

Marathon Gold Announces 2021 Third Quarter Results

TORONTO, ON – November 10, 2021 - Marathon Gold Corporation (“Marathon” or the “Company”; TSX: MOZ) today announces its financial results for the third quarter ending September 30, 2021 and provides an update on the Company’s activities at the Valentine Gold Project located in central Newfoundland (the “Project”).

Third Quarter Highlights

- At September 30, 2021, the Company had cash and short term investments of \$104.8 million, leaving it well positioned to execute on its permitting, development, and exploration activities at the Valentine Gold Project;
- At September 30, 2021, the Company had completed 54,507 metres of its total full-year drilling budget of approximately 70,000 metres. A total of 44,240 metres were drilled in the Berry Deposit, 3,639 metres in the Victory Deposit, 2,885 metres in the Sprite Deposit and 3,744 metres in the Marathon Waste Rock Facility area. 12,141 metres of Reverse Circulation drilling in support of validation of the mineral resource model in the Marathon and Leprechaun deposits had also been completed;
- During the quarter Marathon made significant progress in engineering and procurement activities, with construction packages valued at C\$118 million awarded in the areas of mobile mining equipment, drilling equipment, earthworks, camp accommodations, camp services, bridge repair, security, and tree cutting. At September 30, 2021, 154 persons were employed or contracted to Marathon and/or the Project on a full-time basis, of which 86% are residents of the province of Newfoundland and Labrador (“NL”);
- On July 20, 2021 the Company entered into an exclusive non-binding Indicative Term Sheet with Sprott Resource Lending Corp. for a senior secured project financing facility of US\$185 million;
- Subsequent to the end of the quarter, the Company was notified that the Department of Environment and Climate Change for Newfoundland and Labrador had completed its review of the Environmental Impact Study (“EIS”), and additional information is being requested. As noted in a news released issued by the Company dated November 4, 2021, the extended regulatory process will require a rescheduling of Marathon’s planned development timeline, which is currently estimated to be an impact of approximately 6 months;
- Subsequent to the end of the quarter, the Company announced organizational changes reflecting the ongoing transition from explorer to project developer and miner. Team development will continue steadily over the next several months as the Company looks forward to project construction activities commencing next year.

Matt Manson, President and CEO commented: “During the third quarter we made steady progress in each of the important areas of engineering, procurement, team development and project financing in support of a potential construction decision at the Valentine Gold Project. We reported regular batches of positive drill results from the Berry Deposit through the quarter, showing this important new discovery to be “bulking-up” promisingly over a broad area. This work will continue into the new year to support an updated mineral resource estimate later in 2022. We also continued our engagement with the ongoing Environmental Assessments (“EAs”) at both the provincial and federal levels. Substantial effort has been applied to facilitate the technical reviews of the Project’s EIS currently underway with regulators, as well as to conduct our ongoing environmental baseline data acquisition and impact assessment, to engage with communities and First Nations, and to develop our operational social and environmental management plans.

We were therefore disappointed to receive notification of an additional round of review comments from the provincial regulator on October 29, 2021, which will unavoidably extend the timeline of the NL EA and consequently our project development timeline. However, as we noted in our update of November 4th, the additional review comments relate to existing areas of assessment, and we do not currently anticipate this extra work will require the acquisition of additional environmental or social data. The Valentine Gold Project will be an important new gold mine and economic engine in the central region of Newfoundland and Labrador, and our exploration and development work in support of this vision continues”.

Financial Performance

The results of operations for the third quarter of 2021 are summarized below (all figures are in Canadian dollars unless otherwise noted):

(Stated in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
EXPENSES				
General and administrative expense	\$ 2,587	\$ 1,619	6,782	\$ 4,766
Exploration expense	23	25	23	25
Finance income, net	(104)	(29)	(102)	(183)
Other income	(50)	(33)	(145)	(112)
Loss before tax	\$ 2,456	\$ 1,582	\$ 6,558	\$ 4,496
Deferred income tax (recovery)/expense	(3,708)	499	(1,863)	(352)
Net (Income)/Loss	\$ (1,252)	\$ 2,081	\$ 4,695	\$ 4,144
Capital expenditures	\$ 14,699	\$ 5,484	\$ 25,008	\$ 12,250

Three months ended September 30, 2021:

- **General and administrative** expenses increased from \$1.62 million to \$2.59 million. The principal components of this increase are set out below:
 - **Salaries, wages, and benefits expenses** increased from \$0.47 million to \$0.73 million, reflecting higher overall compensation costs as a result of the additions made to the Company’s management team in the fourth quarter of 2020 and throughout the first nine months of 2021.
 - **Project Financing advisory and professional fees** increased from \$nil to \$0.70 million, resulting from advisory, legal and due diligence related costs, as the Company commenced the process of assessing project financing alternatives in the fourth quarter of 2020.
 - **Investor relations and corporate communications** decreased from \$0.18 million to \$0.05 million, due mainly to a decrease in expenditures related to corporate communications and promotional items.
 - **Share-based compensation** expense increased from \$0.59 million to \$0.83 million in the quarter, resulting from a \$0.48 million increase related to the granting of stock options in the quarter to the Board of Directors that vest immediately, and a \$0.06 million increase related to the vesting of restricted share units (“RSUs”) granted during 2021, offset partially by a \$0.30 million decrease in deferred share unit (“DSU”) expense resulting from a decrease in the Company’s share price during the third quarter of 2021.

- **Finance income, net** increased from income of \$0.03 million to expense of \$0.10 million, as a result of an increase in interest income, as the surplus cash balance and the interest rate earned on it was higher in the third quarter of 2021 compared to the same period in the prior year.
- **Deferred income (recovery)/expense** increased from an expense \$0.50 million to a recovery of \$3.71 million, mainly due to management's reassessment of the temporary difference associated with Mineral Exploration and Evaluation assets.
- **Capital expenditures** excluding working capital movements, were \$9.22 million higher than the prior year quarter primarily as a result of project construction capital spending commencing in the third quarter of 2021, including procurement of a permanent camp and initial payments associated with the construction of the powerline by NL Hydro. In addition, there was increased exploration drilling completed compared to the prior year resulting from increased Berry Deposit drilling, in support of further delineation of the ore body and resource growth.

Nine months ended September 30, 2021:

- **General and administrative expenses** increased from \$4.77 million to \$6.78 million. The principal components of this increase are set out below:
 - **Salaries, wages, and benefits expenses** increased from \$1.40 million to \$2.00 million, reflecting higher overall compensation costs as a result of the additions made to the Company's management team in the fourth quarter of 2020 and throughout the first nine months of 2021. For additional details regarding the changes to the Company's management team during the quarter, see the "Corporate Developments" section below.
 - **Project Financing advisory & professional fees** increased from \$nil to \$1.68 million, resulting from advisory, legal, and due diligence related costs, as the Company commenced the process of assessing project financing alternatives in the fourth quarter of 2020.
 - **Other expense** increased from \$0.25 million to \$0.40 million, due to increased office, information technology, and insurance expenses related to growth in headcount and corporate activities as the Company continues to progress towards construction.
 - **Investor relations and corporate communication expenses** decreased from \$0.39 million to \$0.20 million, resulting from a decrease in corporate promotional items expenditures and corporate communication consulting fees in the first nine months of 2021 compared to the same period in the prior year.
- **Finance income, net** decreased from income of \$0.18 million to \$0.10 million, as a result of a \$0.09 million increase in other finance expense, as a portion of the share issuance costs related to the May 2021 private placement financing were allocated to the flow-through share tax liability, offset partially by a \$0.02 million increase in interest income as the surplus cash balance for the nine months ended September 30, 2021, was higher than the comparable period in 2020.
- **Deferred income tax (recovery)/expense** increased from a recovery of \$0.35 million to \$1.86 million, mainly due to management's reassessment of the temporary difference associated with Mineral Exploration and Evaluation assets.

- **Capital expenditures**, excluding working capital movements, were \$12.76 million higher than the prior year primarily as a result of project construction capital spending commencing in the third quarter of 2021, including procurement of a permanent camp and initial payments associated with the construction of the powerline by NL Hydro. In addition, there was increased exploration drilling completed compared to the prior year, with drilling concentrated in the Berry Deposit in support of the maiden mineral resource estimate for this new area. This resource estimate was released during the second quarter of 2021 and drilling is now focused on further delineation of the ore body and resource growth.

Qualified Person

Disclosure of a scientific or technical nature in this news release has been approved by Mr. Tim Williams, FAusIMM, Chief Operating Officer of Marathon, Mr. Paolo Toscano, P.Eng. (Ont.), Vice President, Projects for Marathon, and Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon. Mr. Williams, Mr. Toscano and Mr. Powell are qualified persons under National Instrument (“NI”) 43-101. Nicholas Capps, P.Geo. (NL), Exploration Manager of Marathon, is responsible for the design and operation of exploration programs at the Valentine Gold Project. Exploration data quality assurance and control for Marathon is under the supervision of Jessica Borysenko, P.Geo (NL), GIS Manager for Marathon. Mr. Williams, Mr. Toscano, Mr. Powell, Mr. Capps and Ms. Borysenko are Qualified Persons in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and have approved the technical content of this MD&A. Marathon’s mineral resources and mineral reserves have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) and in accordance with the requirements of NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mineral resources are reported inclusive of mineral reserves. Information on data verification performed on, and other scientific and technical information relating to, the Valentine Gold Project are contained in Marathon’s Amended and Restated Annual Information Form (“AIF”) for the year ended December 31, 2020 and the current technical report for the Valentine Gold Project prepared in accordance with NI 43-101 titled “NI 43-101 Technical Report & Feasibility Study on the Valentine Gold Project, Newfoundland and Labrador, Canada” prepared by Ausenco Engineering Canada Inc. with an effective date of April 15, 2021 (the “2021 Valentine Technical Report”). The AIF and the 2021 Valentine Technical Report are available at www.sedar.com.

About Marathon

Marathon (TSX:MOZ) is a Toronto based gold company advancing its 100%-owned Valentine Gold Project located in the central region of Newfoundland and Labrador, one of the top mining jurisdictions in the world. The Project comprises a series of five mineralized deposits along a 20-kilometre system. An April 2021 Feasibility Study outlined an open pit mining and conventional milling operation over a thirteen-year mine life with a 31.5% after-tax rate of return. The Project has estimated Proven Mineral Reserves of 1.40 Moz (29.68 Mt at 1.46 g/t) and Probable Mineral Reserves of 0.65 Moz (17.38 Mt at 1.17 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.92 Moz (32.59 Mt at 1.83 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.22 Moz (24.07 Mt at 1.57 g/t). Additional Inferred Mineral Resources are 1.64 Moz (29.59 Mt at 1.72 g/t Au). Please see Marathon’s Amended and Restated Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities and available at www.sedar.com for further details and assumptions relating to Marathon and the Valentine Gold Project.

For more information, please contact:

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To find out more information on Marathon Gold Corporation and the Valentine Gold Project, please visit www.marathon-gold.com.

Cautionary Statement Regarding Forward-Looking Information

Certain information contained in this news release, constitutes forward-looking information within the meaning of Canadian securities laws ("forward-looking statements"). All statements in this news release, other than statements of historical fact, which address events, results, outcomes or developments that Marathon expects to occur are 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", "estimates", "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. More particularly and without restriction, this news release contains forward-looking information, including statements as to management's expectations with respect to, among other things, the matters and activities contemplated in this news release.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. In respect of the forward-looking statements concerning the interpretation of exploration results and the impact on the Project's mineral resource estimate, the Company has provided such statements in reliance on certain assumptions it believes are reasonable at this time, including assumptions as to the continuity of mineralization between drill holes. A mineral resource that is classified as "inferred" or "indicated" has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of mineral resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable mineral reserves.

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. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; uncertainty as to estimation of mineral resources; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources); the potential for delays or changes in plans in exploration or development projects or capital expenditures, or the completion of feasibility studies due to changes in logistical, technical or other factors; the possibility that future exploration, development, construction or mining results will not be consistent with the Company's expectations; risks related to the ability of the current exploration program to identify and expand mineral resources; risks relating to possible variations in grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined; operational mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to commodity and power prices, foreign exchange rate fluctuations and changes in interest rates; the uncertainty of profitability based upon the cyclical nature of the mining industry; risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental or other stakeholder approvals or in the completion of development or construction activities; risks related to environmental regulation and liability, government regulation and permitting; risks relating to the Company's ability to attract and retain skilled staff; risks relating to the timing of the receipt of regulatory and governmental approvals for continued operations and future development projects; political and regulatory risks associated with mining and exploration; risks relating to the potential impacts of the COVID-19 pandemic on the Company and the mining industry; changes in general economic conditions or conditions in the financial markets; and other risks described in Marathon's documents filed with Canadian securities regulatory authorities, including the Amended and Restated Annual Information Form for the year ended December 31, 2020.

You can find further information with respect to these and other risks in Marathon's Amended and Restated Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities available at www.sedar.com. Other than as specifically required by law, Marathon undertakes 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.