

Marathon Gold Upsized, Amended and Restated US\$225M Credit Facility for the Valentine Gold Project

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TORONTO, Jan. 25, 2023 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) is pleased to report that it has amended and restated its term loan facility (the "Amended & Restated Facility" or "Facility") first entered into on March 31, 2022 with Sprott Resource Corporation ("Sprott"). Amongst other amendments described herein, the Facility has been increased to US\$225 million from US\$185 million. The proceeds of the Facility are to be used for the construction, development and working capital requirements of Marathon's Valentine Gold Project located in the central region of Newfoundland and Labrador (the "Project" or "Valentine").

Matt Manson, President and CEO of Marathon, commented: "We are very happy to be announcing today this amended and restated credit facility with Sprott. Since March 2022, when we announced our initial credit facility, we have received federal and provincial approvals to proceed to construction, commenced our site early works, and issued an Updated Feasibility Study describing a 3-pit mine plan with an extended mine life, increased production profile and updated capital and operating costs. The new credit facility increases the available credit to Marathon to US\$225 million, while keeping the overall cost of borrowing to a rate consistent with the original agreement. Within this framework, the new facility bears a reduced interest margin, and a commensurate increase in the back-ended production linked payment, with no upfront arrangement or commitment fees."

Mr. Manson continued: "Sprott has been a constructive and collaborative partner for the development of Valentine since we started our financing discussions with them in 2021. Our approach from the start has been to arrange the appropriate balance of traditional term loan debt and equity, without excessive leverage. This new credit facility is consistent with that approach. With the Project's construction now well underway, and this significant component of our financing completed, we are on track with the development of what will be the largest gold mining operation in Atlantic Canada."

Greg Caione, Senior Managing Partner, Private Strategies, Sprott Inc., commented: "As one of the largest investors and lenders dedicated to the natural resource sector, Sprott is excited to continue its partnership with Marathon's experienced and accomplished management team. The increase of the Facility amount, and amended terms, is consistent with our strategy to provide innovative and flexible capital to maximize the value of exceptional projects and support world-class management teams. We commend the management team on the progressive milestones achieved during 2022, culminating in the release of the Updated Feasibility Study in December 2022. We are confident in Marathon's ability to bring the project into production and look forward to successive accomplishments over the coming years, including additional exploration success at the Valentine property."

Key Facility Terms

- Senior secured term loan facility of US\$225 million maturing on December 31, 2027 (the "Maturity Date"), with a 6-month extension option available at Marathon's discretion.
- US\$125 million of the Facility was funded to a debt proceeds account (the "DPA") on March 31, 2022. On January 24, 2023, Marathon requested the second and final advance of US\$100 million to complete the DPA funding.
- The Facility is available to the Company up to the end of March 31, 2025 (the "Release Period"). The first US\$50 million in the DPA is available to Marathon immediately, with subsequent releases available on satisfaction of a cost-to-complete covenant and certain other customary terms and conditions.
- The Facility will bear an interest of 7.0% plus the greater of (i) 3-month LIBOR, and (ii) 2.50% per annum, payable quarterly. An initial interest amount of US\$4.45 million (the "Initial Interest Amount") representing interest on the funds advanced to the DPA since March 31, 2022, as well as 75% of the interest accruing to June 30, 2025, shall be capitalized.

- US\$17/ounce will be payable on 1.6 million ounces of payable gold produced by the Project starting on July 31, 2025.
- In connection with entering into the increased Facility, Marathon will issue to Sprott 10 million warrants with a strike price of C\$1.35 and a term of 5 years.
- There are no other commitment or arrangement fees applicable.
- 50% of the Facility is to be repaid in nine unequal quarterly installments commencing on September 30, 2025, with the remaining 50% due on the Maturity Date.

The Facility contains additional terms and conditions customary for a transaction of this nature, such as representations, warranties, borrower covenants, permitted encumbrances, assignment rights and events of default, as well as voluntary prepayment conditions, including prepayment upon change of control. A copy of the Facility agreement will be made available on SEDAR.

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 32-kilometre system. A December 2022 Updated Feasibility Study outlined an open pit mining and conventional milling operation producing 195,000 ounces of gold a year for 12 years within a 14.3-year mine life. The Project was released from federal and provincial environmental assessment in 2022 and construction commenced in October 2022. The Project has estimated Proven Mineral Reserves of 1.43 Moz (23.36 Mt at 1.89 g/t) and Probable Mineral Reserves of 1.27 Moz (28.22 Mt at 1.40 g/t). Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 2.06 Moz (29.23 Mt at 2.19 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.90 Moz (35.40 Mt at 1.67 g/t). Additional Inferred Mineral Resources are 1.10 Moz (20.75 Mt at 1.65 g/t Au). Please see the NI 43-101 Technical Report "Valentine Gold Project, NI 43-101 Technical Report and Feasibility Study" effective November 30, 2022, 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 for further details and assumptions relating to the Valentine Gold Project.

About Sprott

Sprott is an alternative asset manager and global leader in mining and real asset investments. Through its subsidiaries in Canada, the US and Asia, Sprott is dedicated to providing investors with best in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The Corporation also operates Merchant Banking and Brokerage business in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad, and Vancouver and the shares of its parent company, Sprott Inc., are listed on the New York Stock Exchange under the symbol (NYSE:SII) and Toronto Stock Exchange under the symbol (TSX:SII).

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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 the FS and the results therefrom (including IRR, NPV_{5%}, Capex, FCF, AISC and other financial metrics and economic analysis), 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 "inferred mineral resource" or an "indicated 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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