,537	2.22	682,000
Inferred	900	1.93	56,000	1,062	2.60	89,000	1,962	2.30	145,000

Notes:

1. CIM Definition Standards were followed for mineral resources.
2. The Qualified Person for the Leprechaun Mineral Resource estimate is Rosmery Cárdenas, MAusIMM CP (Geo.)
3. Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t Au. Pit optimizations were used to constrain the resources.
4. Underground Mineral Resources are estimated at a cut-off grade of 1.5 g/t Au, outside the open pit constraint,
5. Mineral resources are estimated using an average long-term forecast, gold price of US\$1500 per ounce and an exchange rate of US\$:C\$ of 1:1.
6. Totals may not add correctly due to rounding.

On an unconstrained basis using a cutoff grade of 0.5 g/t Au, total measured and indicated resources increased to 747,000 ounces. The resource increased to 3,232 kt grading 2.21 g/t Au containing 230,000 oz Au in the Measured category, 8,480 kt grading 1.90 g/t Au containing 517,000 oz Au in the Indicated category, and 2,986 kt grading 1.85 g/t Au containing 178,000 oz Au in the Inferred category.

In order to meet the criteria for “reasonable prospects for economic extraction” as required by CIM, the block model was constrained by an optimized pit using a gold price of \$1,500 per ounce and reasonable cost and metallurgical recovery. The material below the optimized pit

was re-estimated using a cut-off grade of 1.5 g/t Au, which is different from the previous resource, which used a cut-off grade of 0.5 g/t Au.

An updated NI 43-101 Technical Report on the Leprechaun Gold Deposit outlining the procedures for estimation of the resource estimates presented herein will be filed on SEDAR within 45 days of the date of this news release.

Mineral Resource Estimate:

The resource estimate was conducted by Roscoe Postle Associates (RPA). The updated mineral resources were estimated using the following parameters:

- a) Estimations are based on samples composited to 2 meters. Grade capping thresholds were determined following a detailed statistical analysis of the data within 7 geological domains. The thresholds varied from 15 Au (g/t) to 35 (Au g/t).
- b) Resources were modeled using 3D interactive modeling based upon sectional interpretations.
- c) The database for the Leprechaun Pond model consisted of 317 diamond drill holes totaling 59,509 meters of drilling.
- d) The mineralized zones at Leprechaun Pond have been modeled approximately 900 meters along strike. The resource has been constrained by an open pit shell that includes resources to a maximum depth of 270 meters.
- e) The grade estimate was generated an inverse distance squared interpolation method.
- f) A 0.50 g/t Au cut-off grade was used for the open pit resource reporting and 1.5 g/t Au for the underground resource.
- g) A density of 2.7 tonnes per cubic meter was used.

The resources in this report were estimated in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves Definitions and Guidelines that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on November 27, 2010. A supporting Technical Report will be filed under the Company's profile on SEDAR in the time allotted. The RPA personnel responsible for this Mineral Resource Estimate are Senior Geologist Rosmary Cardenas, MAusIMM CP (Geo) and Executive Vice President - Geology Wayne Valliant, B.Sc., P.Geo. Ms. Cardenas and Mr. Valliant are Qualified Persons as defined in NI 43-101, and are independent of Marathon Gold Corporation. RPA acknowledges that it has read this news release and approves of its contents.

Phillip Walford P.Geo, President and CEO of Marathon Gold, is Marathon's Qualified Person in compliance with National Instrument 43-101 with respect to this release. Mr. Walford has reviewed the contents for accuracy and has approved this new release on behalf of Marathon Gold.

About the Valentine Lake Project

Marathon Gold Corporation is the 100% owner of the Valentine Lake Project. The Leprechaun Gold Deposit is situated at the south-western end of the Valentine Lake Project, and the Valentine East Gold Zone is located 18 kilometers along strike running in a north-easterly direction. The J. Frank Zone, which currently extends over an area in excess of 850 meters in length and 250 meters in width, is located up to 0.5 kilometers southwest along strike from the current Resource boundary of the Leprechaun Gold Deposit. These gold occurrences form part of a 23 kilometer long, highly prospective gold-bearing mineralized corridor focused along the Valentine Lake thrust fault.

Marathon is currently conducting a fall 2012 program of prospecting, geological mapping and trenching along the highly prospective 23 kilometer strike length of the property outside of the current boundaries of the Leprechaun Gold Deposit. One drill is currently turning on the newly discovered J. Frank Zone southwest extension.

About the Leprechaun Gold Deposit

The Leprechaun Gold Deposit has a combined NI 43-101 compliant Measured and Indicated Resource of 9,537,000 tonnes grading 2.22 g/t Au, for a total estimated 682,000 ounces of Au. The Inferred Resource is 1,959,000 tonnes grading 2.30 g/t Au, for an estimated 145,000 ounces of Au. This Resource was estimated using a 0.5 g/t Au minimum cut-off for open pit resources and 1.5 g/t Au for underground resources. The Leprechaun Gold Deposit is open at depth and along strike.

About Marathon Gold Corporation

Marathon Gold Corporation is a North American gold resource development company, with projects located in the mining friendly province of Newfoundland and Labrador, the prolific Coeur d'Alene Mining District of Idaho and the historic gold rich Greenhorn District of Oregon, USA. Marathon has a project pipeline consisting of early stage exploration to advanced resource development projects. Marathon is continually evaluating new gold resource development projects of merit that are located within the Americas. Marathon's focused and low-cost approach to exploration and resource development has an established record of delivering rapid growth. For more information visit: www.marathon-gold.com.

For more information, please contact:

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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.