

Marathon Gold Provides Second Quarter 2023 Construction Report

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TORONTO, Aug. 02, 2023 - [Marathon Gold Corp.](#) ("Marathon" or the "Company"; TSX: MOZ) is pleased to provide an update on progress at its 100% owned Valentine Gold Project located in central Newfoundland (the "Project") for the quarter ended June 30, 2023.

Two full quarters of construction have now been completed at the Project since major mobilization commenced in January 2023. During June 2023, the Project exceeded 500,000 hours of site work completed without a lost time incident. At the end of the second quarter, overall completion at the Project stood at 35%, with engineering at 87%, procurement at 60%, and construction at 15%. The Project remains on track for first gold production in the first quarter of 2025. Currently, 454 Marathon employees and contractors are employed or providing services to the Project, 80% of whom are residents of Newfoundland and Labrador.

Matt Manson, President and CEO, commented: "Construction at the Valentine Gold Project has moved into summer months with strong progress being made in each of our principal work fronts of mining, process plant, and Tailings Management Facility ("TMF"). During the second quarter our permanent camp was completed and occupied, and a second mining shift was mobilized. At the time of this report, earthworks at our process plant site have been completed and foundations are being poured. We expect to see continued good progress going into the fall, and the Project remains on track for first gold in Q1 2025, consistent with our previous guidance. After almost 10 months since site activities began, we are pleased to be reporting a safe and environmentally protected work site, and strong engagement from our Newfoundland and Labrador based construction team and contracting partners."

Figure 1: Valentine Process Plant Site, Looking South, July 2023. TMF: Tailings Management Facility, MMF: Mine Maintenance Facility

Matt Manson continued: "This second quarter report includes a description of certain purposeful design modifications we are making in the process plant following detailed engineering. These modifications, which include a more operable layout and a larger Carbon-in-Leach (CIL) recovery circuit, will give us the opportunity to push past the initial 2.5 Mtpa throughput currently scheduled for the first three years of the Project, making more use of the mill's 4 Mtpa crushing and grinding design capacity. This is expected to add approximately C\$33 million to the cost of the mill but offers accelerated processing expansion and increased gold production. As of June 30, 2023, we are reporting an updated cost to complete of the Project, inclusive of these modifications, of C\$391 million, with C\$113 million spent and C\$271 million committed, representing an overall budget adjustment of C\$40.5 million, or 8%."

Site Progress Report
Process Plant Site Preparation and Foundations

Figure 2: Overview of Process Plant Site. July 2023

During the second quarter preparation of the process plant site progressed steadily (Figures 1 and 2). Overburden material was removed to bedrock in the area of the main mill building, reclaim area, grinding mill and recovery circuits, and tails thickener, and a construction pad of mined rock back-fill created. Pads have also been completed at the Mine Maintenance Facility site and ROM stockpile. Each of the principal load

bearing sites, such as the reclaim area, SAG and Ball Mill area, and leach tank farm were developed with engineered granular back-fill and in some cases ground improvement cemented rock fill. All have now successfully achieved geotechnical specifications for mill foundations (Figure 3). Subsequent to the quarter end, the process plant site was transferred to the civils contractor for structural concrete foundation work, marking the end of major process plant earthworks. At time of writing, foundation work is ongoing at the SAG and Ball Mill and tailings thickener, and transformers have been delivered and installed on their footings at the electrical substation. Marathon publishes monthly timelapse videos of the progress of the process plant site at <https://bit.ly/3QneDhJ>.

Figure 3: Concrete Slab and Formwork, SAG/Ball Mill (top left), Transformer Installation (top right), Tailings Thickener Concrete Pour (bottom). All July 2023

Mining

Figure 4: Mining at the Leprechaun Pit (left, looking NE) and Overburden Removal at Marathon Pit (right, looking SW), July 2023

Mining during the Project's construction period is ongoing to generate rock for haul roads, pads and the TMF. As of June 30 2023, 2.1 Mtonnes of waste rock construction material and 235 ktonnes of overburden material had been moved, consistent with forecast targets. A second mining shift commenced at the end of May, and during June 2023 the Project average daily mining volumes in excess of 16 ktonnes per day, adequately compensating for lower productivity at the beginning of the quarter attributable to the spring thaw. Overall, mining productivity and equipment availability remain excellent. Subsequent to the second quarter, overburden removal commenced at the Marathon pit ahead of planned third quarter pre-stripping and mining (Figure 4).

Tailings Management Facility (TMF)

Tree clearing for the first phase of the Project's TMF was completed during the first quarter of 2023, and construction commenced in May. The TMF is scheduled to be developed over a 16 month period, to be ready to receive commissioning water in the third quarter of 2024. Construction is being undertaken by Marathon's principal earthworks contractor JCL Inc. under the supervision of WSP (formerly Golder Associates Inc.). Initial earthworks involve overburden removal and the construction of a 4 km downstream toe-road along the leading edge of the TMF berm from which construction will be staged (Figure 5). Temporary water management trenches and sedimentation ponds are also being developed. Advancement of this road is being undertaken from the southwest and northeast ends of the TMF simultaneously, allowing construction rock for the main construction effort to be sourced from the nearby Marathon mining pit. At time of writing, 2.5 km of toe-road had been completed and work was progressing well.

Figure 5: Construction of the Toe Road for the Tailings Management Facility. Advancement of the construction toe-road from the southwest (left) and northeast (right) simultaneously, July 2023

Permanent Camp, Powerline and Infrastructure

During May 2023, Phase 1 of the Project's permanent accommodation complex with 352 beds was completed and occupancy permits issued. Average occupancy during June was approximately 250 persons. Subsequent to the quarter end, the Phase 2 double story dormitory was delivered and its assembly commenced (Figure 6). Ultimate capacity will be 425 beds, sufficient for mine operations and giving excess capacity if required in support of the construction schedule.

As of June 30, 2023, right-of-way clearing and pole installation had been completed by NL Hydro along the full 44.5 km length of the Project's 66 kV powerline, and by July conductor stringing had also been completed. Engineering and procurement for the planned modifications to the Star Lake generating station hook-up are well advanced, and the line is expected to be energised on schedule in November. This means that mill construction and camp operations in 2024 will be on grid power, minimising the need for diesel generators and limiting on-site fuel requirements to the mobile mining fleet and the TMF construction contractor.

During April and May 2023, soft road conditions on the Project's 80 km access road from Millertown impacted site activities, such as the movement of people and the deliveries of equipment and consumables. During the third and fourth quarters of 2023, upgrades will be performed on the road in areas identified as the highest priority, so as to provide greater reliability during the spring 2024 construction season and into mine operations. As a further mitigation, critical mine deliveries will be scheduled outside the spring season and a light vehicle traffic management plan initiated.

Figure 6: Permanent Camp showing installation of Phase 2 Dorms), July 2023

The 80km road from Millertown to the Valentine Gold Project is public infrastructure, and with its connection to the historic Burgeo Highway it provides an alternate cross-Newfoundland vehicle route. Marathon's investment in this road, including the 2022 replacement of the Victoria River Bridge, creates a significant societal and economic benefit for the Province of Newfoundland and Labrador.

Mill Design Optimization

The December 2022 Updated Feasibility Study for the Valentine Gold Project presented a processing schedule and mill design based on 2.5 Mtpa ore throughput for years 1-3, followed by an increase to 4 Mtpa in Year 4. This is to be accomplished by building a mill with a 4 Mtpa crushing and grinding capacity but operating it initially at an effective 63% utilization (2.5 Mtpa) with a fine grind and a simple gravity-CIL leach flow sheet. In this design, throughput expansion is achieved by coarsening the grind, allowing more ore to be passed through, and making certain modifications to the mill's recovery circuits, such as adding more leach capacity and a regrind and flotation circuit, so as to maintain gold recoveries on the coarser mill feed.

In the development of the detailed engineering for the mill, certain design modifications have now been made that will have the effect of making it easier to ramp up the mill past its planned 2.5 Mtpa utilization earlier, allowing more ore to be fed through the initial flow sheet before significant expansion capital is required to be spent. This will allow the mill's operators to fully test the limits of the initial mill design, on the basis that ore supply is not expected to be a limiting factor. The modifications are also expected to de-risk operability and provide for better mill availability.

Mill design changes being implemented are:

- *4Mtpa Grinding Circuit.* Improved layout with a larger footprint giving ease of maintenance and better operability at higher through-puts;
- *4Mtpa Gravity Circuit.* Optimized for easier expansion past 2.5Mtpa and pre-designed capacity for a second, parallel gravity concentrator if required;
- *>2.5Mtpa CIL Recovery Circuit.* Optimized for easier expansion past 2.5Mtpa, with an additional large leach and aeration tank, larger CIL tanks, and pre-installed concrete foundations and piping for additional leach and detox tanks; and
- *Future Flotation and Regrind Circuits.* Not originally contemplated for Phase 1 construction and no change. Process plant pad has been built to accommodate modular addition, if and when required.

Figure 7: 4 Mtpa Process Plant Design, 60% 3D Model, July 2023. Illustrated: Grinding circuit with larger and more operable footprint, CIL recovery circuit designed now with larger tanks, additional large leach tank (blue) and concrete foundations and piping for bolt-on additional tanks (green). Future potential flotation and

regrind circuit (green) unchanged.

A short video describing the mill design can be found at <https://bit.ly/3DXtybb>

Schedule and Budget

Capital costs incurred from the start of early works in October 2022 to the end of June 2023 were C\$113 million with C\$ 271 million committed (excluding sunk costs of C\$71 million incurred prior to October 2022). The Project's cost to complete, including contingency, was estimated at C\$463 million as at October 31, 2022 and C\$391 million at June 30, 2023, reflecting a variance trend against budget of +C\$40.5 million, or 8%. C\$33 million of this variance is related to the design modifications in the process plant described above. As at the end of June 2023, Marathon had approved contingency draws of C\$7.3 million from a total contingency reserve of C\$38.9 million. Unused contingency stood at C\$31.6 million. Contingency draws are approved on a package-by-package basis as construction proceeds.

The Project's critical path construction activity is the development of the process plant, including its foundations, building enclosure, equipping, and commissioning as well as the TMF (Figure 7). Earthworks associated with the development of the TMF are scheduled over two summer construction seasons and one winter season so as to allow operating tailings commissioning in the second half of 2024. The project remains on schedule to achieve mill commissioning in Q4 2024 and first gold in Q1 2025.

Figure 8: Valentine Gold Project Construction Schedule, July 2023

Marathon maintains a risk register and cost trend analysis in its project control practices. Costs for goods and services procured in variance to the Project's control budget are identified as cost trends until contracted and are subject to potential re-bidding or scope assessment. Contracted cost variances to budget may form approved contingency draws or, in the absence of an appropriate contingency allowance, an adjustment to the Project's estimated cost at completion. A management reserve has been created for savings achieved on goods and services procured below budget.

Human Resources

At the end of June 30 2023, 454 persons were employed directly or contracted to the Project. Marathon collects diversity employment data on the basis of voluntary declaration. On this basis, 18% of the persons employed by the Project are female and 4% are Indigenous persons. 28% are residents of the six communities within the Project's socio-economic area of influence (Millertown, Buchans, Buchans Junction, Grand Falls Windsor, Badger and Bishop's Falls) and 80% are residents of the province of Newfoundland and Labrador.

Direct employment within [Marathon Gold Corp.](#) currently stands at 168 persons, of which 18% are female and 4% are Indigenous persons. 47% of the Company's employees are residents of the Project's six local communities and 92% are provincial residents.

Construction Permitting and Berry Environmental Assessment

The Valentine Gold Project was subject to the *Newfoundland and Labrador Environmental Protection Act* ("NL EPA"), associated Environmental Assessment Regulations, and the *Canadian Environmental Assessment Act* ("CEAA, 2012"). In September 2020, Marathon submitted an Environmental Impact Statement ("EIS") to the Impact Assessment Agency of Canada ("IAAC") and the NL Department of Environment and Climate Change (EA Division) to meet the requirements of CEAA (2012) and the NL EPA respectively, in accordance with the project-specific guidelines issued by the federal and provincial governments. The scope of assessment for the EIS included the site access road, Marathon Complex (pit, waste rock facility and associated infrastructure), Leprechaun Complex, Processing Plant/TMF Complex, and associated site infrastructure. The Valentine Gold Project was released from the provincial Environmental

Assessment ("EA") process on March 17, 2022, and the federal EA process on August 24, 2022.

Upon release from the provincial and federal EA processes, numerous approval, authorization, and permit applications were prepared and submitted for approval. Major permits and authorizations issued prior to construction start up in October included the Mining Lease, the Surface Lease, the Approval of the Early Works Development and Rehabilitation & Closure Plan, the Approval of the Construction Environmental Protection Plan, the Early Works Certificate of Approval for Construction, all issued by the NL Departments of Environment and Climate Change and Industry, Energy, and Technology. The important authorization issued at the federal level was the Federal *Fisheries Act* Authorization from Fisheries and Oceans Canada.

Permitting for specific site activities will continue throughout the mine development process in accordance with the construction schedule. At the end of June 30, 2023, overall permitting progress stood at 89% complete, with site permitting proceeding fully consistent with, and in support of, construction.

The Berry Complex will be subject to further EA requirements to identify, assess and mitigate potential environmental effects during all project phases, including construction, operation, decommissioning, rehabilitation and closure and post-closure. From the provincial EA perspective, the addition of the Berry Complex will be considered a new undertaking requiring EA registration. Federally, the Berry Complex addition will be considered a change to the Designated Project, requiring a similar submission, as described in the federal regulator's Decision Statement conditions. Marathon has completed an effects assessment for the Berry Complex and is conducting consultation with both the provincial and federal regulators, communities, Indigenous groups, and stakeholder groups ahead of filing the EA documentation, expected shortly. Regulatory review of the Berry Complex is expected to proceed through 2023 and 2024, consistent with the permitting and development schedule set out in the December 2022 Updated FS, which assumes first Berry ore in the second quarter of 2025.

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.

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.

For more information, please contact:

Amanda Mallough
Manager, Investor Relations
Tel: 416 855-8202
amallough@marathon-gold.com

Matt Manson
President & CEO

mmanson@marathon-gold.com

Julie Robertson
CFO

jrobertson@marathon-gold.com

To find out more information on [Marathon Gold Corp.](http://MarathonGoldCorp.com) 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, 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.

Photos accompanying this announcement are available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/91241ec6-2390-453e-aafa-4dbeeded9130>

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