

## Marathon Gold Provides Inaugural Valentine Construction Progress Report

**TORONTO, ON – March 2, 2023 - Marathon Gold Corporation (“Marathon” or the “Company”; TSX: MOZ)** is pleased to provide an update on construction progress at its 100% owned Valentine Gold Project located in central Newfoundland (the “Project”). In December, 2022 Marathon released the results of an Updated Feasibility Study for the Project, describing a 3 pit-mine plan based on the Marathon, Leprechaun and Berry Mineral Deposits delivering 195,000 oz Au per annum at an AISC of US\$1,007 per oz for the first 12 years of a 14.3 year mine life, Proven and Probable Mineral Reserves of 2.7 Moz Au (51.6 Mt at 1.62 g/t Au), and a cost-to-complete estimate of C\$463 Million, effective October 31, 2022.

Site early works commenced in October 2022. Major construction mobilization commenced in January 2023, with full site occupancy scheduled for April. At present, 442 Marathon employees and contractors are employed or providing services at the Project site, 73% of whom were residents of Newfoundland and Labrador. Since October, 184,363 hours of work have been completed at the site with zero lost time incidents and zero reportable environmental incidents.

Matt Manson, President and CEO, commented: “We are providing today the first of what will be quarterly progress reports on construction at the Valentine Gold Project. We are appreciative of the team maintaining a safe working site since the commencement of our early works in October, despite challenging central Newfoundland winter conditions. Our permanent camp, which will initially have 352 beds, is nearing completion and will be available to support the major construction activities around the mill, which have commenced, and at the Tailings Management Facility, which are scheduled to begin in the second quarter. We are particularly encouraged by the progress of our mining ramp-up as we produce construction materials from the Leprechaun pit. After a winter start-up with a new team using new equipment and field-based maintenance services, we saw production rates achieved in February which will successfully support our construction schedule. We continue to see the sector-wide inflationary pressures reported by our peers, especially in labour and contractor rates, and are working to mitigate these through our procurement practices and scope control. Overall, this has been a solid start-up for what will be Atlantic Canada’s largest gold mine.”

### Progress KPIs (to January 31, 2023)

The Project is maintaining its overall schedule for first ore delivered to the mill by the end of 2024 and first gold production in the first quarter of 2025. As of the end of January, 2023 overall completion at the project stood at 21% compared to a plan of 19%, with engineering at 61% compared to a plan of 68%, procurement at 41% compared to 32%, and construction at 5% compared to 8%.

Project construction costs incurred from November 1, 2022 to the end of January, 2023 were C\$29M, with a further C\$183M committed. The Project’s cost to complete at January 31, 2023 was estimated at C\$438M, primarily reflecting a variance trend of +C\$3M on Project insurance costs. Contingency draws of C\$1.6M have been approved from a total contingency reserve of C\$38.9M.

### Early Works Completed

Early works activities between October and December focused on 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.

The pad for the permanent camp was completed on December 25, 2022. Additional pads have been created for the low-grade ore stockpile, which will be utilized for the concrete batch plant, and laydown yards. To date, 10.5 kilometres of site roads have been completed, including the 5.2 kilometres of production haul road connecting the Leprechaun and Marathon mining pit areas to the centrally located process plant and major facilities site. Access to the process plant site was achieved on January 27, 2023.

Tree clearing and grubbing had been completed over a total of 193 hectares to the end of January, 2023, including at the Leprechaun mining pit, principal haul road, permanent camp, site roads, the fresh water intake right-of-way, overburden stockpile areas, the mill and major facilities site, the Tailings Management Facility (“TMF”) site, and the route of the planned access road realignment around the TMF.

## Engineering and Procurement

At the end of January 2023, overall engineering completion stood at 61% compared to a plan of 68%. The shortfall relates, principally, to delays in process plant engineering due to resource availability, including amongst vendors in the supply chain, in addition to rework on certain construction packages and layouts.

Procurement, at 41% compared to a plan of 32%, reflects completion of contracts for camp and camp services, tree removal, earthworks, engineering, construction management, power supply and substations, mobile mining equipment, fuel storage and supply, drilling equipment, explosives supply, concrete batch plant, road maintenance, communications, assay lab and utilities water treatment. Procurement is ongoing, amongst others, on HV substation installation, field fabricated tanks, civils and concrete works, pre-engineered mill buildings, and onsite power distribution.

Within the process plant, procurement has been completed on the Ball and SAG mill, thickeners, screens, jaw crusher, motors, conveyors, the ADR plant and assorted mill fittings. Plant procurement is ongoing on electrical/instrumentation and piping/mechanical packages.

## Mining

Mining activities since start-up in October 2022 have focussed on the removal of overburden and the development of the Leprechaun pit as a source of waste rock for construction materials. Mining is operated by Marathon personnel, utilizing two CAT 6020B excavators, five CAT 777 haul trucks, two CAT 745 articulated haul trucks, CAT 374 and 349 excavators, a CAT 966 loader, CAT D10 and D9 dozers, a CAT 16M grader, two blasthole drill rigs, and assorted light duty and support vehicles. A temporary dome-shop maintenance facilities and fueling station have been established at site.



*Left. Mining at the Leprechaun Pit. Right, CAT 6020 excavator and CAT 777 haul trucks. Both February 2023*

Total waste rock tonnes moved to the end of January, 2023 were 764 ktonnes compared to a plan of 1,109 ktonnes. Total overburden tonnes moved were 85 ktonnes compared to a plan of

366 ktonnes. The shortfalls are explained by less overburden encountered in the Leprechaun pit area than estimated, meaning less material was required to be moved, and the operation of a single mining shift during December and January compared to the two shifts contemplated in the development plan. In addition, several days were lost to weather interruptions. An updated waste rock mining plan was adopted in February which contemplates a second shift starting in April 2023, with no impact on the Project's overall schedule. Over the last two weeks of February waste rock production averaged 11,000 tonnes per day.

Quartz-Tourmaline-Pyrite vein mineralization was encountered in blasthole chips during mining for the first time on February 21, 2023.

## Camp

The Project's permanent camp was acquired in late 2021 and has been in storage in the community of Badger. Between December 2022 and February, 2023 all 39 modules for the camp's Phase 1 accommodation and 64 modules for common facilities were delivered to site and successfully installed. Interior fittings and appointments, plumbing and electrical, piping and drainage, roof sealing, the installation of arctic corridors and the provision of accessible access is ongoing. Phase 1 of the permanent camp, with 352 beds, is expected to be completed and occupied in early April. Phase 2 of the camp, which consists of two-story dormitory wing that will increase camp capacity to 425 beds, is scheduled to be delivered and installed in June, 2023.

The Valentine camp, including accommodation rooms, kitchen and common facilities, offices, and training rooms, has been modified to be fully electrically powered as opposed to its original propane-heat configuration. This is to take advantage of the low cost and renewable hydro-electric power available to the Project, and reduce the Project's overall carbon impact during its life. The camp will operate on diesel gen-sets until site electrical power distribution has been provided.

Upon occupation of the Phase 1 permanent camp, the temporary construction camp will be decommissioned. Facilities at the Project's exploration camp, such as the core and logging facilities, offices, and sample handling facilities will be preserved in their current location to support the Project's ongoing exploration activities.



*Left. Temporary Construction camp, January 2023. Right, Permanent Camp under construction, February 2023*

## Commencement of Major Civils

Major civils mobilization commenced on January 30, 2023. Work during February focussed on the preparation of the process plant and major facilities site. Following the completion of tree clearing and grubbing, the site was drained with ditching, and overburden removal and stockpiling commenced. Removal of overburden and the completion of a pad for construction is expected to continue through to the end of March, whereupon foundational and concrete forming work will commence. No bedrock blasting is currently contemplated. Major civils work at the TMF is scheduled to commence in April.

Marathon intends to continue civils work at the plant site through the spring break-up period of April to May, when site and access road conditions in the region traditionally deteriorate. In support of this plan, fuel and supplies are being stockpiled at site, the concrete batch plant is being pre-located, and allowances are being made for light vehicle use only for the access road for personnel movements, and an enhanced road maintenance response as required.



*Left. Overburden removal at the future process plant location looking NW with haul road in background. Right, Production haul road under construction, looking SW towards Leprechaun pit. Both February 2023*

## Infrastructure

Road upgrades during October and November 2022 included the realignment of certain road curves to allow for safer transit of large loads, the replacement of culverts, levelling and grading, and the replacement of the Victoria River Bridge.

Construction of the Project's 66 kV powerline connection to the Star Lake generating station commenced with right-of-way clearing in October 2022 under the management of NL Hydro. Tree clearing and grubbing has been completed on 32 kilometres of right-of-way and 75% of poles have been delivered to the powerline easement. At January 31, 2023, powerline engineering stood at 95% completion, procurement at 100% and construction completion at 27%. Modifications to the Star Lake Generating Station are scheduled to commence this summer. First delivery of power to the Project site is scheduled for October 2023, well in advance of Project startup.



*Left. The Victoria River Bridge replacement, November 2022. Right, Pole installation for the NL Hydro 66 kV overhead powerline following site access road easement. February 2023*

## Human Resources

Currently, 442 persons are employed directly or contracted to the Project. Marathon collects diversity employment data on the basis of voluntary declaration. On this basis, 17% of the persons employed by the Project are female, 5% are Indigenous persons, 5% are visible minorities and 1% are persons with disabilities. 25% are residents of the six communities within Project's socio-economic area of influence (Millertown, Buchans, Buchans Junction, Grand Falls Windsor, Badger and Bishop's Falls) and 73% are residents of the province of Newfoundland and Labrador.

Direct employment within Marathon currently stands at 138 persons, of which 20% are female, 4% are Indigenous persons, 1% are visible minorities and 0% are persons with disabilities. 45% of the Company's employees are residents of the Project's six local communities and 91% are provincial residents.

### **Ongoing 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. Important authorisations 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 January 2023, overall permitting progress stood at 71% compared to a plan of 93%, although site permitting is proceeding fully consistent with, and in support of, the progression of site works. Recent permits received include approvals associated with the completion of the permanent camp, such as building accessibility and National Building Code approvals and wastewater treatment permits, as well as site-wide freshwater water intake permits, wetland infilling/dredging approvals, and approval for eight permanent sedimentation ponds. Approval for the Life-of-Mine Development and Rehabilitation & Closure Plans is expected shortly.

The Berry Complex is expected to 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 would be considered a change to the Designated Project, requiring a similar submission, as described in the federal regulator's Decision Statement conditions. Marathon has been developing an effects assessment for the Berry Complex and conducting consultation with both the provincial and federal regulators in support of filing an EA registration in the second quarter of this year. 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.

### **Trends and Risks**

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. As at the end of January 31, 2023, Marathon had approved a \$1.6M contingency draw, a \$3M increase to the project's cost at completion. Unused contingency stood at \$37M.

A principal cost and schedule risk to the Project continues to be the high cost and availability of skilled labour, which is affecting the mining industry globally. The Project's critical path work item is the completion of the process plant, including the procurement and delivery of key mill components, and the fabrication and construction of mill facilities.

## 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](http://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 <a href="mailto:amallough@marathon-gold.com">amallough@marathon-gold.com</a>	Matt Manson President & CEO <a href="mailto:mmanson@marathon-gold.com">mmanson@marathon-gold.com</a>	Julie Robertson CFO <a href="mailto:jrobertson@marathon-gold.com">jrobertson@marathon-gold.com</a>
---	--	--

To find out more information on Marathon Gold Corporation and the Valentine Gold Project, please visit [www.marathon-gold.com](http://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<sub>5%</sub>, 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](http://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.