

Marathon Gold Announces 2022 Third Quarter Results

TORONTO, ON – November 9, 2022 - Marathon Gold Corporation (“Marathon” or the “Company”; TSX: MOZ) announces its financial results for the third quarter ending September 30, 2022 and provides an update on the Company’s activities at the Valentine Gold Project (the “Project”) in the central region of Newfoundland and Labrador (“NL”).

Third Quarter Highlights:

Financial

- **Cash** and cash equivalents as at September 30, 2022 of \$164 million;
- **Capital expenditures** in the quarter of \$33.47 million, as the Company undertook pre-development activities, including detailed engineering, long-lead procurement and the mobilization of an early works program; and
- Raised gross proceeds of **\$153.4 million** from a prospectus equity offering.

Environmental Assessment, Permitting and Communities

- Received a **positive Decision Statement** in the federal Environmental Assessment (“EA”) process, releasing Marathon from EA in both the province of NL and federally;
- Received several key **operating permits and authorisations**, including approval of the Early Works Development and Rehabilitation & Closure Plan, and approval of the Construction Environmental Protection Plan;
- Signed a **Benefits Agreement** with Province of Newfoundland and Labrador, and an **Outfitter Environmental Effects Monitoring Plan** with the NL Outfitters Association; and
- Subsequent to the quarter-end, received confirmation of the **satisfaction of all release conditions** for the provincial and federal EA processes, and received additional key **operating permits and authorisations**, such as the Early Works Certificate of Approval and Approval for Construction, and Federal Fisheries Act Authorization.

Project Development

- Announced a **positive construction decision** for the Project and updated guidance on cost to complete of between \$470 and \$490 million;
- Advanced pre-development activities at the Project, with overall detailed engineering standing at 49% as at September 30, 2022; and
- Subsequent to the quarter-end, **commenced site early works** at the Project.

Exploration

- Released an updated **Mineral Resource Estimate** for the Project, comprising **Measured and Indicated Mineral Resources of 4.0 Moz Au** (64.6 Mt at 1.90 g/t Au) and additional **Inferred Mineral Resources of 1.1 Moz Au** (20.8 Mt at 1.65 g/t); and
- Announced additional **positive in-fill drill results** from the Berry Deposit, including 6.90 g/t Au over 15 metres and 18.49 g/t Au over 5 metres.

Governance

- Appointed Peter MacPhail to the Board of Directors.

Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Matt Manson, President, and CEO commented: “The third quarter saw us complete a number of important milestones for the development of the Valentine Gold Project. In late August we

announced a positive Decision Statement from the Minister of Environment and Climate Change Canada marking the completion of the federal EA process. Combined with the earlier release from our provincial EA in March, we have now successfully completed what has been over three years of environmental and social assessment for the Project at both levels of government. On September 1st, we announced a formal decision by the Company, to proceed with Project construction. The completion of our US\$185 million project debt arrangements in March, and the recent \$150 million equity financing, ensure we go into this process with a strong balance sheet and sufficient financial capacity to commit on equipment, contracts and people. Operating permits and authorizations have been received in a timely fashion, and subsequent to the quarter-end, we commenced our early works program at site. This has included temporary camp installation, pad construction, road and bridge upgrades, equipment delivery, and pre-stripping activities at the Leprechaun Deposit.”

Mr. Manson continued: “The Valentine Gold Project is on track to become Atlantic Canada’s largest gold mine: a long-lived open-pit project, with a large and high-grade Mineral Reserve, good logistics and infrastructure, and the support of the people and communities of central Newfoundland. Importantly, Valentine is also continuing to grow. In July we published a new Mineral Resource Estimate, which incorporated two years of drilling at the Berry Deposit and an RC drilling program at the Leprechaun and Marathon Deposits. The new estimate is the largest and best quality produced for the Project to date. The addition of Berry to our mine planning offers a positive on mine life and gold production profile, even as we manage the increased cost environment. An Updated Feasibility Study, which will bring these strands together in a 3-pit mine plan for the first time, is on track for completion in the fourth quarter. Above and beyond the scope of this updated mine plan, we continue to see additional positive results from our in-fill drilling at Berry, and our prospecting efforts are identifying new areas of future exploration potential.”

Financial Performance

The results of operations for the third quarter 2022 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,	
	2022	2021	2022	2021
EXPENSES				
General and administrative expense	\$ 1,999	\$ 2,587	5,181	\$ 6,782
Finance expense/(income), net	1,678	(104)	1,400	(102)
Other income, net	(40)	(27)	(122)	(122)
Loss before tax	\$ 3,637	\$ 2,456	\$ 6,459	\$ 6,558
Deferred income tax expense/(recovery)	716	(3,708)	67	(1,863)
Net Loss/(Income)	\$ 4,353	\$ (1,252)	\$ 6,526	\$ 4,695
Capital expenditures¹	\$ 33,466	\$ 14,699	\$ 56,060	\$ 25,008

Factors affecting financial results for the three months ended September 30, 2022:

- General and administrative expenses decreased from \$2.59 million in the three months ended September 30, 2021, to \$1.99 million in the three months ended September 30, 2022. The principal component of this decrease was share-based compensation expense resulting from a decrease in stock options granted during the quarter compared to the same period in 2021 and a decrease in the deferred share unit liability resulting from the decrease in the Company’s share price during the three months ended September 30, 2022. Partially offsetting this decrease was an increase in professional fees, as the Company’s breadth of activities has increased compared to the prior year.

- Finance expense/(income), net changed from income of \$0.10 million to expense of \$1.68 million, primarily as a result of \$2.05 million in upfront fees related to a Master Lease Agreement entered into with Caterpillar Financial Services Limited, offset partially by an increase in interest income from \$0.11 million to \$0.41 million, as the interest rate earned on surplus cash balances increased compared to the same period in 2021.
- Deferred income tax expense/(recovery) changed from a recovery of \$3.71 million to an expense of \$0.72 million, as the reassessment of the temporary differences associated with Mineral Exploration and Evaluation assets performed by management that resulted in a deferred income tax recovery in the prior year was not required in the current period.

Capital expenditures were \$18.77 million higher in the three months ended September 30, 2022 than the comparable period in the prior year primarily as a result of an increase in project pre-construction capital spending. Pre-construction capital spending in the third quarter of 2022 included detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, deposits on mobile equipment, access road maintenance and NL Hydro contribution payments.

Permitting

With the completion of the federal and provincial EA processes, the Company began the process of acquiring permits for site activities relating to the jurisdiction of each regulator. This process is well advanced, and the Projects early works development activities commenced in early October 2022.

Major permits and authorizations received to date include:

- Mining Lease (*issued by the NL Department of Industry, Energy and Technology*);
- Surface Lease (*issued by the NL Department of Industry, Energy and Technology*);
- Approval of the Early Works Development and Rehabilitation & Closure Plan (*issued by the NL Department of Industry, Energy and Technology*);
- Approval of the Construction Environmental Protection Plan (*issued by the NL Department of Environment and Climate Change*);
- Early Works Certificate and Approval for Construction (*issued by the NL Department of Environment and Climate Change and received subsequent to quarter-end*); and
- Federal Fisheries Act Authorization (*issued by Fisheries and Oceans Canada and received subsequent to quarter-end*).

In addition, numerous individual permits for specific site activities have been applied for and received. The Commercial Cutting Permit for the Project site, associated with early works tree cutting operations, was obtained on June 9, 2022. Various other permit applications have been submitted, including:

- Quarry permit for Costigan Quarry located on the south side of Beothuk Lake.
- Sewage disposal applications associated with the Temporary Camp.
- Temporary Camp applications for building accessibility and national fire reviews.
- Water Resources Act application to Water Resources Division for the culvert installations required for the on-site access and haul roads.
- Water and Wastewater Treatment Plant applications for the Accommodations Complex.

Engineering, Procurement and Construction Management

During the second quarter of 2022, the Company announced its intent to proceed with an E+P+CM project execution structure, separating the engineering, procurement, and construction management roles within an integrated project development team. Under this structure, SNC Lavalin has been appointed to complete detailed engineering on the Project's mill, and Progesys Inc. has been appointed to develop an integrated construction management and project controls team with Marathon's development team based in Grand Falls-Windsor, NL. The Company believes an integrated team strategy provides an overall lower risk approach in the current inflationary construction environment, allowing closer relationships between management and vendors, better site coordination, initiatives on potential cost and schedule efficiencies and, ultimately, better project delivery.

Integration of SNC-Lavalin and Progesys with the Marathon Team continued throughout the third quarter of 2022. In addition, ongoing detailed engineering, specifically related to the Tailings Management Facility, water management design related to pits, stockpiles and other site structures, and site wide geotechnical and hydrogeochemical investigation progressed in the quarter. The Company also continues to focus on capacity building and enhancement of the project execution team.

On September 1, 2022, the Company reported a cost to complete assessment for the Project of between \$470 and \$490 million compared to an initial capital cost estimate of \$305 million contained within the April 2021 Feasibility Study. Of this cost growth, approximately 37% was attributable to approximately 20 months of market inflation, approximately 25% was attributable to the reallocation of costs previously characterised as sustaining capital items into the initial capital period, and approximately 38% was attributable to certain scope changes relating, principally, to updated staffing levels and the impact of moving from a 22-month to 28-month construction schedule. The cost estimate was effective as of September 1, 2022, and included current market bids, contracted pricing, finalised equipment leasing arrangements, and current market data for labour and consumables, including diesel. Pre-development and owner's costs incurred to the end of July 2022 were excluded.

Overall detailed engineering completed to the end of the quarter stood at 49%. Detailed engineering on civils-related site activities, which characterize the early construction period, are most advanced at between 85% and 100%.

Procurement has been completed on the Project's mobile mining equipment and drills, as well as the temporary construction camp and permanent accommodation complex. With respect to the mill, orders have been placed on major components with long lead times, such as the primary crusher, ball and SAG mills, cyclones, ADR circuit, screens, samplers, gravity concentrator, apron feeders, vibrating grizzly, slurry pumps and thickener. Contracts have been entered into for bridge replacement and road upgrades on the Project's access road from Millertown, tree cutting, pad construction, fresh water supply, electrical sub-station, civils material testing, surveying, explosives supply, fuel supply, camp catering and the mine assay lab. JCL Investments Inc. of

Corner Brook, NL (“JCL”) has been appointed as the primary civils contractor. The Project’s powerline is being constructed under an implementation agreement between Marathon and NL Hydro.

Site Early Works

Subsequent to the third quarter of 2022, JCL and the principal logging contractor, Major’s Logging Ltd. of Deer Lake, NL, have now both mobilized to site and commenced work. Total capacity within the existing exploration camp has been increased to 120 beds, which will serve as a temporary construction camp for the early works program. Clearing and grubbing is underway at the site of the Project’s permanent accommodation camp and borrow-materials are being developed for the construction of the camp’s pad. The Project’s permanent 420 bed accommodation camp was previously purchased and is currently located in a staging area in Badger, NL.

Grubbing and tree removal has also commenced for the Project’s 40 kilometre long 66 kV powerline between the Star Lake generating station and the Project site.

The Project safely completed its first pre-stripping blast of 15,000 tonnes on October 11, 2022. Pre-stripping activities at the Leprechaun Deposit, will be used as a source of construction materials for pads, haul roads and the Project’s Tailings Management Facility. Site road improvements are currently underway. On-site laydown yards have been established along with a temporary fuel station and the mining equipment to support early works has been delivered. An off-site laydown yard in the community of Millertown was developed during 2021 as a municipal development project and is now also used for employee vehicle parking and site transportation pick up. Preparations are being made for the dewatering of the Leprechaun Pond, which partially covers the area of the proposed Leprechaun open pit.

Replacement of the Victoria River Bridge has commenced and is expected to be completed prior to the end of November 2022. In addition, access road upgrades between the Victoria River Bridge and the Project site have begun and will include culvert replacement, ditch maintenance, and re-surfacing.

Exploration Activities

Drilling in the third quarter of 2022 continued to be focused on the Berry and Victory Deposits, and prospecting for new discovery. A total of 2,098 metres were drilled in the Berry Deposit, 1,832 metres in the Victory Deposit, 5,522 metres of condemnation drilling and 225 metres of geotechnical drilling.

On September 12, 2022, the Company released the results from the latest drill results representing fire assay data from thirty-six in-fill diamond drill holes at the Berry Deposit which targeted gaps within the existing Berry drillhole dataset. Thirty-two of the thirty-six holes returned significant drill intercepts of greater than 0.7 g/t Au and all returned additional intercepts with gold grades above the 0.3 g/t Au cut-off used in the 2022 MRE. Additionally, this drilling showed new mineralized zones in areas currently characterized as waste, and the extension of previously modeled mineralized domains and ultimately demonstrated the ability to add additional mineral resources within the Project’s known mineral deposits. Highlights included:

- VL-22-1199 intersected 18.49 g/t Au over 5 metres including 80.82 g/t Au over 1 metre, and 3.51 g/t Au over 10 metres including 21.67 g/t Au over 1 metre, and 4.46 g/t Au over 6 metres including 14.98 g/t Au over 1 metre, and 4.33 g/t Au over 4 metres including 13.57 g/t Au over 1 metre;
- VL-22-1232 intersected 6.90 g/t Au over 15 metres including 15.68 g/t Au over 6 metres;

- VL-22-1211 intersected 10.87 g/t Au over 6 metres including 60.37 g/t Au over 1 metre, and 0.94 g/t Au over 10 metres;
- VL-22-1230 intersected 3.32 g/t Au over 18 metres including 13.23 g/t Au over 3 metres; and
- VL-22-1231 intersected 8.45 g/t Au over 4 metres including 15.13 g/t Au over 2 metres, and 2.51 g/t Au over 8.15 metres, and 0.74 g/t Au over 19 metres.

These assays were not included in the 2022 MRE, which was based on drilling completed to the end of November 2021 and will not be included in the Company's Updated Feasibility Study expected to be released in the fourth quarter of 2022. Results from the 2022 exploration drilling program will continue to be released throughout the remainder of 2022 as assaying is completed.

Summer prospecting was comprised of geological mapping, outcrop and float sampling, and till and soil sampling in the unexplored "Eastern Arm Area", a 13-kilometre section of the Valentine Lake Share Zone between the Victory Deposit and the property's eastern boundary. Although the latest prospecting work is at an early stage, and full geochemical data on the samples is outstanding, numerous occurrences of quartz-tourmaline-pyrite veining have been identified within this area, both in float and outcrop, with initial grab samples showing anomalous gold values indicating a gold-association within the vein mineralization. Prospecting results such as this led to the original discovery of the Leprechaun and Marathon Deposits, between which the Berry Deposit was discovered through step-out drilling and are encouraging for further new discoveries.

Qualified Persons

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, Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon, and Mr. David Ross, P.Geo. (NL), Vice President of Geology and Exploration for Marathon. Mr. Williams, Mr. Toscano, Mr. Powell and Mr. Ross are qualified persons under National Instrument ("NI") 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and have approved the technical content of this news release. Mr. Roy Eccles, P.Geo. (NL), of APEX Geoscience Ltd. is a Qualified Person for purposes of NI 43-101, is independent of Marathon and the Valentine Gold Project, and has reviewed and takes responsibility for the updated July 2022 MRE prepared by John T. Boyd Company.

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 Annual Information Form for the year ended December 31, 2021 and other filings made with Canadian securities regulatory authorities and available at www.sedar.com for further details and assumptions relating to 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 statements and information about the FS and the results therefrom (including IRR, NPV_{5%}, Capex, FCF, AISC and other financial metrics), the realization of mineral reserve and mineral resource estimates, the future financial or operating performance of the Company and the Project, capital and operating costs, the ability of the Company to obtain all government approvals, permits and third-party consents in connection with the Company's exploration, development and operating activities, the potential impact of COVID-19 on the Company, the Company's ability to successfully advance the Project and anticipated benefits thereof, economic analyses for the Valentine Gold Project, processing and recovery estimates and strategies, future exploration and mine plans, objectives and expectations and corporate planning of Marathon, future environmental impact statements and the timetable for completion and content thereof and 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 Annual Information Form for the year ended December 31, 2021.

You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2021 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.