

Marathon Gold Corporation Announces 2022 First Quarter Results

13.05.2022 | [GlobeNewswire](#)

TORONTO, May 13, 2022 - [Marathon Gold Corporation](#) ("Marathon" or the "Company"; TSX: MOZ) today announces its financial results for the first quarter ending March 31, 2022 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").

First Quarter Highlights

- At March 31, 2022 the Company had cash and cash equivalents of \$72.4 million, leaving it well positioned to execute on its permitting, development, and exploration activities at the Project;
- On March 31, 2022, the Company closed a US\$185 million term loan credit facility with Sprott Private Resource Lending II (Collector-2) LP for the construction, development and working capital requirements of the Project;
- On March 17, 2022, the Company was notified that the Newfoundland and Labrador Minister of Environment and Climate Change had completed its review of the Project's Environmental Impact Statement ("EIS") and concurrently, that the Project had received approval by the Cabinet of the Government of NL. Marking completion of the provincial Environmental Assessment ("EA") process;
- On March 16, 2022, the Company was notified that the Impact Assessment Agency of Canada had completed its technical review of the Project's EIS. The Federal EA is approaching a ministerial decision and site-specific permitting has commenced;
- Purchased for cancellation a historical 7.5% net profit interest royalty (the "NPI Royalty") that covers certain mineral resource areas at the Project;
- Incurred capital expenditures of \$13.4 million in the period, primarily related to pre-construction capital spending, including detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, access road upgrades and initial deposits on drilling and mobile equipment;
- Completed 12,530 metres of exploration drilling in 62 holes from a total full-year 50,000 metre exploration drilling program. 9,810 metres were drilled in the Berry Deposit and 2,720 metres in the Victory Deposit; and
- Strengthened the Company's management team with the appointment of Ms. Julie Robertson as Chief Financial Officer of the Company, bringing extensive experience in capital projects financial management, planning, and control.

Matt Manson, President, and CEO commented: "The first quarter of 2022 ended with important achievements for Marathon in the permitting and financing of the Valentine Gold Project. Over two days in mid-March we were very pleased to report the emphatic approval in of the Project at the Newfoundland and Labrador cabinet, marking the completion of our provincial EA process, and the completion of the technical and public review phase under our federal EA process. This has allowed us to guide to the commencement of early works in the third quarter and, subject to a formal board construction decision, full construction mobilization by year-end. Then, at the end of March, we announced the closing of our previously announced US\$185 million term loan with Sprott Resource Lending, which will comprise the debt portion of our project financing." Mr. Manson continued: "Alongside our project permitting and financing achievements, and the ongoing engineering and procurement work in support of our project-build, we will be updating the Project's Mineral Resource estimate by mid-year, which will incorporate 100,000 metres of drilling at the Berry Deposit and the results of our 2021 Reverse Circulation drill program. This new estimate is expected to be both larger, with an expected increase in open-pit Measured and Indicated Resources, and more robust. We will then demonstrate the impact of this new estimate in an updated technical report, scheduled for the fourth quarter, which will reflect a new, longer-term vision for the Project's mine plan, the current cost environment, a higher gold price environment, and our settled development schedule. Taken together, this work will present a major new gold mining project that is well conceived, well engineered, well financed, and fully

permitted, with clear cost and schedule-to-complete objectives, and a mineral resource that is both tested and still growing. Our treasury at quarter-end was strong, at \$72.4 million, and we continue to enjoy all the advantages of building a mining team and business located in the central region of Newfoundland and Labrador.”

Financial Performance

The results of operations for the first quarter 2022 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, | |
| | 2022 | 2021 |
| EXPENSES | | |
| General and administrative expense | \$ 2,325 | \$ 1,709 |
| Finance income, net | (100) | (26) |
| Other income | (42) | (36) |
| Loss before tax | 2,183 | 1,647 |
| Deferred income tax expense | 1,622 | 995 |
| Net Loss | \$ 3,805 | \$ 2,642 |
| Capital expenditures | \$ 13,352 | \$ 5,595 |

Factors affecting financial results for the three months ended March 31, 2022:

- General and administrative expenses increased from \$1.71 million to \$2.33 million due to an increase in Project Financing advisory & professional fees and Share-based compensation expense, partially offset by a decrease in Salaries and wages expense, as pre-construction costs are being capitalized.
- Deferred income tax (recovery)/expense increased from \$1.00 million to \$1.62 million, as the increase in the deferred tax liability of \$3.90 million in the first quarter of 2022 was higher than the \$1.10 million increase in the deferred tax liability in the comparable period in 2021. This was partially offset by a higher decrease in the flow-through share tax liability in the first quarter of 2022 of \$2.28 million, compared to \$0.10 million in the comparable period in 2021.
- Capital expenditures excluding working capital movements, were \$7.76 million higher in the first quarter of 2022 than the prior year primarily because of project pre-construction capital spending, which commenced in the third quarter of 2021 and continued into the first quarter of 2022. Pre-construction capital spending in the first quarter of 2022 included detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, road maintenance and initial deposits on drilling equipment.

2022 Exploration Drilling Program

Marathon's 2022 exploration drilling program commenced in January 2022 with a full-year plan of 50,000 metres of diamond drilling at a total budget of \$12.0 million. The components of the 2022 exploration drilling program are as follows:

- 38,000 – 40,000 metres of drilling in the Berry Deposit, designed to increase drill density over the 1.5 kilometres of mineralization previously delineated and for further resource expansion; and
- 10,000 – 12,000 metres of drilling at the Victory Deposit, with a view to potential resource expansion.

The 2022 program will also include a significant prospecting program along the approximately 13 kilometres of geological contact at the Valentine Lake Shear Zone between the Victory Deposit and the eastern boundary of the property. The above noted drilling and prospecting programs will also be supported by additional structural geological and geophysical surveys, which will be utilized to better understand the setting of the five currently known Project mineral deposits.

At March 31, 2022, the Company had completed 12,530 metres of its total full-year plan of 50,000 metres. A total of 9,810 metres were drilled in the Berry Deposit and 2,720 metres in the Victory Deposit. All assay results from the 2022 exploration drill program remain outstanding. As of April 21, 2022 the Company had released results from a total of approximately 100,000 metres of drilling at the Berry Deposit and a total of

approximately 19,000 metres of drilling at the Victory Deposit (see Marathon news release dated April 21, 2022). Results from the Berry Deposit continued to show multiple long intercepts of high-grade mineralization, and the recent drilling at the Victory Deposit has demonstrated its potential to host additional large-scale mineralization.

2022 Development Activity

Marathon's project development activities for the remainder of 2022 will primarily be focused in the following key areas:

- Completion of the 2022 Valentine Gold Project exploration program;
- Release from the federal EA process;
- Completion of ongoing detailed engineering, procurement and site-specific permitting;
- Commencement of site early works, scheduled for the third quarter, supporting full site mobilization by the end of the year;
- Completion of an update to the Project's Mineral Resource estimate, inclusive of updates to the Marathon, Leprechaun, Berry and Victory Deposits;
- Completion of a new NI 43-101 technical report for the Project, which will constitute an updated Feasibility Study;
- Completion of a 24,000 metre RC drill program at the Leprechaun and Marathon Deposits, aimed at establishing a grade control dataset ahead of the commencement of pre-stripping activities;
- Ongoing stakeholder engagement and consultation activity;
- Continued capacity building and development of the project execution team; and
- Ongoing support for project financing activities.

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, and Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon, and Mr. David Ross, P.Ge. (Ont), Director of Mineral Resources for Marathon Gold Corporation. Nicholas Capps, P.Ge. (NL), Exploration Manager of Marathon, is responsible for the design and operation of exploration programs at the Valentine Gold Project. Exploration data quality assurance and control for Marathon is under the supervision of Jessica Borysenko, P.Ge. (NL), GIS Manager for Marathon. Mr. Williams, Mr. Toscano, Mr. Powell, Mr. Ross, Mr. Capps and Ms. Borysenko are Qualified Persons in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and have approved the technical content of this news release. Marathon's mineral resources and mineral reserves have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and in accordance with the requirements of NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Mineral resources are reported inclusive of mineral reserves. Information on data verification performed on, and other scientific and technical information relating to, the Valentine Gold Project are contained in Marathon's Annual Information Form ("AIF") for the year ended December 31, 2021 and the current technical report for the Valentine Gold Project prepared in accordance with NI 43-101 titled "NI 43-101 Technical Report & Feasibility Study on the Valentine Gold Project, Newfoundland and Labrador, Canada" prepared by Ausenco Engineering Canada Inc. with an effective date of April 15, 2021 (the "2021 Valentine Technical Report"). The AIF and the 2021 Valentine Technical Report are available at www.sedar.com.

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 20-kilometre system. An April 2021 Feasibility Study outlined an open pit mining and conventional milling operation over a thirteen-year mine life

with a 31.5% after-tax rate of return. The Project has estimated Proven Mineral Reserves of 1.40 Moz (29.68 Mt at 1.46 g/t) and Probable Mineral Reserves of 0.65 Moz (17.38 Mt at 1.17 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.92 Moz (32.59 Mt at 1.83 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.22 Moz (24.07 Mt at 1.57 g/t). Additional Inferred Mineral Resources are 1.64 Moz (29.59 Mt at 1.72 g/t Au). Please see Marathon's Annual Information Form for the year ended December 31, 2021 and other filings made with Canadian securities regulatory authorities and available at www.sedar.com for further details and assumptions relating to the Valentine Gold Project.

For more information, please contact:

[Marathon Gold Corporation](#)

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To find out more information on Marathon Gold Corporation 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 FS and the results therefrom (including IRR, NPV5%, Capex, FCF, AISC and other financial metrics), 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 "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 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, 2021.

You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2021 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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