

Marathon Gold Announces 2020 First Quarter Results

14.05.2020 | [GlobeNewswire](#)

TORONTO, May 13, 2020 - [Marathon Gold Corp.](#) (TSX: MOZ) today announces its financial results for the first quarter ending March 31, 2020 and provides an update on the Company's activities at the Valentine Gold Project (the Project) in central Newfoundland. Highlights of the quarter are as follows:

- Completion of an updated Mineral Resource Estimate for the Project utilizing refined geological models, tighter restrictions on high grade assays, and increased drill density for each of the Leprechaun and Marathon Deposits. Measured and Indicated Mineral Resources now comprise 3.09 Moz (54.9 Mt at 1.75 g/t Au) with additional Inferred Mineral Resources of 0.96 Moz (16.77 Mt at 1.78 g/t Au);
- Completion, subsequent to quarter-end, of a Pre-Feasibility Study (PFS) for the Project supporting an open pit mining operation with low initial capital cost and high rate of return over a 12-year mine life. The PFS shows an after-tax IRR of 36% and NPV_{5%} of \$472 million (US\$354 million) based on US\$1,350/oz gold, and an initial capital cost of \$272 million (US\$205 million). Proven and Probable Mineral Reserves comprise 1.87 Moz (41.05 Mt at 1.41 g/t Au);
- Completion of 12,486 metres of exploration and condemnation drilling prior to the closure of the Project camp on March 13, 2020. Initial drill results within the 6-kilometre long Sprite Corridor; confirm the emergence of a developing Main Zone; style sequence of mineralization in an important new area now named the Berry Zone;
- Ongoing studies in support of the Project's Environmental Assessment were completed during the quarter, and a series of meetings and technical review sessions were held with the communities of Buchans, Buchans Junction, Millertown, Grand Falls-Windsor, Badger and Bishop's Falls, with the Qalipu and Maiwpukek (Conne River) First Nations, and with other interested governmental and non-governmental stakeholder groups. Marathon's Environmental Impact Study (EIS) is progressing and on schedule for submission in the third quarter of this year;
- Cash and cash equivalents of \$22.79 million at quarter-end compared to \$27.96 million at December 31, 2019.

Matt Manson, President and CEO commented, "During the first quarter we completed two important studies that define the scope of the mining project we intend to develop at Valentine Lake. Our updated Mineral Resource estimate released in January demonstrated continued growth in Measured and Indicated ounces, with the refined geological modelling and tighter constraints on grade distribution appropriate for mine development. With this established, our Pre-Feasibility Study released in early April presented a high value, low capex project with an emphasis on rate of return and simplicity. Both studies, taken together, present a project that can be reasonably financed, developed and operated successfully by Marathon, with high cash flow potential at reasonable gold price assumptions. Our strategy is the development of the Valentine Gold Project on this basis, with ongoing environmental assessment and feasibility-level studies, and continued exploration focused on new discovery along the 20km mineralized trend of the property. In this regard, we are particularly encouraged by recent exploration results at the new Berry Zone. Our recently announced \$30 million financing assures a strong treasury for the completion of this exploration and development work through to a potential construction decision in the second half of 2021."

Financial Performance

The results of operations for first quarter are summarized below (all figures are in Canadian dollars unless otherwise noted):

(Stated in thousands of Canadian dollars) For the Three Months Ended
March 31,

	2020	2019
EXPENSES		
General and administrative expense	\$ 881	\$ 583
Finance income, net	(116)	(34)
Other income	(39)	(26)
Loss before tax	726	523
Deferred income tax (recovery) / expense	(658)	105
Net Loss	\$ 68	\$ 628
Capital expenditures	\$ 3,994	\$ 2,180

- General and administrative expense increased from \$0.58 million to \$0.88 million. The principal components of this increase are set out below:
 - Salaries and wages increased from \$0.22 million to \$0.41 million, reflecting higher overall compensation costs as a result of the additions made to the Company's management team in the second half of 2019 and first quarter of 2020.
 - Investor relations expenses increased from \$0.09 million to \$0.13 million, reflecting increased corporate communication initiatives, including engagement with stakeholders in the local communities around the Valentine Gold Project.
 - Professional fees increased from \$0.09 million to \$0.14 million, reflecting increased legal fees, as the Company's breadth of development activities has expanded, and the completion of an independent executive compensation study in the first quarter of 2020.
- Finance income increased from \$0.03 million to \$0.12 million primarily as a result of an increase in interest income from \$0.03 million to \$0.11 million, as Marathon invested surplus cash arising from the September 2019 private placement in interest-bearing deposits.
- Other income increased from \$0.03 million to \$0.04 million, resulting from an increase in royalty income due to higher gold prices and increased tonnes mined at the Golden Chest Mine, where the Company holds a 2% net smelter returns royalty.
- Capital expenditures increased from \$2.18 million to \$3.99 million, with the increase reflecting the completion of the April 2020 PFS and updates to the Mineral Resource and Mineral Reserve Estimates during the quarter, continued activities towards completion of an EIS, including various environmental and community studies, and increased condemnation drilling and camp labour costs compared to the same period in 2019.

\$30 Million Bought Deal Financing

On May 4, 2020 and subsequent to the quarter-end, the Company announced that it entered into an agreement with Canaccord Genuity Corp., Sprott Capital Partners and RBC Capital Markets to act as co-lead underwriters, on behalf of a syndicate of underwriters (collectively the "Underwriters"), pursuant to which the Underwriters will purchase, on a bought deal basis, an aggregate of 20,000,000 units (the "Units") of the Company at a price of \$1.50 per Unit for aggregate gross proceeds of \$30,000,000 (the "Offering"). Each Unit will be comprised of one common share of the Company and one half of one common share purchase warrant of the Company (each full warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share of the Company at a price of \$1.90 per common share at any time on or before that date which is 12 months after the closing date. In addition, the Company will grant the Underwriters an option to acquire up to an additional 3,000,000 Units (the "Underwriter Option Units") and together with the Units, the "Offered Securities") at a price of \$1.50 per Underwriter Option Unit for additional gross proceeds of up to \$4,500,000, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing date. If the Underwriter Option is fully exercised, the total gross proceeds from the Offering to Marathon will be \$34,500,000. Closing of the Offering is expected to occur on or about May 26, 2020 and is subject to certain conditions including, but not limited to, receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange and applicable securities regulatory authorities.

The Company intends to use the net proceeds from the Offering to continue the permitting, development and exploration of the Valentine Gold Project, as well as for working capital and general corporate purposes.

For further information on Marathon's operational activities during the first quarter ending March 31, 2020 please see the Company's Financial Statements and MD&A available on SEDAR (www.sedar.com).

Qualified Person

Disclosure of a scientific or technical nature in this news release was prepared under the supervision of Robbert Borst (C.Eng.), Marathon's former Chief Operating Officer and Sherry Dunsworth, MSc., P.Geo (NL), Senior VP of Exploration. Ms. Dunsworth has verified the data disclosed including sampling, analytical and test data underlying the information contained in this news release. This included a site inspection, drill database verification, and independent analytical testwork.

Acknowledgments

Marathon acknowledges the financial support of the Junior Exploration Assistance Program, Department of Natural Resources, Government of Newfoundland and Labrador.

About Marathon

Marathon (TSX:MOZ) is a Toronto based gold company advancing its 100%-owned Valentine Gold Project located in central Newfoundland, one of the top mining jurisdictions in the world. The Project comprises a series of four mineralized deposits along a 20-kilometre system. An April 2020 Pre-Feasibility Study outlined an open pit mining and conventional milling operation over a twelve-year mine life with a 36% after-tax rate of return. The Project has estimated Proven Mineral Reserves of 1.3 Moz (26.3 Mt at 1.52 g/t) and Probable Mineral Reserves of 0.6 Moz (14.8 Mt at 1.23 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.9 Moz (31.7 Mt at 1.86 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.19 Moz (23.2 Mt at 1.60 g/t). Additional Inferred Mineral Resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au). Please see the Technical Report dated April 21, 2020 for further details and assumptions relating to the Valentine Gold Project.

For more information, please contact:

Matt Manson	Hannes Portmann	Amanda Mallough
President & CEO	CFO & Business Development	Senior Associate, Investor Relations
Tel: 416 987-0711	Tel: 416 855-8200	Tel: 416 855-8202
mmanson@marathon-gold.com	hportmann@marathon-gold.com	amallough@marathon-gold.com

To find out more information on [Marathon Gold Corp.](http://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 Marathon's intention to complete the Offering and the timing thereof, economic analyses for the Valentine Gold Project, capital and operating costs, processing and recovery estimates and strategies, future exploration and mine plans, objectives and expectations and corporate planning of Marathon, future feasibility studies and 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. 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 receipt of all necessary regulatory approvals, completion of all conditions to closing of the Offering, availability of financing to fund Marathon's exploration and development activities, the ability of the current exploration program to identify and expand mineral resources, operational risks in exploration and development for gold, Marathon's ability to realize the pre-feasibility study, delays or changes in plans with respect to exploration or development projects or capital expenditures, uncertainty as to calculation of mineral resources, changes in commodity and power prices, changes in interest and currency exchange rates, the ability to attract and retain qualified personnel, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources), changes in development or mining plans due to changes in logistical, technical or other factors, title defects, government approvals and permits, cost escalation, changes in general economic conditions or conditions in the financial markets, environmental regulation, operating hazards and risks, delays, taxation rules, competition, public health crises such as the COVID-19 pandemic and other uninsurable risks, liquidity risk, share price volatility, dilution and future sales of common shares, aboriginal claims and consultation, cybersecurity threats, climate change, delays and other risks described in Marathon's documents filed with Canadian securities regulatory authorities.

You can find further information with respect to these and other risks in Marathon's Amended and Restated Annual Information Form for the year ended December 31, 2019 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.

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/351343--Marathon-Gold-Announces-2020-First-Quarter-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).