

Marathon Gold Announces 2023 Second Quarter Results

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TORONTO, Aug. 10, 2023 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) today announces its financial results for the second quarter ending June 30, 2023, 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").

Second Quarter Financial Results (all figures are in Canadian dollars unless otherwise noted):

- Cash and cash equivalents at June 30, 2023 of \$130 million.
- Capital Expenditures of \$33.5 million for the three months ended June 30, 2023, including \$32 million related to construction of the Project.
- Net Income of \$0.1 million for the three months ended June 30, 2023.

Second Quarter 2023 Highlights

- The Company completed the sale of an additional 1.5% net smelter returns royalty ("NSR") on its Project to Franco-Nevada Corporation ("Franco-Nevada") for US\$45 million, resulting in Franco-Nevada holding an aggregate 3.0% NSR on the Project.
- In addition, subsequent to quarter end on July 10, 2023, the Company closed its previously announced C\$6.9 million non-brokered charity flow-through offering at a price of C\$1.0488, of which Franco-Nevada participated in the back-end. The proceeds of the offering are to be used for eligible exploration expenditures on the Company's land package, including, the prospective eastern-arm area.
- The Company completed a Socio-Economic Agreement with the Miawpukek First Nation.
- At the 2023 Annual and Special Meeting of Shareholders on June 7, 2023, Ms. Teodora Dechev was appointed to the Board of Directors and, subsequently, Mr. Peter MacPhail was appointed to Chairperson. Marathon thanked its outgoing Chairperson, Mr. George Faught, who did not stand for re-election.

Project KPIs (at June 30, 2023)

- During June 2023, the Project exceeded 500,000 hours of site work completed without a lost time incident.
- At the end of the second quarter, overall completion at the Project stood at 35%, with engineering at 87%, procurement at 60%, and construction at 15%.
- 454 Marathon employees and contractors are employed or providing services to the Project, 80% of whom are residents of Newfoundland and Labrador.
- The Project's cost-to-complete, including contingency, was estimated at \$463 million at October 31, 2022 and C\$391 million at June 30, 2023.
- Variance trend of +\$40.5 million or 8% on the estimated cost at completion. Project construction costs incurred from November 1, 2022 to the end of June 2023 were \$113 million, of a total \$271 million committed. An aggregate \$7.3 million of contingency had been drawn against a total contingency reserve of \$39 million at June 30, 2023.
- The Project remains on schedule for first gold production in the first quarter of 2025.

Financial Performance

The results of operations for the three months ended June 30, 2023 are summarized below (all figures are in Canadian dollars unless otherwise noted):

Factors affecting financial results for the three months ended June 30, 2023:

(Stated in thousands of Canadian dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
EXPENSES				
General and administrative expense	\$ 4,445	\$ 857	\$ 6,211	\$ 3,182
Finance income, net	(5,640)	(178)	(6,705)	(278)
Other income, net	(80)	(40)	(161)	(82)
(Income)/Loss before tax	\$ (1,275)	\$ 639	\$ (655)	\$ 2,822
Deferred income tax expense/(recovery)	266	(2,271)	519	(649)
Net (Income)/Loss	\$ (1,009)	\$ (1,632)	\$ (136)	\$ 2,173
Capital expenditures ¹	\$ 33,465	\$ 9,242	\$ 94,348	\$ 22,594

1. Capital expenditures are presented on a cash basis.

General and administrative expenses increased from \$0.86 million and \$3.18 million in the three and six months ended June 30, 2022, respectively, to \$4.45 million and \$6.21 million in the comparable period in 2023. The principal components of this increase include \$1.43 million and \$1.70 million increases in salary and wages due to additional headcount and a reduction in recovery to the Project for corporate positions compared to the prior year, \$1.22 million and \$0.80 million increase in share-based compensation due mainly to a lower recovery related to the impact of changes in the Company's share price on the deferred share unit liability compared to the prior year, \$1.11 million and \$1.33 million increase in professional fees primarily related to the sale of the additional NSR to Franco-Nevada, offset partially by \$0.10 million and \$0.73 million decrease in project financing advisory fees.

Finance income, net increased from \$0.18 million and \$0.28 million in the three and six months ended June 30, 2022, respectively, to \$5.64 million and \$6.71 million in the comparable period in 2023. The increase relates primarily to an increase in net foreign exchange gains of \$5.13 million and \$5.85 million related to unrealized gains on foreign exchange remeasurement of financial liabilities at period end and realized foreign exchange gains on currency conversion during the period, and an increase in interest income of \$1.13 million and \$2.44 million due to a higher cash balance and higher interest rates compared to the prior year, offset partially by standby fees in 2023 related to the Company's lease agreement with Caterpillar Financial Services Limited.

Deferred income tax expense increased from a recovery \$2.27 million and \$0.65 million in the three and six months ended June 30, 2022, respectively, to an expense of \$0.27 million and \$0.52 million in the comparable period in 2023. The increase is primarily due to an increase in the deferred tax liability compared to the prior year and a decrease in recovery related to changes in the flow-through share tax liability.

Capital expenditures were \$24.22 million and \$71.75 million higher in the three and six months ended June 30, 2023, respectively, than the comparable period in the prior year primarily as a result of an increase in project construction capital spending and the repurchase of 0.5% of the 2.0% of the NSR on the Project from Franco-Nevada. Major construction mobilization at the Project commenced in January 2023, and included the commencement of major civils work related to the process plant and principal facilities, mining of the Leprechaun pit for waste rock in support of construction of pads and haul roads, continued overburden removal and clearing and grubbing, completion of phase one of the permanent camp modules, continued road upgrades, and continued advancement of the construction of the Project's 66 kV powerline connection to the Star Lake Generating Station.

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. 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 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 32-kilometre system. A December 2022 Updated Feasibility Study outlined an open pit mining and conventional milling operation producing 195,000 ounces of gold a year for 12 years within a 14.3-year mine life. The Project was released from federal and provincial environmental assessment in 2022 and construction commenced in October 2022. The Project has estimated Proven Mineral Reserves of 1.43 Moz (23.36 Mt at 1.89 g/t) and Probable Mineral Reserves of 1.27 Moz (28.22 Mt at 1.40 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 2.06 Moz (29.23 Mt at 2.19 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.90 Moz (35.40 Mt at 1.67 g/t). Additional Inferred Mineral Resources are 1.10 Moz (20.75 Mt at 1.65 g/t Au). Please see the NI 43-101 Technical Report "Valentine Gold Project, NI 43-101 Technical Report and Feasibility Study" effective November 30, 2022, Marathon's Annual Information Form for the year ended December 31, 2022 and other filings made with Canadian securities regulatory authorities 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 Corp.](#) 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 Updated Feasibility Study and the results therefrom (including IRR, NPV_{5%}, Capex, FCF, AISC and other financial metrics and economic analysis), 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 "inferred mineral resource" or an "indicated 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, 2022.

You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2022 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.

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