

VANCOUVER, Aug. 30, 2017 /CNW/ - [Marlin Gold Mining Ltd.](#) (TSX-V: MLN) ("Marlin" or the "Company") is pleased to announce its financial results for the three and six months ending June 30, 2017 ("Q2" and "H1," respectively). This press release should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 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 in Sinaloa, Mexico ("La Trinidad") on September 15, 2016, and began recovering gold from this area early in the fourth quarter of 2016 ("Q4"). For H1, the Company produced 24,341 ounces of gold and sold 30,226 ounces.

Adjusted EBITDA was \$5.4 million (\$0.03 per share) and \$27.2 million (\$0.16 per share) in Q2 and H1, respectively.

The current assets of the Company at Q2 stand at \$38.4 million (\$0.22 per share). Cash and finished gold account for \$2.6 million of current assets, while inventories account for \$17.6 million. Inventories included \$1.7 million of finished gold and \$14.2 million of gold-in-process. Investments in shares of [Golden Reign Resources Ltd.](#) stood at \$8.7 million at quarter end.

Akiba Leisman, Executive Chairman and Interim CEO states that, "it is impressive what Marlin accomplished in Q2. The Company was able to complete a 12-million-tonne layback to regain access to the high grade mineralization at La Trinidad, enter into a definitive agreement to acquire a royalty on a multi-million ounce advanced stage gold project operated by a large cap gold producer, and make what looks to be a material discovery at the Commonwealth Project, all without raising any additional equity. Furthermore, the acquisition of the Gavilanes project, the spin-out of Sailfish and the continuous mining of high grade mineralization at La Trinidad will make the second half of 2017 even more exciting for shareholders."

#### Q2 and H1 Highlights

- Production of 24,341 (2016 &ndash; 3,492) ounces of gold in H1
- Sale of 30,226 (2016 &ndash; 3,666) ounces of gold in H1
- Revenue of \$49.4 million (2016 &ndash; \$5.9 million) in H1
- On June 28, 2017, the Company, together with its wholly owned subsidiary, Sailfish, entered into a definitive agreement with two individuals that hold a 3.5% royalty on the advanced stage Tocantinzinho gold project in Brazil owned by a subsidiary of Eldorado
- The Company initiated another normal course issuer bid (the "NCIB"), whereby the Company has purchased 1.1 million 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

#### Highlights Subsequent to June 30, 2017

- On July 5, 2017 and August 8, 2017, the Company received US\$2 million and US\$5 million, respectively, from the Wexford Funds, increasing the Wexford Loan to US\$37 million
- On August 17, 2017, the Company completed the acquisition of the Gavilanes Property located in Durango State, Mexico from [Santacruz Silver Mining Ltd.](#) for total consideration of US\$3.5 million plus IVA
- On August 25, 2017, the Wexford Funds extended the maturity on the Wexford Loan by one year to January 15, 2019

#### La Trinidad Update

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 surface 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 regain access to the high grade HS Zone and a leach pad expansion.

Marlin is pleased to announce that the waste removal and leach pad expansion are complete and that the Company returned to continuously mining high grade mineralization in early August. Month to date, over 4,500 ounces of gold have been stacked on the leach pad at an average grade of approximately 2 grams per tonne gold.

#### Commonwealth Update

In H1, \$2.7 million of exploration was expensed at Marlin's wholly owned Commonwealth silver and gold property in Cochise County, Arizona (the "Commonwealth Project"). Notably, drill results at the Commonwealth Project are surpassing the Company's most optimistic expectations. Specifically, results from the Six Mile Hill target (see press release dated July 17, 2017) are pointing to a material discovery that the Company is aggressively following up on. A 15-hole drill program is currently underway at Six Mile Hill with results expected throughout the fourth quarter of 2017. Additionally, an approximately 10-tonne comprehensive metallurgical program is also underway, with results expected early in the fourth quarter of 2017.

## Sailfish Update

On June 28, 2017, Marlin's wholly owned subsidiary, Sailfish Royalty Corp. ("Sailfish") entered into a definitive agreement to acquire a 3.5% royalty (the "TZ Royalty") on the advanced stage Tocantinzinho gold project in Brazil owned by [Eldorado Gold Corp.](#) ("Eldorado") for US\$6.5 million in cash and 12.1% of the pro forma shares of Sailfish (see press release dated June 28, 2017). The TZ Royalty, along with Sailfish's current gold stream agreement on the San Albino gold project in Nicaragua, which is expected to begin production in late 2018, gives Sailfish enough scale to operate as a separate publicly traded royalty company. In connection with the acquisition of the TZ Royalty, Marlin expects to complete a spin-out of Sailfish to shareholders in November 2017.

## Gavilanes Acquisition

On August 17, 2017, Marlin completed the acquisition of the Gavilanes property in Durango, Mexico for cash consideration of US\$3.5 million, plus applicable value added taxes (see joint press release dated August 17, 2017). Marlin believes that the Gavilanes property has the potential to host a world-class silver deposit in the heart of one of the most prolific silver mining jurisdictions in the world. The purchase of the Gavilanes property is further evidence of Marlin's ability to complete highly accretive acquisitions in any precious metals market. The Company will be evaluating next steps for the Gavilanes property, which may include the creation of a separate publicly traded exploration company.

## Wexford Loan

Principal on the loan owed to affiliates of the Company's controlling shareholder, Wexford Capital LP (together the "Wexford Funds"), stood at US\$30 million at Q2, a reduction of US\$7.5 million from Q4. However, given the combined cash requirement of US\$10 million related to the two acquisitions announced since June, the Wexford Funds have agreed to increase the loan by US\$8.9 million (US\$7 million received to date) and extend the maturity of the entire loan amount until January 2019 for no additional fees. The increase in the loan together with the cash flow from La Trinidad will allow the Company to continue funding exploration at all its properties, advance the Commonwealth Project to a production decision and fund the TZ Royalty acquisition and spin-out of Sailfish.

Financial Summary (\$000's)	Q2 2017	Q2 2016	H1 2017	H1 2016
Revenue	16,731	2,188	49,350	5,908
Net profit (loss)	(6,994)	(7,312)	(7,172)	(12,109)
Net profit (loss) per share	(0.04)	(0.05)	(0.04)	(0.09)
Adjusted EBITDA <sup>(1)</sup>	5,347	(1,001)	27,151	(218)
Adjusted EBITDA per share <sup>(1)</sup>	0.03	(0.01)	0.16	(0.00)
Gold ounces produced (troy ounces) <sup>(2)</sup>	8,785	1,521	24,341	3,492
Gold ounces sold (troy ounces)	9,825	1,358	30,226	3,666
Weighted average number of shares outstanding (000's)	172,098	135,470	172,511	135,470

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

(2) Does not include ounces in stockpiled material.

Reconciliation of Adjusted EBITDA (\$000's)	Q2 2017	Q2 2016	H1 2017	H1 2016
Net profit (loss)	(6,994)	(7,312)	(7,172)	(12,109)
Accretion and interest expense, net of interest income	1,648	1,816	3,139	3,251
Income tax expense and deferred tax recovery	380	-	380	-
Depreciation, depletion and amortization	7,975	482	27,377	1,372
EBITDA	3,009	(5,013)	23,724	(7,486)
Impairments <sup>(3)</sup>	2,337	4,012	3,427	7,268
Adjusted EBITDA	5,347	(1,001)	27,151	(218)

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

#### Balance Sheet Summary (\$000's) Q2 2017 Q2 2016

Current Assets <sup>(4)</sup>	38,444	25,228
Total Assets	89,869	86,953
Total Liabilities	70,226	71,867
Equity	19,643	15,086

(4) Q2 2017 includes \$14,186,257 of gold-in-process and \$1,726,399 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

Marlin is a growth-oriented gold and silver mining company focused on the Americas. The company owns three properties located in Sinaloa, Mexico; Durango, 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 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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