

VANCOUVER, May 31, 2017 /CNW/ - [Marlin Gold Mining Ltd.](#) (TSX-V: MLN) ("Marlin" or the "Company") is pleased to announce its financial results for the quarter ending March 31, 2017 ("Q1"). This press release should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2017 and 2016 as well as Management's Discussion & Analysis ("MD&A") for the same period, available on the Company's website at [www.marlingold.com](http://www.marlingold.com) and under the Company's name on SEDAR at [www.sedar.com](http://www.sedar.com). All monetary amounts are expressed in Canadian dollars unless otherwise specified.

Marlin began continuously mining the high grade HS Zone at the La Trinidad gold mine (the "La Trinidad Mine") in Sinaloa, Mexico on September 15, 2016, and began recovering gold from this area early in the fourth quarter of 2016 ("Q4"). For Q1, the Company produced 15,556 ounces of gold and sold 20,401 ounces.

Net loss was \$0.2 million (\$0.00 per share) including depreciation, depletion and amortization ("DD&A") expenses of \$19.4 million. It is important to note that 2,141 ounces of gold produced Q1 were sold after the quarter ended, which were not recognized as revenue in Q1.

The Company mined what could safely be accessed in the north part of the high grade HS Zone by January 2017. During this time a high grade stockpile was accumulated that, when combined with inventory in the leach pad, reached \$40.3 million of gold-in-process in Q4. The surface stockpile has largely been depleted and the proceeds were used to fund waste removal to re-access the HS Zone and fund a leach pad expansion.

Management is pleased to announce that the leach pad expansion is now complete and mining of the high grade HS Zone is expected to resume by end of June 2017. Importantly, both projects have been completely funded from cash flow.

The current assets of the Company at Q1 stand at \$49.9 million (\$0.29 per share). Cash and finished gold account for \$5.8 million of current assets, while inventories account for \$30.0 million. Inventories included \$3.3 million of finished gold and \$25.0 million of gold-in-process. Investments in shares of [Golden Reign Resources Ltd.](#) ("Golden Reign") were at \$8.7 million at quarter end.

Principal on loans owed to affiliates of Wexford Capital, LP ("Wexford"), the Company's controlling shareholder, was \$37.9 million, a reduction of \$10.5 million from Q4.

On the exploration front, \$1.1 million of exploration was expensed at Commonwealth, and an additional \$0.5 million was capitalized at La Trinidad. Notably, the results of both exploration programs are surpassing the Company's most optimistic expectations.

Akiba Leisman, Executive Chairman and Interim CEO states that, "this quarter was a continuation of the strong performance of Q4. Since we started recovering gold from the high grade HS Zone, we have generated \$0.20 per share in adjusted EBITDA. With this cash flow, we have deleveraged our balance sheet, finished our leach pad expansion, removed nearly 8 million tonnes of waste to re-access the high grade HS Zone and have funded two aggressive and successful exploration programs at both of our properties. In addition, we are making the final preparations of spinning off our wholly owned royalty company Sailfish Royalty Corp., where an announcement will be made as soon as our flagship asset is permitted or we acquire another material royalty interest."

#### Q1 Highlights

- Revenues of \$32.6 million in 2017 (2016 &ndash; \$3.7 million)
- Production of 15,556 (2016 &ndash; 1,971) ounces of gold in Q1
- Sale of 20,401 (2016 &ndash; 2,308) ounces of gold in Q1
- Stockpile of 2,216 (2016 &ndash; Nil) ounces of gold at Q1
- Purchased 5.4 million common shares in Golden Reign at \$0.22 per share
- Repaid US\$7.5 million of the term facility with Wexford reducing the outstanding loan principal to US\$30 million
- The Company initiated another normal course issuer bid (the "NCIB"), whereby the Company has purchased 797,000 common shares in the capital of the Company. All common shares acquired by the Company under the NCIB have been returned to treasury and cancelled. Since 2016, a total of 2,797,000 shares have been repurchased at an average price of \$0.516 per share

Financial Summary (\$000's)	Q1 2017	Q4 2016	Q1 2016
Revenue	32,619	18,947	3,720
Net profit (loss)	(178)	2,618	(5,202)
Net profit (loss) per share	(0.00)	0.02	(0.05)
Adjusted EBITDA <sup>(1)</sup>	21,804	11,566	770
Adjusted EBITDA per share <sup>(1)</sup>	0.13	0.07	0.01
Gold ounces produced (troy ounces) <sup>(2)</sup>	15,556	19,164	1,971
Gold ounces sold (troy ounces)	20,401	12,178	2,308

(1) This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and see below for a reconciliation to the Company's financial statements.

(2) Does not include ounces in stockpiled material.

Reconciliation of Adjusted EBITDA (\$000's)	Q1 2017	Q4 2016	Q1 2016
Net profit (loss)	(178)	2,618	(5,202)
Accretion and interest expense net of interest income	1,490	3,611	1,827
Income tax expense and deferred tax recovery	-	(3,848)	-
Depreciation, depletion and amortization	19,402	9,909	889
EBITDA	20,714	12,290	(2,486)
Impairments <sup>(3)</sup>	1,090	(724)	3,256
Adjusted EBITDA	21,804	11,566	770

(3) Categories under "Impairments" include impairment of mineral property, write down to net realizable value and impairment write-down of gold-in-process.

#### Balance Sheet Summary (\$000's) Q1 2017 Q4 2016 Q1 2016

Current Assets <sup>(4)</sup>	49,924	68,277	23,119
Total Assets	89,891	102,173	78,642
Total Liabilities	64,563	73,346	70,105
Equity	25,328	28,827	8,537

(4) Q1 2017 includes \$25,037,977 of gold-in-process and \$3,320,549 of finished gold.

#### Non-IFRS Measures

The discussion of financial results in this press release includes reference to Adjusted EBITDA, which is a non- International Financial Reporting Standards ("IFRS") measure. The Company provides this measure as additional information regarding the Company's financial results and performance.

#### About Marlin Gold

Marlin is a growth-oriented gold and silver mining company focused on the Americas. The company owns two properties located in Sinaloa, Mexico and Arizona, USA and a portfolio of royalties. Marlin's priority is to advance its properties toward commercial production and enhance shareholder value through the growth of its wholly owned subsidiary, Sailfish Royalty Corp. Marlin is backed by a well-funded investor with a successful track record in the resources sector. The La Trinidad Mine in Sinaloa, Mexico declared commercial production on November 1, 2014 and is one of the highest-grade open pit heap leach gold mines in Mexico. A NI 43-101 mineral resource estimate and preliminary economic assessment for the La Trinidad Mine and Commonwealth Project can be found at [www.sedar.com](http://www.sedar.com) or at [www.marlingold.com](http://www.marlingold.com).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX

Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### Cautionary statement regarding forward-looking information

This news release contains 'forward-looking statements' within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur, including, without limitation, the intended use of proceeds. These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while based on management's expectations and considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: the risk that the anticipated effects of the equity financing may not result in the outcomes predicted by management, uncertainties related to raising sufficient financing to fund planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfill projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties, including those described in the Company's current Annual Information Form filed on SEDAR at [www.sedar.com](http://www.sedar.com). As a result, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this release. Unless required by law, Marlin has no intention to and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE [Marlin Gold Mining Ltd.](#)

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