

## Marathon Gold Announces 2021 Fourth Quarter and Year-End Results

**TORONTO, ON – March 25, 2022 - Marathon Gold Corporation (“Marathon” or the “Company”; TSX: MOZ)** today announces its financial results for the fourth quarter and year ending December 31, 2021 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 Highlights

- At December 31, 2021, the Company had cash and cash equivalents of \$87.2 million, leaving it well positioned to execute on its permitting, development, and exploration activities at the Project;
- During the fourth quarter of 2021, a total of 19,497 metres of exploration drilling was completed in 73 holes primarily at the Berry, Victory and Sprite Deposits. In total during 2021, Marathon completed 74,004 metres of drilling, successfully completing its 2021 exploration drilling program. An additional 12,128 metres of reverse circulation (RC) drilling was completed at the Leprechaun and Marathon Deposits to provide validation to the Project’s mineral reserve block model. The 2021 exploration and RC drilling will be incorporated into an update to the Project’s Mineral Resource estimate, scheduled for mid-year 2022;
- During the fourth quarter of 2021, the Company continued permitting, engineering, community engagement, procurement, project financing and team development activities with a view to a potential construction decision for the Project in 2022. At December 31, 2021 the company had 62 employees and 92 dedicated contract personnel, 86% within the province of NL;
- Subsequent to the year end, on March 16, 2022, the Company was notified that the Impact Assessment Agency of Canada had completed its technical review of the Project’s Environmental Impact Statement (“EIS”) and would move forward with the completion of an EA Report for public review;
- Subsequent to the year end, on March 17, 2022, the Company was notified by the NL Minister of Environment and Climate Change that the Environmental Assessment Committee overseeing the provincial environmental assessment (“EA”) of the Project had completed its review of the Project’s EIS and, concurrently, Marathon was advised that the Project has received approval by the Cabinet of the Government of Newfoundland and Labrador. This marks the completion of the provincial EA process, allowing Marathon to commence site-specific permitting including the acquisition of the Project’s Mining Lease;
- During the fourth quarter of 2021, Ms. Julie Robertson was appointed Chief Financial Officer of the Company, bringing extensive experience in capital projects financial management, planning and control; and
- During 2021 Marathon’s Board of Directors was strengthened with the appointment of Ms. Cathy Bennett.

Matt Manson, President, and CEO commented: “We made steady progress during 2021 on multiple fronts towards the delivery of the Valentine Gold Project as Atlantic Canada’s largest gold producer. We delivered a positive Feasibility Study in April and had advanced our engineering, design and procurement work significantly by year end. We have continued to strengthen our project team and build-out our staffing in the central region of Newfoundland around our Grand Falls-Windsor base. Community cooperation agreements with six central region communities were solidified and we entered into engagement agreements with both the Qalipu and Miawpukek

Mi'kmaq First Nations. Subsequent to the year end, in March, we were very happy to see our hard work in social and environmental assessment culminate in release from the provincial EA process and completion of the federal EIS review. Concurrently with these project development efforts, we were also able to report consistently good results in our exploration efforts, with a continuing focus on the new Berry Deposit. With a strong cash balance of \$87 million at year end, we are well placed to deliver the next milestones in project delivery during 2022."

## Financial Performance

The results of operations for the fourth quarter of 2021 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,	
	2021	2020	2021	2020
<b>EXPENSES</b>				
General and administrative expense	\$ 2,921	\$ 2,834	\$ 9,703	\$ 7,600
Exploration expense	1	—	24	25
Finance income, net	(148)	(187)	(250)	(370)
Other income	(56)	(61)	(201)	(173)
<b>Loss before tax</b>	<b>\$ 2,718</b>	<b>\$ 2,586</b>	<b>\$ 9,276</b>	<b>\$ 7,082</b>
Deferred income tax (recovery)/expense	(347)	299	(2,210)	(53)
<b>Net Loss</b>	<b>\$ 2,371</b>	<b>\$ 2,885</b>	<b>\$ 7,066</b>	<b>\$ 7,029</b>
<b>Capital expenditures</b>	<b>\$ 16,400</b>	<b>\$ 6,457</b>	<b>\$ 41,408</b>	<b>\$ 18,707</b>

### Three months ended December 31, 2021:

- **General and administrative** expenses increased from \$2.83 million to \$2.92 million. The principal components of this increase are set out below:
  - **Project Financing advisory & professional fees** increased from \$nil to \$1.00 million, resulting from advisory, legal, and due diligence related costs, as the Company commenced the process of assessing project financing alternatives in the first quarter of 2021.
  - **Investor relations and corporate communications expenses** increased from \$0.02 million to \$0.12 million, reflecting a shift from virtual to in-person investor and corporate communications, including engagement with stakeholders in the local communities around the Valentine Gold Project and in-person analyst and investor site tours, as COVID-19 restrictions within NL were lifted.
  - **Share-based compensation expense** decreased from \$1.08 million to \$0.61 million, due to a \$0.40 million decrease in Deferred Share Unit expense as the increase in the Company's share price in the three months ending December 31, 2021 was lower than the same period in 2020 and a \$0.15 million decrease in stock option expense as there were less initial option grants in the three months ending December 31, 2021 compared to the same period in 2020, offset partially by a \$0.08 million increase in restricted share unit ("RSU") expense related to vesting of RSUs granted in 2021.
  - **Salaries and wages** decreased from \$1.08 million to \$0.72 million, due to higher capitalized salaries and wages compared to the same period in the prior year, offset partially by an increase in overall compensation costs as a result of the additions made to the Company's management team throughout 2021. For additional details regarding

the changes to the Company's management team during the quarter, see the "Corporate Developments" section below.

- **Professional fees** decreased from \$0.42 million to \$0.20 million, due primarily to a reclassification of consulting fees to project financing advisory & professional fees expense.
- **Finance income, net** decreased from \$0.19 million to \$0.15 million, primarily as a result of a decrease in interest income from \$0.18 million to \$0.12 million, due to a decrease in interest earned on term deposits offset partially by an increase in interest earned on higher overall cash balances compared to the same period in 2020.
- **Deferred income tax (recovery)/expense** increased from an expense of \$0.30 million to a recovery of \$0.35 million, primarily due to a larger increase in non-capital loss carry forwards compared to the same period in 2020.
- **Capital expenditures** excluding working capital movements, were \$9.94 million higher than the prior year primarily as a result of project construction capital spending commencing in the third quarter of 2021, including increased detailed engineering, procurement of a permanent camp and further contribution payments associated with the construction of the powerline by NL Hydro. In addition, there was increased exploration drilling completed compared to the prior year resulting from increased Victory Deposit drilling, in support of further resource growth.

#### Twelve months ended December 31, 2021:

- **General and administrative expenses** increased from \$7.60 million to \$9.70 million. The principal components of this increase are set out below:
  - **Project Financing advisory & professional fees** increased from \$nil to \$2.67 million, resulting from advisory, legal, and due diligence related costs, as the Company commenced the process of assessing project financing alternatives in the first quarter of 2021.
  - **Salaries, wages, and benefits expenses** decreased from \$3.00 million to \$2.71 million, due to higher capitalized salaries and wages compared to the same period in the prior year, offset partially by an increase in overall compensation costs as a result of the additions made to the Company's management team throughout 2021. For additional details regarding the changes to the Company's management team during the quarter, see the "Corporate Developments" section below.
  - **Investor relations and corporate communication expenses** decreased from \$0.41 million to \$0.31 million, resulting primarily from a decrease in corporate promotional items expenditures and corporate communication consulting fees compared to the same period in the prior year.
- **Finance income, net** decreased from \$0.37 million to \$0.25 million, primarily as a result of a \$0.08 million increase in other finance expense, as a portion of the share issuance costs related to the May 2021 private placement financing were allocated to the flow-through share tax liability, and a decrease of \$0.04 million in interest income due to a decrease in interest earned on term deposits.
- **Deferred income tax (recovery)/expense** increased from \$0.05 million to \$2.21 million, mainly due to management's reassessment of the temporary difference associated with Mineral Exploration and Evaluation assets in the third quarter of 2021.

- **Capital expenditures**, excluding working capital movements, were \$22.70 million higher than the prior year primarily as a result of project construction capital spending commencing in the third quarter of 2021, including increased detailed engineering, procurement of a permanent camp and further contribution payments associated with the construction of the powerline by NL Hydro. In addition, there was increased exploration drilling completed compared to the prior year resulting from increased Berry Deposit drilling, in support of further delineation of the ore body and resource growth

## Qualified Person

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. Mr. Williams, Mr. Toscano and Mr. Powell are qualified persons under National Instrument (“NI”) 43-101. Nicholas Capps, P.Geo. (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.Geo (NL), GIS Manager for Marathon. Mr. Williams, Mr. Toscano, Mr. Powell, 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 MD&A. 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 Amended and Restated Annual Information Form (“AIF”) for the year ended December 31, 2020 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](http://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 Amended and Restated Annual Information Form for the year ended December 31, 2020 and other filings made with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com) for further details and assumptions relating to Marathon and the Valentine Gold Project.

## For more information, please contact:

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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 information, including 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 Amended and Restated Annual Information Form for the year ended December 31, 2020.*

*You can find further information with respect to these and other risks in Marathon's Amended and Restated Annual Information Form for the year ended December 31, 2020 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.*