# Marlin Gold Closes Acquisition of Commonwealth Silver and Gold and Provides Corporate Update

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - May 21, 2015) - Marlin Gold Mining Ltd. (TSX VENTURE:MLN) ("Marlin" or the "Company") is pleased to announce that it has completed the acquisition of Commonwealth Silver and Gold Mining Inc. ("Commonwealth"). The acquisition of Commonwealth provides Marlin a path towards internally financed production growth. With the operating La Trinidad mine approaching its highest grade and most profitable ounces prior to the construction of the Commonwealth Project in Cochise County, Arizona (the "Project"), Marlin expects to have the ability to internally fund the Project through operating cash flow and through a potential Sailfish Royalty financing once a construction decision is made.

**Highlights of the Commonwealth Acquisition**

The key investment highlights of the acquisition of Commonwealth include:

- Attractive Investment Opportunity - The Commonwealth Project is an advanced stage open-pit heap leach project with approximately 985,000 gold equivalent ounces (1) in the Measured and Indicated categories with an additional 200,000 gold equivalent ounces (1) in the Inferred category according to Commonwealth's existing Preliminary Economic Assessment for the Project, entitled "National Instrument 43-101 Technical Report - Preliminary Economic Assessment, Commonwealth Silver and Gold Project, Cochise County, Arizona, USA", and dated April 30, 2014, with an effective date of November 30, 2013 (the "PEA"). When in production, the Commonwealth Project is expected to produce an average of 1.3 million oz of silver and 35,800 oz of gold per year for 8.5 years.
- Robust Economics - The Commonwealth Project has a base case after-tax $NPV_{5\%}$ of US$101.3 million and after-tax IRR of 58.2% (1) according to the PEA at a gold price of US$1,350/oz, a silver price of US$22.50/oz and a 0.24 g/t AuEq cut-off grade. (2)
- Favorable Jurisdiction - The Commonwealth Project is located in Cochise County, Arizona, a well-established and mining-friendly jurisdiction. It is in proximity to established infrastructure with access to a skilled labour force from local communities and throughout the greater regional area.
- Accretive to Marlin Shareholders - At a total acquisition cost of $11.25 million, including approximately $3.85 million in assumption and payment of Commonwealth liabilities, the acquisition is accretive to Marlin shareholders on a NAV per share and cash flow per share basis.
- Significant Increase to Marlin's Estimated Mineral Resources & Expected Production - On a pro-forma basis, Marlin's total Measured and Indicated gold equivalent resources are expected to increase by 396% and estimated life of mine production will increase by 282%. (2)
- Fits Marlin's Operational Team's Expertise - Marlin's technical team has a proven track record of building open-pit heap leach mines and hopes to fast-track development of the Commonwealth Project.
- Diversifies & Strengthens Marlin - Allows Marlin to diversify its asset base with silver resources and provides Marlin with a second near-term development project. The acquisition also provides Marlin with an asset for a potential third royalty streaming opportunity for its royalty subsidiary company, Sailfish Royalty Corp.

(1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. Measured and Indicated Mineral Resources captured within the pit shell meet the test of reasonable prospect for economic extraction and can be declared a Mineral Resource. Inferred Mineral Resources are that part of the Mineral Resource for which the quantity and grade or quality are estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity, due to insufficient exploration to date. All resources in the PEA (as defined below) are stated above a 0.2 g/t gold equivalent ("AuEq") cut‐off. Pit optimization is based on assumed gold and silver prices of US$1,350/oz. and US$22.50/oz., respectively and mining, processing and G&A costs of US$7.25 per tonne. Metallurgical recoveries for gold and silver were assigned by lithologic unit. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Gold Equivalent stated using a ratio of 60:1 and ounces calculated using the following conversion

rate: 1 troy ounce =31.1035 grams. Metallurgical recoveries are not accounted for in the gold equivalent calculation.

(2) Gold equivalent resources and life of mine production are derived from the Commonwealth PEA and the 2nd Amended NI 43-101 Technical Report Preliminary Economic Assessment for the Trinidad/Taunus Project, Sinaloa, Mexico, dated February 1, 2013, with an effective date of June 1, 2012 (the "Trinidad/Taunus PEA"). Life of mine production assumes production in 2015 and beyond. Calculated at a gold price of US$1,350/oz and silver price of US$22.50/oz. The Trinidad/Taunus PEA is preliminary in nature, and 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. There is no certainty that the Trinidad/Taunus PEA will be realized.

**Marlin adapts to a volatile gold price environment by evaluating satellite targets and further accelerates HS Zone development**

Based on positive exploration and trenching results, Marlin has started to advance the San Carlos satellite target approximately 3km north from our primary Taunus pit within the La Trinidad project in Sinaloa, Mexico. The San Carlos area is included in the existing 699 hectare exploitation permit within our 118,518 hectare land package encompassing La Trinidad. If exploration results are supportive of a production decision, we can be in a position to begin mining this area within four months. The mineralization outcrops on surface, and management has begun to develop a block model which will be the basis for an optimized pit design. An access road to the target was completed earlier this month, and a drill rig is on its way to site to help define tonnage and grade of the target.

**San Carlos Geology and Mineralization**

The mineralization at San Carlos is related to a structurally controlled, highly fractured zone containing disseminated pyrite, which contains patches of silicification and near surface oxidation. Oxidized material may be amenable to heap leaching using our current infrastructure at La Trinidad. The mineralized units are in dacite and fine black magnetic andesite, with the latter containing more than 95% of the known mineralization. After several encouraging trench and surface rock analysis results, Eldorado Gold drill tested this zone in the mid 1990s. The best drill-hole intersections reported by Eldorado were:

| Drill Hole | From | To | Interval (m) | Au g/t |
|---|---|---|---|---|
| SCC‐01 | 0 | 6 | 6 | 0.65 |
| | 78 | 84 | 6 | 0.34 |
| SCC‐02 | 0 | 30 | 30 | 0.35 |
| | 70 | 72 | 2 | 0.36 |
| SCC‐03 | 0 | 44 | 44 | 0.51 |
| | 60 | 102 | 42 | 1.66 |
| | 134 | 152 | 18 | 1.46 |
| SCC‐04 | 8 | 20 | 12 | 0.32 |
| | 28 | 30 | 2 | 0.72 |
| | 38 | 42 | 4 | 0.35 |
| | 50 | 52 | 2 | 0.27 |
| | 64 | 66 | 2 | 0.54 |
| | 72 | 90 | 18 | 0.28 |
| SCC‐05 | 12 | 14 | 2 | 0.70 |
| | 74 | 76 | 2 | 1.34 |
| | 102 | 128 | 26 | 0.34 |
| | 150 | 156 | 6 | 0.36 |
| | 170 | 178 | 8 | 0.63 |
| SCC‐06 | 10 | 12 | 2 | 0.38 |
| | 42 | 56 | 14 | 1.37 |
| | 66 | 68 | 2 | 0.33 |
| SCC‐07 | 40 | 42 | 2 | 2.31 |
| | 90 | 94 | 4 | 0.47 |

| | | | | |
|---|---|---|---|---|
| SCD‐08 | 21 | 59 | 38 | 0.40 |
| | 71 | 107 | 36 | 1.21 |
| | 115 | 119 | 4 | 0.92 |

Marlin Gold, with the help of Resource Geosciences de Mexico, completed a trenching program to cut in a perpendicular way the mineralized trend identified by the combination of the historical drilling results and surface rock sampling. A total of 175 trench samples within six trenches were collected and sent to Inspectorate Laboratories for analysis. Four trenches showed favorable results, while it was not possible to reach the mineralized unit in the remaining two trenches (SCC-01 and SCC-02) because of the thickness of the cover unit. A summary of the continuously mineralized intervals obtained from the four trenches with favorable results were(3):

| Trench | Total (m) | Au (g/t) |
|---|---|---|
| SCC‐03 | 6 | 0.65 |
| | 2 | 4.38 |
| | 2 | 0.19 |
| | 6 | 7.20 |
| | 2 | 0.32 |
| | 1.5 | 1.97 |
| SCC‐04 | 12 | 0.48 |
| | 2 | 2.63 |
| | 10 | 2.64 |
| | 14 | 0.41 |
| | 38 | 0.66 |
| SCC‐05 | 2 | 0.59 |
| | 2 | 0.21 |
| SCC‐06 | 2 | 0.16 |
| | 2 | 0.25 |
| | 9.2 | 1.00 |

(3) Resource Geosciences implemented industry standard QA/QC protocols for the San Carlos trench sampling program including insertion of duplicate and reference standard samples. Original assay certificates are not available for the Eldorado drillholes. The San Carlos exploration drillhole results are reported in exploration reports prepared by Eldorado during the time they developed and mined the La Trinidad mine. Dr. Matthew D. Gray. C.P.G. and a Qualified Person under the definitions of CSA NI 43-101 verified the reliability of the trench sampling results.

**San Carlos to be Advanced in Parallel with Taunus**

Marlin's original strategy was to develop the San Carlos target towards the end of the delineated mine life of Taunus. Because of the relatively low grade and high strip nature of our mine between the upper (Eldorado) and lower (HS) zones of our Taunus deposit, Management now believes that further advancing San Carlos based on these successful exploration results could lead to a positive production decision which may improve the economics of the project during this transitional period.

To make sure that the development of the high grade and low strip HS Zone at the primary Taunus pit is uninterrupted, we've optimized our mine further, with expectations of reaching the HS Zone earlier in Q2 of 2016. In order to accelerate the San Carlos project and to complete the optimization work at Taunus, we've engaged Sonoran Resources, LLC, led by Jesse Munoz, for a period of four months to complete these two critical projects. Mr. Munoz has direct historical experience at La Trinidad with both the Taunus pit development and the San Carlos exploration program, having worked at Eldorado as Manager of New Project Development when La Trinidad was originally mined.

**La Trinidad Operations Continue to Advance and Marlin's Balance Sheet to Strengthen**

Since commercial production began on November 1, 2014, Marlin has shipped 11,251 ounces of gold and has recovered approximately 17,500 ounces since pre-commercial mining activities began in March 2014. After discussions with some of our shareholders, Marlin plans to reduce its existing debt, including $10

million owed to the Sprott Resource Lending Partnership ("Sprott Resource Lending"). Marlin has agreed to repay $5 million of this debt due to Sprott Resource Lending no later than June 1, 2015, and will aim to repay additional debt depending on the success of the subscription receipt financing led by Dundee Securities as announced on March 30, 2015, or an alternative common equity structure.

Further to the Company's press release dated May 20, 2015, Marlin confirms that it has issued 100,000 common shares to Sprott Resource Lending Partnership ("Sprott") in consideration of Sprott's granting a waiver to Marlin to certain terms of the credit agreement between Marlin and Sprott.

**About Marlin Gold**

Marlin is a TSX-V publicly-listed company with properties located in Sinaloa and Zacatecas, Mexico. Marlin's priority is to advance its properties toward commercial production and enhance shareholder value through financial optimization, namely through the growth of its wholly-owned subsidiary, Sailfish Royalty Corp. The La Trinidad property, which hosts the Taunus gold deposit, declared commercial production on November 1, 2014. An NI 43-101 mineral resource estimate and preliminary economic assessment for the Taunus gold deposit can be found at www.sedar.com or at www.marlingold.com.

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