

## **Marathon Gold Announces Q2 2019 Financial Results**

**TORONTO, Ontario – August 12, 2019 -- Marathon Gold Corporation (MOZ-TSX) (“Marathon”)** announced today its financial results for the three and six months ended June 30, 2019. Following the completion of the updated preliminary economic assessment (“PEA”) on the Valentine Gold project in October 2018 and a successful financing transaction in February 2019, Marathon’s focus is on the development of the Valentine Gold project through the completion of a pre-feasibility study (“PFS”) and ultimately to a construction decision. The appointment of Matt Manson as President and Chief Executive Officer of Marathon effective August 19, 2019 strengthens the management team in areas that will be critical as the Company progresses from permitting and feasibility studies through to financing and mine development.

### **Highlights:**

#### **Sale of NSR to Franco-Nevada:**

On February 21, 2019, Marathon completed the sale of a 2% net smelter returns royalty (“NSR”) to Franco-Nevada Corp. (the “FNV NSR”) for proceeds of \$18 million. This attractive transaction is anticipated to fund Marathon’s exploration and technical work through to completion of the PFS and was pursued rather than an equity financing to manage the dilution of shareholders. The FNV NSR includes an 0.5% buy-back provision that allows Marathon to reduce the royalty to 1.5% prior to December 31, 2022 at a cost of US \$7 million.

#### **Financing and Liquidity:**

At June 30, 2019, Marathon’s cash position was \$15.8 million compared to \$3.7 million at December 31, 2018, reflecting the sale of the FNV NSR.

#### **Infill drilling program:**

Following on from successful 2018 drilling programs at the Marathon and Sprite deposits, Marathon’s 2019 infill drilling program is in progress with completion expected in the third quarter of 2019. This program is being carried out primarily on the main mineralized corridors of the Marathon and Leprechaun deposits with two concurrent objectives, both of which are directly connected to maximizing the conversion of resources into reserves upon completion of the PFS:

- To further confirm Marathon’s geological models for the Marathon and Leprechaun deposits by demonstrating the lateral continuity of the QTP-gold veining along and across strike as well as to depth within the mineralized corridors of each deposit, and
- To increase measured and indicated resources for the project, both by continuing to upgrade existing inferred resources in each deposit into the measured and indicated categories and by expanding the resources associated with the Leprechaun and Marathon deposits

To June 30, 2019 Marathon completed 109 holes covering 30,191 meters in the two deposits, representing approximately 67% of the infill drilling planned for the year. Results to date are expected to achieve both objectives noted above and increase gold grades in the measured and indicated categories. Upon completion of the infill drilling program, Marathon will complete an updated mineral resource estimate in the fourth quarter to support the PFS.

## Metallurgy:

Marathon completed column testing on 12 samples of mineralized lower-grade material from the Leprechaun and Marathon deposits in May 2019. This work, which was undertaken to assess potential heap leach recoveries, returned extraction rates of 72% for the Leprechaun Deposit and 65% for the Marathon Deposit. These results are well in excess of the 59% recoveries assumed in the updated PEA and will improve the overall economics of the project.

Mill recovery tests on higher grade material from the Leprechaun and Marathon deposits are continuing with encouraging results, with completion expected by the end of the third quarter of 2019.

## Environment and Stakeholder Engagement:

Marathon filed an Environmental Assessment (“EA”) Registration/Project Description with the NL and federal governments on April 5, 2019, which was subsequently accepted into the formal EA review process on April 16, 2019. These documents are posted by both governments for public review and comment and are reviewed by the various regulatory departments to determine if, and to what extent, further EA is required. As expected, both levels of government determined that further EA work is required for the project in the form of an Environmental Impact Statement (“EIS”). Various baseline studies and assessment-related work have already commenced in support of developing the EIS.

Marathon commenced formal stakeholder engagement in March 2019, beginning with public meetings in the closest communities to the project, including Buchans, Millertown and Grand Falls-Windsor, to brief residents, municipal governments, and other local stakeholders on the status of the project and Marathon’s plans. Subsequently, Marathon has commenced consultation with the Qualipu and Miawepukek (Conne River) First Nations and other stakeholder groups who have interests in the proposed Valentine Gold project. Consultation with all stakeholders will continue as Marathon advances the EA, permitting, and engineering components of the project.

## Results of Operations:

The results of operations for the three and six months ended June 30, 2019 and 2018 are summarized below.

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Expenses:</b>				
General and administrative expenses	762,299	378,315	1,345,478	861,945
Other income – royalties related to gold sales by the Golden Chest mine	(28,007)	(18,241)	(54,351)	(18,241)
Interest income	(69,424)	-	(96,942)	-
Interest expense	281	-	497	-
Foreign exchange loss (gain)	88	10,132	(6,499)	4,907
Loss before tax	665,237	370,206	1,188,183	848,611
Income tax expense (recovery)	88,171	175,403	192,955	(135,748)
Loss for the period	753,408	545,609	1,381,138	712,863

This press release should be read in conjunction with Marathon's condensed interim consolidated financial statements for the periods ended June 30, 2019 and 2018 and the related Management's Discussion and Analysis, both of which are available on [www.sedar.com](http://www.sedar.com).

## Cautionary Statement:

The updated PEA was prepared in accordance with NI 43-101. Readers are cautioned that the PEA is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the economic results reflected in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

## Qualified Person:

This press release has been reviewed by Phillip Walford, P.Geo. Mr. Walford is a Qualified Person in accordance with NI 43-101 and has approved the contents of this press release on behalf of Marathon.

## About Marathon

Marathon is a Toronto based gold company rapidly advancing its 100%-owned Valentine Gold Camp located in Newfoundland and Labrador, one of the top mining jurisdictions in the world. Marathon has confirmed the feasibility of the Valentine Gold Camp, which currently hosts four near-surface NI 43-101 compliant, mainly pit-shell constrained, deposits with measured resources totaling 16.6 million tonnes at a grade of 2.18 g/t containing 1,166,500 oz. of gold, indicated resources totaling 28.5 million tonnes at a grade of 1.66 g/t containing 1,524,900 oz. of gold and inferred resources totaling 26.9 million tonnes at a grade of 1.77 g/t containing 1,531,600 oz. of gold.

The majority of the resources occur in the Marathon and Leprechaun deposits, which also have resources below the current open pit shell. Both deposits are open at depth and on strike. Gold mineralization has been traced down almost a kilometer vertically at Marathon and over 350 meters at Leprechaun. The four deposits identified to date occur over a 20-kilometer system of gold bearing veins, with much of the 24,000-hectare property having had only minimal exploration activity to date.

The Valentine Gold Camp is accessible by year-round road and is in close proximity to the provincial electrical grid. Marathon maintains a 50-person all-season camp at the property. Recent metallurgical tests have demonstrated 93% to 98% recoveries via conventional milling and an average of 65 to 72% extraction rates for 23 mm (1/2 inch) material via lower cost heap leaching at the Marathon and Leprechaun Deposits respectively.

To find out more information on the Valentine Gold project, please visit [www.marathon-gold.com](http://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](http://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.*