

Marathon Gold Announces 2022 Fourth Quarter and Year-End Results

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TORONTO, March 24, 2023 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) today announces its financial results for the fourth quarter and year ending December 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").

Fourth Quarter and Full-Year Financial Results (all figures are in Canadian dollars unless otherwise noted):

- Cash and cash equivalents at December 31, 2022 of \$132.9 million;
- Capital Expenditures of \$18.5 million and \$74.6 million for the three and twelve months ended December 31, 2022, respectively, as the Company commenced construction activities at the Project;
- The Project's cost-to-complete at October 31, 2022 was estimated at \$463 million. Construction costs incurred from November 1, 2022 to the end of February 2023 were \$44 million, of a total \$190 million committed. The Project's cost to complete at February 28, 2023 was estimated at \$422 million, reflecting a variance trend of +\$3 million related to Project insurance costs. An aggregate \$1.4 million of contingency had been drawn against a total contingency reserve of \$38.9 million at February 28, 2023; and
- Net Loss of \$2.1 million and \$8.7 million for the three and twelve months ended December 31, 2022, respectively.

Full-Year 2022 Highlights

- The Project received release from its provincial and federal Environmental Assessments in March 2022 and August 2022 respectively, marking the culmination of three years of environmental and social impact study and regulatory review. Following the receipt of key operating permits and authorizations and a construction decision by Marathon's Board of Directors, site construction activities commenced in October 2022.
- In July 2022, the Company released the results of an updated Mineral Resource Estimate ("MRE") for the Project. Total Measured and Indicated Mineral Resources are 4.0 Moz Au (64.6 Mt at 1.90 g/t Au), increases of 26% in ounces, 14% in tonnes and 10% in grade compared to the previous estimate. Additional Inferred Mineral Resources are 1.1 Moz Au (20.8 Mt at 1.65 g/t). Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- During 2022, the Company completed 34,849 metres of exploration, condemnation and geotechnical drilling at the Project. In-fill drilling at the Berry Deposit ("Berry") consistently returned multiple intercepts of high-grade mineralization outside of the current Berry geological model but within the conceptual pit-shells used in the MRE, offering the potential to add mineable ounces to the Project's mine plan.
- During 2022, programs of prospecting and geochemical sampling identified bedrock quartz-tourmaline-pyrite veining with gold anomalies in surficial samples in the new "Eastern Arm" and "Western Peninsula" areas, demonstrating the discovery potential of the full 32 kilometre trend of the Valentine Lake Shear Zone at the Project.
- In September 2022, the Company closed an equity financing for aggregate gross proceeds of \$153.4 million.
- In December 2022, the Company released an Updated Feasibility Study, describing a 3 pit-mine plan delivering 195,000 oz Au per annum at an All-In Sustaining Cost¹ of US\$1,007 per oz for the first 12 years of a 14.3 year mine life. Proven and Probable Mineral Reserves are 2.7 Moz Au (51.6 Mt at 1.62 g/t Au), with first gold scheduled for the first quarter of 2025.
- Subsequent to the quarter-end, the Company announced an Amended and Restated US\$225 million Credit Facility (the "Facility") with Sprott Resource Corporation (*Marathon news release dated January 25, 2023*). A first draw of US\$50 million was made on the Facility in February 2023; and
- Subsequent to the quarter-end, the Company Exercised an option to acquire 0.5% of the 2.0% net smelter returns royalty on the Project held by Franco Nevada Corporation for US\$7 million.

Project KPIs (at February 28, 2023)

- Since October 2022, 184,363 hours of work have been completed at the site with zero lost time incidents and zero reportable environmental incidents;
- 442 persons were employed directly or contracted to the Project. On the basis of voluntary declaration, 17% of the persons employed by the Company or contracted to the Project are female, 5% are Indigenous persons, 5% are visible minorities, 1% are persons with disabilities, 25% are residents of the six communities within Project's socio-economic area of influence and 73% are residents of the province of NL;
- Overall completion at the Project stood at 24% compared to a plan of 22%. Engineering progress stood at 67%, procurement at 46% and construction at 7%;
- 1.03 mtonnes of waste rock had been mined at the Leprechaun pit for construction purposes. Since the middle of February 2023, mining productivity has averaged 11,190 tonnes per day, successfully supporting ongoing civils work, including construction of haul roads and the Project's process plant site; and
- The Project remains on schedule for ore delivered to the mill by the end of 2024 and first gold in the first quarter of 2025.

Matt Manson, President, and CEO commented: "2022 was a year of milestones for Marathon and the Valentine Gold Project. First and foremost, we successfully completed full federal and provincial Environmental Assessments and received our project development authorisations, a significant achievement for a new greenfield mining project like Valentine. This was achieved on a foundation of strong support for the Project within the Province of Newfoundland and Labrador, and in particular amongst the communities of central Newfoundland. In July we published our largest and best quality Mineral Resource Estimate to date. This was followed by an updated Feasibility Study by year-end, which presented what is now a three-pit mine plan with higher gold production and a longer mine life. We arranged significant debt and equity financings, which allowed our construction to commence in October with financial certainty and on schedule. All of this was achieved in the face of a challenging economic and capital markets environment, with inflationary and labour pressures continuing to impact the global mining industry. Nevertheless, we ended the year with a strong balance sheet and our construction activities well advanced. Valentine is on track to be the largest gold project in one of the world's best mining jurisdictions, and a company-making asset for Marathon and its shareholders."

¹ Denotes a "specified financial measure" within the meaning of National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators ("NI 52-112"). See note on "Non-IFRS Financial Measures".

Financial Performance

The results of operations for the three and twelve months ended December 31, 2022 are summarized below (all figures are in Canadian dollars unless otherwise noted):

| (Stated in thousands of Canadian dollars) | Three Months Ended December 31, | | For the Years Ended December 31, | |
|---|------------------------------------|-----------|-------------------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| EXPENSES | | | | |
| General and administrative expense | \$ 3,184 | \$ 2,921 | 8,365 | \$ 9,703 |
| Finance (income)/expense, net | (815) | (148) | 585 | (250) |
| Other income, net | (55) | (55) | (177) | (177) |
| Loss before tax | \$ 2,314 | \$ 2,718 | \$ 8,773 | \$ 9,276 |
| Deferred income tax recovery | (171) | (347) | (104) | (2,210) |
| Net Loss | \$ 2,143 | \$ 2,371 | \$ 8,669 | \$ 7,066 |
| Capital expenditures ¹ | \$ 18,532 | \$ 16,400 | \$ 74,592 | \$ 41,408 |

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

- Capital expenditures were \$2.13 million higher in the three months ended December 31, 2022 than the comparable prior year period, primarily as a result of the commencement of early works in the fourth quarter of 2022. Early works construction activities in the fourth quarter of 2022 consisted of the construction of haul roads and pads, the establishment of a temporary construction camp, tree clearing and grubbing, earthworks associated with the Project's fresh water intake from the Victoria Reservoir, upgrades to the Project's access road from the community of Millertown, and replacement of the Victoria River Bridge; and
- General and administrative expenses increased from \$2.92 million in the three months ended December 31, 2021 to \$3.18 million in the three months ended December 31, 2022.

Factors affecting financial results for the twelve months ended December 31, 2022:

- Capital expenditures were \$33.18 million higher in the twelve months ended December 31, 2022 than the comparable prior year period, primarily as a result of an increase in project pre-construction and early works capital spending compared to the prior year. Project pre-construction capital spending commenced in 2021 and included detailed engineering and consulting fees, milestone payments related to the procurement of a permanent camp, deposits on drilling and mobile equipment, access road maintenance and NL Hydro contribution payments;
- General and administrative expenses decreased from \$9.70 million in the twelve months ended December 31, 2021 to \$8.37 million in the twelve months ended December 31, 2022, primarily due to a decrease in salaries and wages being expensed, and lower share-based compensation expense;
- Finance (income)/expense, net change from income of \$0.25 million to expense of \$0.59 million, primarily as a result of \$2.32 million in upfront fees and standby fees related to a Master Lease Agreement, offset partially by an increase in interest income from \$0.34 million to \$2.05 million; and
- Deferred income tax recovery decreased from \$2.21 million to \$0.10 million, as the reassessment of temporary differences associated with Mineral Exploration and Evaluation assets made in 2021 was not required in the current period, partially offset by a decrease in the change in flow-through share tax liability of \$3.18 million compared to \$0.24 million in the comparable period in 2021.

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, Mr. James Powell, P.Eng. (NL), Vice President, Regulatory and Government Affairs for Marathon and Mr. David Ross, P.Geo. (NL), Vice President of Geology and Exploration for Marathon. Mr. Williams, Mr. Toscano, Mr. Powell and Mr. Ross are qualified persons under National Instrument ("NI") 43-101. Mr. Roy Eccles, P.Geo. (NL), of APEX Geoscience Ltd. is a Qualified Person for purposes of NI 43-101, is independent of Marathon and the Valentine Gold Project, and has reviewed and takes responsibility for the updated 2022 MRE prepared by John T. Boyd Company.

Non-IFRS Financial Measures

The Company has included certain references in this document that constitute "specified financial measures" within the meaning of National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators, such as, for example, All-In Sustaining Cost ("AISC"). None of such specified measures is a standardized financial measure under International Financial Reporting Standards ("IFRS") and such measures might not be comparable to similar financial measures disclosed by other issuers. Such specified measures are intended to provide additional information to the reader and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Certain non-IFRS financial measures used in this news release and common to the gold mining industry are defined below.

AISC is reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the Updated Feasibility Study includes total cash costs, sustaining capital, expansion capital and closure costs, but excludes corporate general and administrative costs and salvage. AISC per ounce is calculated as AISC divided by payable gold ounces.

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, 2022 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.

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To find out more information on 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 Updated Feasibility Study 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, 2022.

You can find further information with respect to these and other risks in Marathon's Annual Information Form for the year ended December 31, 2022 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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