

Undertaking Registration
Valentine Lake Property, Central Newfoundland

REGISTRATION PURSUANT OF

THE ENVIRONMENTAL PROTECTION ACT

FOR

5.3 km Access Road Development, Trenching
& Diamond Drilling

VALENTINE LAKE PROPERTY

Mineral Licences: 010899M, 010943M, 013809M, 013810M, 017230M, 017231M, 018687M,
018688M, 016740M, 019443M, 019444M, 019628M, 020482M, 022477M

Central Newfoundland

NTS Map Sheets 12A/06 & 12A/07

Marathon Gold Corporation

Toronto, Ontario

April 13, 2016

Marathon Gold Corporation

REGISTRATION FORM

The Environmental Protection Act

NAME OF UNDERTAKING: Valentine Lake Property

PROPONENT:

- (i) Name of Corporate Body : **Marathon Gold Corporation**
- (ii) Address: 357 Bay St., Suite 800
Toronto, Ontario, M5H 2T7
- (iii) Chief Executive Officer: Phillip Walford
President & CEO
357 Bay St., Suite 800
Toronto, Ontario, M5H 2T7
Tel: (416) 987-0711
- (iv) Principle Contact Person for Purposes of Environmental Assessment:
Sherry Dunsworth
V.P. Exploration
P.O. Box 160
Pasadena, Newfoundland, A0L 1K0
Tel: (709) 660-0131

Undertaking Registration

Valentine Lake Property, Central Newfoundland

1.0 BACKGROUND

Marathon Gold Corporation holds 100% of the mineral rights to the 24,000 hectare Valentine Lake Property located in central Newfoundland. The Valentine Lake Property has undergone intermittent base and precious metal exploration by numerous exploration companies since the early 1960's. Since 2010, *Marathon Gold* has drilled 610 DDH's totalling 102,026 meters of NQ core with 86% of this drilling defining four near-surface, pit-shell constrained, gold resources totaling 1,060,100 oz. gold at 2.20 g/t (Measured & Indicated) and 200,000 oz. gold at 2.85 g/t (Inferred), (April 2015). *Marathon Gold* has also conducted trenching over an area approximately 16.5 kilometer in length by 0.5 kilometers; following the narrow belt of highly perspective gold-bearing mineralized rock within the Valentine Lake Property. *Marathon Gold* is currently permitted (E160004) to drill up to 100 drill holes in 2016, with the goal of increasing gold resources at the Valentine Lake Property in preparation for a Preliminary Economic Assessment.

2.0 THE UNDERTAKING

2.1 Nature of the Undertaking

Marathon Gold Corporation is the sole holder of the mineral rights to 14 contiguous mineral exploration licences collectively referred to as the Valentine Lake Property. The Valentine Lake Property covers an area of 24,000 hectares within central Newfoundland. The closest communities are the historical mining Town of Buchans located 38 km to the north and the Town of Millertown located 45 km northeast. The recently closed Duck Pond Mine is located 34 km to the northeast (**Figure 1**). *Marathon Gold* has spent in excess of \$40 million dollars conducting advanced mineral exploration in the Valentine Lake Property since early 2010. Prior intermittent gold exploration work was conducted by various companies between 1983 and 2009. *Marathon Gold* engaged Stantec Limited in late 2010 to conduct ongoing baseline environmental studies at the Valentine Lake Property (**Appendix A**).

The Valentine Lake Property is an advanced exploration site and currently hosts four near-surface, mainly pit-shell constrained, gold resources totaling 1,060,100 oz. gold at 2.20 g/t (Measured & Indicated) and 200,000 oz. gold at 2.85 g/t (Inferred), (April 2015). These four gold deposits, referred to as the Leprechaun, Sprite, Marathon and Victory Gold Deposits, are distributed along an 18 km strike length within the Valentine Lake Property (**Figure 2**). Metallurgical testing on the Leprechaun Deposit in 2014 gave > 90% recoveries using standard methods of milling and leaching. *Marathon Gold* recently completed a 2,026 meter, 13 drill holes winter 2016 drilling program at the Marathon Deposit. This work was part of an up to 100 drill hole exploration program for 2016 that is fully permitted by the Department of Natural Resources (Permit # E160004, **Appendix B**) and did not require the registration of an undertaking by the Department of Environment and Conservation. An application was submitted on April 1, 2016 to the Department of Natural Resources to amend the current

Undertaking Registration
Valentine Lake Property, Central Newfoundland

exploration permit E160004 to also include approval of general prospecting, regional mapping and trenching (between 10 – 40 trenches) along the existing access roads and trails in the Valentine Lake Property.

In addition to the current permitted 100 drill holes (permit E160004) and the requested amendment to permit E160004 for an additional 10-40 trenches along existing access roads and trails; *Marathon Gold* is hereby requesting in this Environmental Assessment Application to be permitted to conduct additional 2016 mineral exploration trenching (15-20) and drilling (10-40) within an area of the Valentine Lake Property where there is currently no existing road or skidder trail access.

For the remainder of 2016, *Marathon Gold* will continue the currently permitted (E160004) drilling program (up to 100 drill holes) along the existing access roads and trails within the Valentine Lake Property. Should the April 1, 2016 requested amendment to the exploration permit E160004 be accepted, then *Marathon Gold* would also excavate between 10 and 40 trenches along existing roads and trails as well as conduct general prospecting and mapping in the Valentine Lake Property.

In addition to the outlined above outlined 2016 exploration work (i.e.: up to 100 drill holes and 10-40 trenches along existing access trails and roads), *Marathon Gold* is now requesting permission to construct 3 sections of new access road covering a total of 5.3 km within the Valentine Lake Property. These new access road sections are required in order to allow for first time trenching (proposed 15-20 trenches) and drilling (proposed 10-40 drill holes) along a new area of highly perspective ground which could lead to another major gold discovery. The 3 access road sections include a 3.4 km of drill access road between the Sprite to Marathon deposit area (**Figure 4**) as well as 1.2 km and 0.7 km of drill access road between the Victory SW to Victory NE area (**Figure 5**).

There are currently approximately 38 km of crown land roads (37%), 34 km of forestry access roads and trails (33%), 11.5 km of pre-Marathon exploration skidder trails (11.5%) and 14 km of Marathon 2010-2015 skidder trails (13.5%) within the Valentine Lake Property (**Figure 3**). The proposed 5.3 km of new drill access road is equivalent to 5% of the total existing network of access road and skidder trails within the Valentine Lake Property. *Marathon Gold's* existing drill access skidder trails are gated and locked, thus limiting access to exploration sites to just Marathon personnel.

The exploration work along these proposed new sections of access road would involve excavating between 15 and 20 trenches (each approximately 50 to 100 meters in length and from 1 to 3 meters in depth) and drilling an initial 10 to 15 exploration drill holes totalling 2,000 to 4,000 meters of drill core in the areas between the Sprite to Marathon Gold Deposits as well as southwest and northeast of the Victory Deposit (**Figures 2 and 3**). Pending positive trenching and drill assay results from the initial exploration work along the new road access areas, an additional 15-25 infill drill holes may be completed as part of this proposed 2016 exploration

Undertaking Registration

Valentine Lake Property, Central Newfoundland

program along new access road. The drill holes and trenches would be completed in close proximity to the proposed new access roads, and if a short (i.e.: less than 200 meter) access skidder trail is required, then the skidder trail would be fully rehabilitated once the trench or drill hole is completed (**Plates 1 and 2**).

2.2 Rational for the Undertaking

Exploration for base and precious metals at the Valentine Lake Property was carried out intermittently from the early 1960's to the late 1990's. *Mountain Lake Resources* acquired the property in 1998 and conducted gold exploration in the Leprechaun and Valentine East (Victory) areas. In early 2010, *Marathon Gold Corporation*, in joint venture with *Mountain Lake Resources*, commenced an advanced exploration program consisting of prospecting, mapping, line-cutting, trenching and drilling in the Valentine Lake Property. The positive results of this work lead to the delineation of four NI 43-101 compliant gold deposits as well as numerous additional gold showings within the Valentine Lake Property. The current gold resources at the Valentine Lake Property total 1,060,100 oz. gold at 2.20 g/t (Measured & Indicated) and 200,000 oz. gold at 2.85 g/t (Inferred), (April 2015).

In order to continue advancing the exploration of the Valentine Lake Property and building additional near-surface gold resources that will lead to a preliminary economic assessment, the areas of high exploration potential not currently accessible for trenching and drilling will need new access skidder trails and roads. A total of 5.3 km of new drill access roads, branching off of existing gravel access skidder trails and roads, are proposed for development during the summer of 2016. The locations of the proposed new drill access roads are shown in **Figures 3, 4 and 5**. In the southern half of the Valentine Lake property, a 3.4 km road is proposed extending from the current northeast end of the Sprite Deposit area, crossing the existing Valentine Lake forest access skidder trail, and extending NE to the current SW end of the Marathon Deposit area (**Figure 4**). Toward the northeast, a 1.2 km access road is proposed to the southwest from the Victory deposit area while a 0.7 km drill access road is proposed to the northeast of the Victory Deposit (**Figure 5**). All Marathon drill access trails and roads are, and will continue to be, gated and locked to avoid access by the general public to work areas (**Figures 4 & 5**).

The selection of the three proposed sections of new drill access road (**Figures 3, 4 & 5**) was based on the providing the closest access to the new trench and drill target areas with the least length of new road construction and environmental impact. The construction of the minimal width access road (with future rehabilitation) will reduce the environmental impact of this travel route versus a skidder trail type access. The roads will be used daily and provided for safer travel route for workers. The use of helicopter supported drill moves and/or winter drilling are not feasible alternatives to summer-fall trenching and drilling that requires the access roads. Winter drilling was previously used to complete exploration holes over bogs and soft ground, however winter drilling is very expensive and difficult due to mechanical issues, need for water for drilling, and ultimately results in the same vegetation/tree clearing that is required in other seasons. A helicopter can be a viable alternative to road access, however the vegetation/tree

Undertaking Registration

Valentine Lake Property, Central Newfoundland

clearing required for a helicopter drill pad is significantly larger than a drill pad access from a road and therefore the tree clearing requirements are often similar for both requirements depending on the site layout and drill hole density. Likewise, helicopters cannot move an excavator of sufficient size to excavate the exploration trenches. These issues combined with the cost of helicopter transportation make this alternative unfeasible. The trenching is required in order to expose sufficient vein structures and gold mineralization in overburden covered outcrop to justify targeted follow-up drilling. The exploration drilling followed by infill drilling is needed in order to delineate additional gold resources and lead to increased gold resources, economic studies, and eventual mine development with a long term revenue stream for the Government of Newfoundland and Labrador and well paid jobs for Newfoundlanders.

3.0 DESCRIPTION OF THE UNDERTAKING

3.1 Geographical Location

The Valentine Lake Property is located 38 km south of the Town of Buchans, in central Newfoundland. The Valentine Lake Property is road accessible year round along an 88 km long, well maintained gravel forestry (Crown Land) road that extends southward from the former Duck Pond Mine road (**Figure 1**). *Marathon Gold Corporation* has carried out the maintenance of this 88 km section of gravel road since 2010. The maintenance work has included the replacement of 5 bridges (steel on loan from the Department of Forestry), re-decking of 2 bridges, replacement of 65 culverts, 50 km of new road topping, ditching, and periodic grading, brush clearing and snow removal.

The Valentine Lake Property includes the mineral licences 010899M, 010943M, 013809M, 013810M, 016740M, 017230M, 017231M, 018687M, 018688M, 019443M, 019444M, 019628M, 020482M and 022477M and straddles the boundary between NTS 1:50,000 scale map sheets 12A/06 and 12A/07 (**Figure 1**). The UTM coordinate of the NE corner of the Valentine Lake property are 508,080E, 5370200N (Zone 21, NAD83).

3.2 Physical Features of the Undertaking

The main physical feature of the undertaking will be the construction of 5.3 km of new drill access road, including the 3.4 km drill access road to be development between the Sprite and Marathon Deposit areas and combined 1.9 km of drill access road to be developed to the south and north of the Victory Gold Deposit (**Figures 3, 4 and 5**). These proposed sections of new drill access road will allow for the safe transport of equipment and personal to the new high priority 2016 targeted exploration areas. The proposed access road construction will involve initial ground-truthing to select the driest route that avoids bog or wetlands and transects proximal to the Valentine Thrust Fault (the geological features that strikes NE through the property and provided a focus for the gold mineralizing fluids). Crews will cut and stack all trees of minimal 8

Undertaking Registration

Valentine Lake Property, Central Newfoundland

cm top diameter. An excavator will be utilized to flatten stumps along the road path, ditch along the road edges where needed to dry the road, and stock pile the organic and topsoil materials along the edges of the access road to create natural water filter and preserve this material for future rehabilitation of the road. The excavator will also apply a local till and boulder topping if required to make the road of minimal width for safe passage of the excavator, drill rig, skidder and 4-wheel quad vehicles. The same method of trail construction has been used in previous years during permitted access trail development (**Plates 3 and 4**) except that the current application for access road development would involve finishing work (i.e.: gravel road topping) on the road surface to allow safe access by 1 ton and 2 ton pickup trucks rather than just 4-wheel quads, skidder and excavator as per previous years of exploration. The use of pickup trucks to and from the drill sites will provide environmentally safer delivery of fuel, safer transport of personal during poor weather conditions, and safer transport of drill core and drill hole surveying equipment.

The current 2016 mineral exploration permit # E160004, obtained from the Department of Natural Resources November 19, 2015, grants permission to drill up to 100 drill holes along existing trails and roads in the area of the Valentine Lake Property extending from the Leprechaun Gold deposit and northeast to the Victory and Victory NE areas (**Appendix B**). The proposed new drilling along new drill access roads (5.3km) would involve between 10 and 40 drill holes. The drilling programs will use a Duralite 500 and/or Duralite 1000 drill rig plus small excavator to move the drill from site to site and a skidder to move drill rods and other supplies. Drill access skidder trails and drill pads are prepared by hand cutting and stacking any larger trees, smoothing the path with excavator and then completing reclamation of the drill pad and access trail once the drill hole is completed (**Plates 5 and 6**). Areas with close spaced drilling, such as around the Leprechaun Pond, show a return to a grassy boggy ground with little if any disturbance after just 2 years of vegetation re-growth (**Plate 7**). This method of drill site skidder access trail and drill pad preparation and reclamation has been used by *Marathon Gold* since the start of our exploration work in 2010 and has been examined and approved by the Department of Natural Resources during site visits (**Appendix C**).

Marathon Gold Corporation takes great pride in our environmental efforts and stewardship of the land. Recognition of this effort is exemplified by the note from the Department of Natural Resources Site Inspection officer, Mr. Stephen Hinchey, who reported after a site inspection, “that although the Marathon work is extensive, Marathon is to be commended for its exemplary performance in minimizing and mitigating the environmental impacts of its exploration.”, (2012 Site Inspection, **Appendix C**).

Similarly, the trenching programs will involve the use of an excavator to remove any “A” and “B” horizon soils and organics as well as “C” and “D” horizon tills to set aside for later reclamation. Trenches are dug to bedrock, generally 0.5 to 3 meters in depth from the ground surface, and range from 3 to 10 meters in width and from 50 to 150 meters in length depending on the

Undertaking Registration
Valentine Lake Property, Central Newfoundland

amount of gold-bearing quartz veining exposed for sampling and geological mapping as well as future display for investor tours. Once the work on the trench is completed and the decision is made to re-fill the trench, then the trench is backfilled with the “C” and “D” tills, capped by “B” and “A” soils and then smoothed and contoured before being covered with the local organics, trees and brush as well as supplied hay and highway mix of grass seed (**Plates 8 and 9**). The proposed 2016 trenching programs will involve excavating between 10 and 40 trenches along existing access trails and roads as well as an additional 15-20 trenches in the areas proximal to the proposed new access roads (**Figure 4 and 5**).

All effort will be made to minimize any potential impact on wildlife, waterfowl and the ground during the excavation and construction of the proposed 5.3 km drill access road construction. This concern for the environment is standard operating procedure for Marathon Gold Corporation. It is noted that the far north end of the Victory deposit area falls within the southeast extreme margin of the NL Marten habitat, therefore no vegetation clearing or excessive noise would occur during the denning period of late April to late June as per the NLDEC Marten Recovery Plan, 2010. The Winter Wildlife Survey conducted by Stantec Limited on behalf of Marathon Gold in the Valentine Lake property during 2013-2014 included a Newfoundland Pine Marten Hair Snag Survey (**Appendix A**, Stantec, February 7, 2014). The hair trap deployed within NL Marten habitat at the Victory deposit area was not visited by any Marten, however, NL Marten tracks were observed within both coniferous and hardwood stands.

4.0 OPERATION

Pending the release of the undertaking registration to complete a total of 5.3 km of drill access road in the Sprite to Marathon (3.4 km), Victory to Victory SW (1.2km), and Victory to Victory NE (0.7km) areas, the work on the Sprite to Marathon segment of drill access road would commence in early July. This timing would coincide with the ending of the brood, breed and staging period for any waterfowl that might be within hearing distance of the activity. The work on the Victory to Victory SW and Victory to Victory NE segments of road (1.2 km and 0.7km, respectively) would commence in early August. This timing would coincide with the ending of the denning period for any Pine Marten that might be living on the outer fringe of the Pine Marten critical habitat and near the area of the work. The actual time required to construct the drill access roads would be approximately 7 days in the Sprite to Marathon section and 3 days total in the Victory area.

The period of trenching in the Sprite to Marathon area would be early July to late July, again coinciding with the end of the bird and waterfowl brood, breed and staging period. The period of trenching in the Victory area would be early to late August, coinciding with the end of the Pine Marten denning period. The period of exploration drilling would commence in early to mid-

Undertaking Registration
Valentine Lake Property, Central Newfoundland

June in the Marathon Deposit area distant from any marshy wetlands and along existing skidder access trails. The current planned drilling program would finish in late September to early October, 2016.

To formalize *Marathon Gold's* existing environmental policies, procedures, and standard operating procedures, a detailed Environmental Protection Plan is currently in development and all recommendations and procedures will be adhered during all exploration activities.

The proposed exploration work and road construction will be based from the existing *Marathon Gold* temporary exploration camp which is located along the north shore of the Victoria Reservoir (**Figure 10**). The camp is permitted under a renewed 5 year temporary occupancy Crown Land licence # 138262 (**Appendix D**). The camp can accommodate up to 60 workers, has an approved septic system and a drilled well to supply safe drinking water. All garbage is transported out from the appropriate land fill sites. A lay-down area for storing drill equipment, pipes, tools and fuel tank has been established 4 km along the historical road that leads from the exploration camp to the Leprechaun Gold deposit. Note that all fuel storage tanks are double hulled with GAP numbers and inspected by government representatives.

5.0 ENVIRONMENT AND REHABILITATION

Marathon Gold Corporation maintains pride in our stewardship of the land and animals that inhabit the Valentine Lake Property. Our ongoing rehabilitation measures implemented during drilling, trenching, access trail development and general camp activities have been briefly outlined in the preceding sections of this application. *Marathon Gold* has always maintained an environmentally responsible policy, following procedures as required and recommended in our exploration approval permitting. Since 2010, *Marathon Gold* has meet regularly with representatives of both the Department of Natural Resources and Department of Environment and Conservation to discuss the exploration work in progress, show an abundance of photos of this work (i.e.: access trails, drill sites, trenches and reclamation efforts), and ask for any suggestions or guidance which these departments might offer. All drilling and trenching as well as camp activities have been fully permitted. Permission has been received from the Department of Natural Resources to keep a selection of trenches open for future study and demonstration to visiting financial analysts. Drill and trench access trials have been permitted and remain open when needed for ongoing and future exploration work. The forthcoming Environmental Protection Plan which is expected to be completed by the beginning of the summer exploration season will further support our current environmental stewardship.

Marathon Gold Corporation engaged Stantec Consulting Limited to commence a comprehensive program of environmental baseline studies at the Valentine Lake Property in late 2010. These ongoing and completed environmental studies and the results to date are summarized as follows with additional details included in Appendix A.

Marathon Gold Corporation

Undertaking Registration
Valentine Lake Property, Central Newfoundland

Baseline Water Quality Monitoring

The Water Quality Monitoring Program commenced in 2011, involves 21 sample sites, and findings to date show naturally occurring aluminum values exceeded CCME values as is common in Newfoundland (Stantec, April 19, 2011).

Hydrology Monitoring Program

The preliminary Hydrology Monitoring Program commenced in 2013, and involves seven key level logger or flow/discharge sites designed to describe the potential downstream hydrological impact that future pond loss could have on the streams flowing to Valentine Lake and Victoria Reservoir (Stantec, Feb 15, 2013).

Fish and Fish Habitat Baseline Study

The Fish and Fish Habitat data report of January 10, 2012, was designed to characterize baseline fish and fish habitat conditions in four ponds located between the Leprechaun and Sprite Deposits prior to any future mine development. The study found Atlantic Salmon of brook trout were absent from these four littoral zone ponds due to substantial natural barriers (falls) downstream (Stantec, Jan 10, 2012).

Waterfowl and Waterfowl Habitat Baseline Study

The baseline Waterfowl and Waterfowl Habitat Study involved two summer 2011 aerial surveys designed to survey waterfowl usage and types of habitat (wetlands for nesting, breeding and brood rearing) within the Valentine Lake Property. The waterfowl species observed were typical of the region, and wetlands in the Leprechaun Pond area and in fens extending NE of Valentine Lake are sufficient to attract waterfowl while the Victory area and east side of Valentine Lake contain limited waterfowl habitat (Stantec, Aug 13, 2014).

Songbird Survey

The 2011 Boreal Forest Songbird Survey identified 36 common species and detected 2 species considered at risk (i.e.: Olive-sided Flycatcher and Common Nighthawk). The Olive-sided Flycatcher inhabits Balsam Fir and Black Spruce mature forests which is abundant habitat throughout the island and southern Labrador. The one Common Nighthawk was observed along the road edge and considered a rarity on the island even though their usual habitat is cobble beaches, rocky outcrops, and grass lands which is habitat abundant throughout the island (Stantec, Aug 13, 2014).

Undertaking Registration

Valentine Lake Property, Central Newfoundland

Winter Wildlife Survey

The 2013 Winter Wildlife Survey include an aerial (274 transect kms) and a ground component (Stantec, May 22, 2014). The aerial survey observed seven common mammal species (lynx, eastern coyote, moose, red fox, river otter, snowshoe hare and woodland caribou) as well as two upland game birds (grouse and ptarmigan). The ground survey found tracks of lynx, eastern coyote, ermine, moose, red fox, red squirrel, snowshoe hare, and Newfoundland marten as well as upland game birds. The Newfoundland marten tracks were found in both hardwood and coniferous forest habitat. A hair snag program succeeded in obtaining a hair sample from a new female who visited the area near Frozen Ear Pond in the western side of the Valentine Lake Property and outside the focus area of exploration. The newly identified female Newfoundland marten was added to the Newfoundland database. The Newfoundland marten west-central Newfoundland population overlaps with or is adjacent to the northeast and far western margins of the Valentine Lake Property.

Ecosystem Classification and Mapping

The Ecosystem Classification and Mapping of the Valentine Lake Property report (Stantec, Nov 23, 2015) was designed to provide *Marathon Gold* with an Ecological Land Classification and documented 12 ecosystem units and 224 plant taxa within the property. This document provides a useful tool in the inventory and evaluation of wildlife habitat in anticipation of any future mine development within the Valentine Lake Property.

6.0 APPROVAL OF UNDERTAKING

Exploration approval for *Marathon Gold Corporation's* work in the Valentine Lake Property has been continuous since 2010 to 2016 (i.e.: E100125, E100131, E110010, E120003, E120269, E130087, E140009, E150009, and E160004). The current exploration approval for the 2016 exploration drilling program (up to 100 drill holes along existing access trails and roads) at the Valentine Lake Property was issued by the Department of Natural Resources, Mineral Lands Division as of November 19, 2015. An application was submitted on April 1, 2016 to the Department of Natural Resources to amend the current exploration permit E160004 to also include approval of prospecting, mapping and trenching (10 – 40 trenches) along existing access roads and trails. The associated water usage permit WUL_13_049 is in place and effective until December 31, 2018 (**Appendix E**). A new mineral exploration approval application has been submitted to the Department of Natural Resources on April 13, 2016, requesting permission to construct the 5.3 km of new drill access road as well as 15-20 trenches and 10-40 drill holes proximal to this proposed 5.3 km of new drill access roads.

7.0 SCHEDULE

Undertaking Registration
Valentine Lake Property, Central Newfoundland

The permitted (E160004) summer-fall exploration drilling program will commence in mid to late June along existing access trails and roads. Pending the release of the undertaking registration to complete a total of 5.3 km of drill access road, the work on the Sprite to Marathon section of new drill access road would commence in early July following the end of the brood, breed and staging period for waterfowl. The work on the Victory to Victory SW and Victory to Victory NE sections of new access road (1.2 km and 0.7km, respectively) would commence in early August, after the denning period for the Pine Marten. The outer fringe of the Pine Marten critical habitat occurs near this work area. The exploration drilling and trenching program would be completed in the late fall of 2016.

8.0 SOCIAL AND ECONOMIC BENEFITS

Marathon Gold Corporation has spent in excess of \$40 M of investment money on exploration work at the Valentine Lake Property since 2010. This money has been invested in Newfoundland; creating well paid jobs, supporting local businesses and communities, and building gold resources that *Marathon Gold* believes will eventually lead to a new gold mine in central Newfoundland. The Marathon crew has consisted of up to as many as 45 people during peak exploration periods with 95% of those temporary full time employees being residents of central and western Newfoundland. Since 2010, a total of 16,789 person-days have been worked at the Valentine Lake advanced exploration property.

Marathon Gold Corporation is an equal opportunities company with senior management positions being equally held by men and women. Preference for hiring is within the province of Newfoundland, although a few very experienced and long term employees reside in other provinces of Canada. *Marathon Gold Corporation's* exploration activities have had a direct impact on employment in parts of the province, particularly Springdale where drilling, analytical services and goods and maintenance service companies reside. Likewise, *Marathon Gold Corporation's* exploration work has supported jobs for people originating from western and central Newfoundland as well as the Northern Peninsula. Marathon Gold has financially supported a number of B.Sc. and M.Sc. level studies through the Department of Earth Sciences, Memorial University of Newfoundland. The ongoing road upgrades and maintenance along the 88 km stretch of gravel crown road from Duck Pond Road to the Marathon exploration camp has cost the company in excess of \$1.6 M since 2010 and provides a much better maintained and safer road access for the numerous cabin owners with licences crown land lots along the east side of Red Indian Lake as well as local licenced outfitters.

Marathon Gold Corporation works closely with local communities, purchasing local supplies (i.e.: gas, core boxes, automobile maintenance etc.) when possible and helping with donations of tractor trailer loads of fire wood when logs are available from clearing for camp development or road maintenance. *Marathon Gold* has a policy in place to preferentially source goods and services from within Newfoundland.

Marathon Gold Corporation

Undertaking Registration
Valentine Lake Property, Central Newfoundland

Future projections of employment numbers and expenditures cannot be accurately determined at this time. The Valentine Lake project is an advanced exploration property and it is not until the completion of at least the Preliminary Economic Assessment or Pre-Feasibility Study that employment numbers and total expenditures can be projected with any accuracy. However, for the remainder of the 2016 exploration season, and with an estimated \$1.6 M in exploration expenditures, *Marathon Gold* could expect to create approximately 1500 person days of work between May 1 to Dec 31, 2016. The employment would include the following positions: 3 senior managers, 2 senior geologists, 2 junior geologists, 2 geotechnicians, 2 prospectors, 6 general laborers, and 2 onsite cooks. The Springdale-based drill company contracted to do the remaining 2016 drilling program, trenching and road maintenance work would be expected to create an additional 420 person days of employment. This employment would include the following positions: 2 managers, 4-8 drillers, and 2 heavy equipment operators. The total number of expected person-days for employment for the May 1 to Dec 31, 2016 period of exploration would be approximately 2000 person days. This number could be significantly higher should additional financing become available to push forward with developing additional gold resources at the Valentine Lake Property.

9.0 FUNDING

Marathon Gold Corporation is a publicly traded company on the TSX stock exchange, trading under MOZ with a current market capitalization of \$ 24.7M. Program costs for an estimated 5,000 meters of drilling, trenching, road construction and other associated costs are estimated at \$1.6 million. There is no requirement for a loan or grant from any government agency.

Date

Sherry M. Dunsworth, M.Sc., P.Geo

V.P. Exploration, Marathon Gold Corp.

Undertaking Registration
Valentine Lake Property, Central Newfoundland

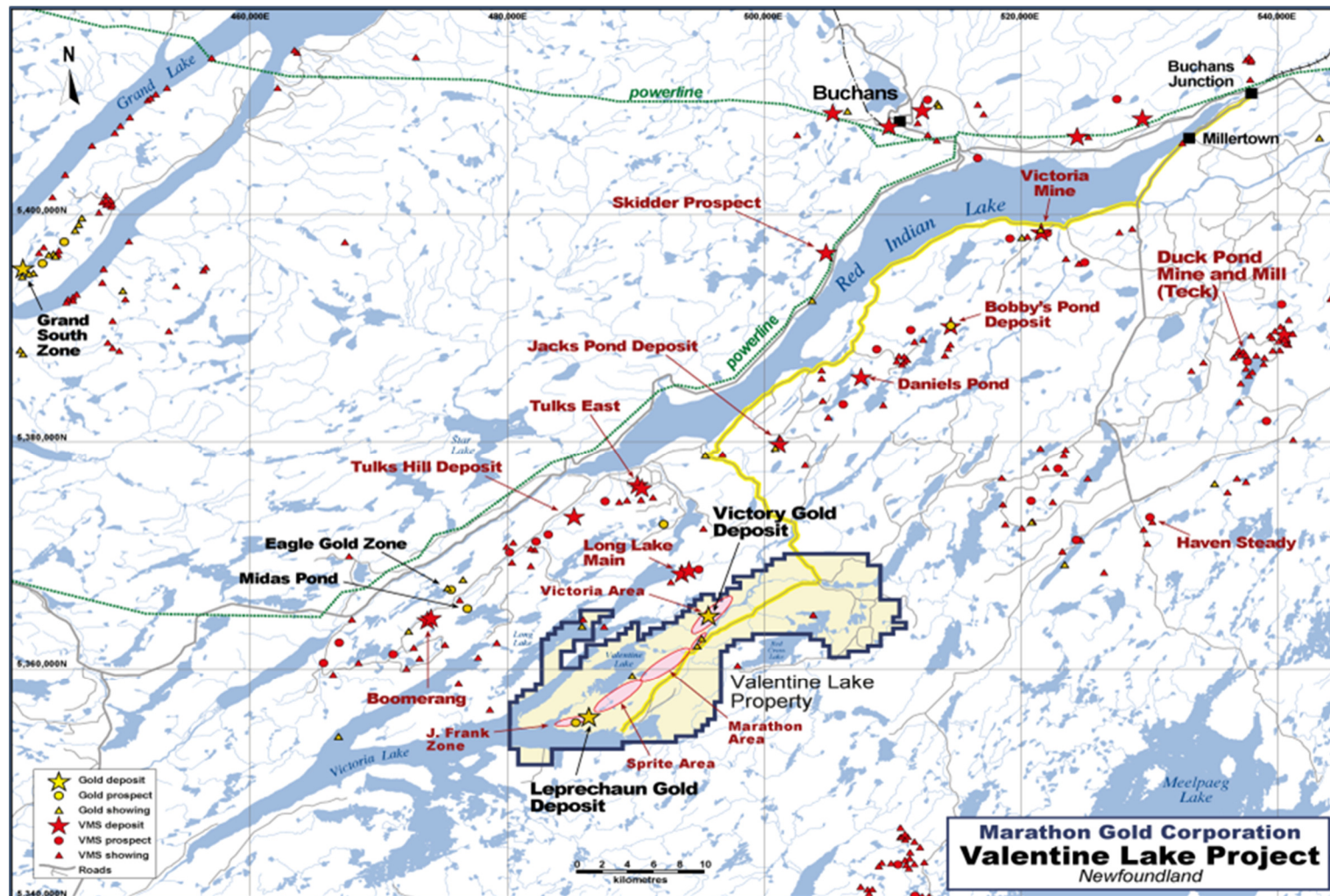


Figure 1: Location map showing Valentine Lake property (24,000 ha), the nearest communities of Buchans and Millertown, as well as the former Teck Duck Pond mine site and numerous base and precious metal deposits and showings throughout the regional area.

Marathon Gold Corporation

Undertaking Registration
Valentine Lake Property, Central Newfoundland

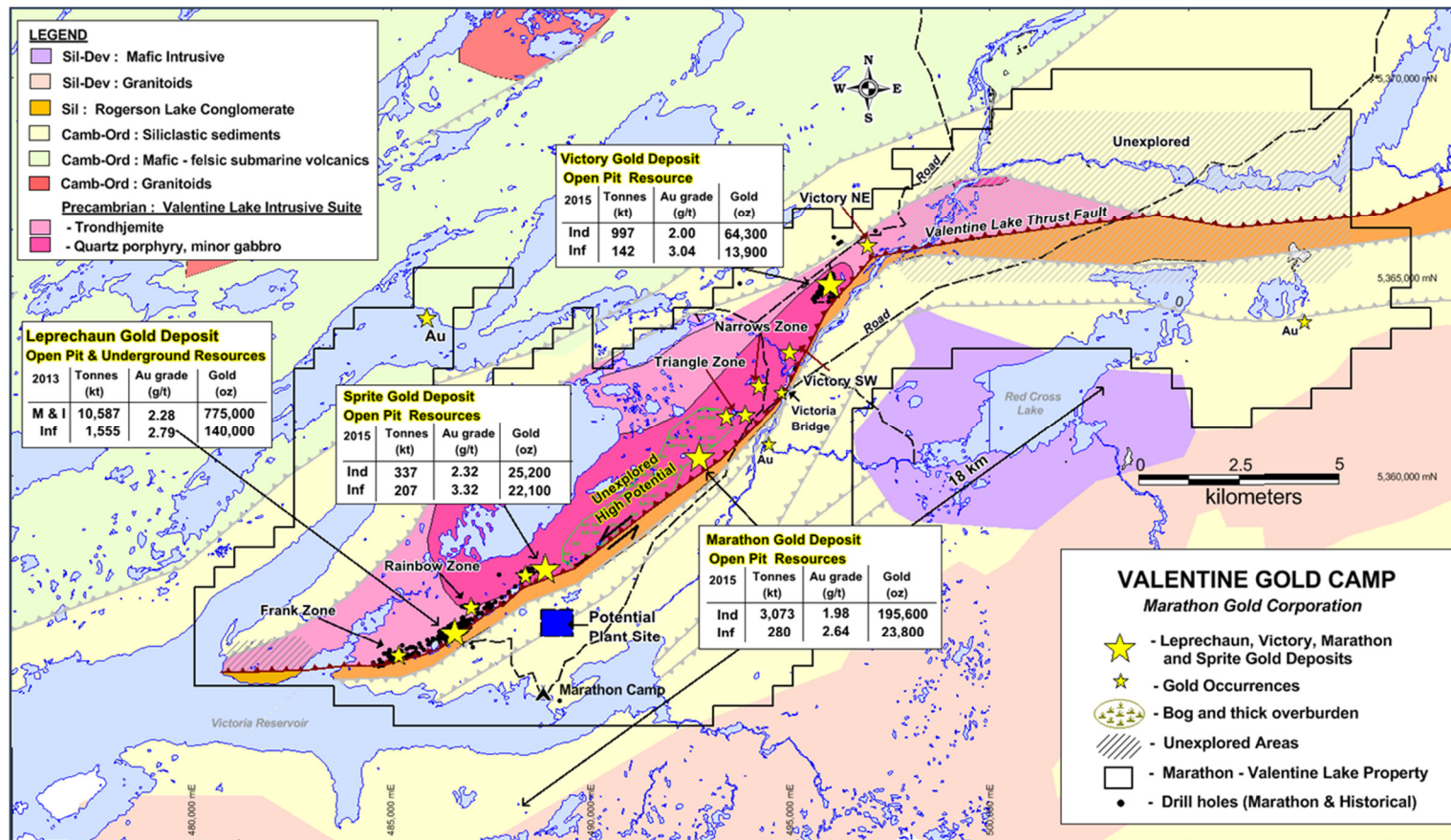


Figure 2: Map showing Valentine Lake Property (VLP) and location of the Leprechaun, Sprite, Marathon and Victory Gold Deposits as well as other significant gold occurrences along a 18 km strike length within the VLP.

Undertaking Registration
Valentine Lake Property, Central Newfoundland

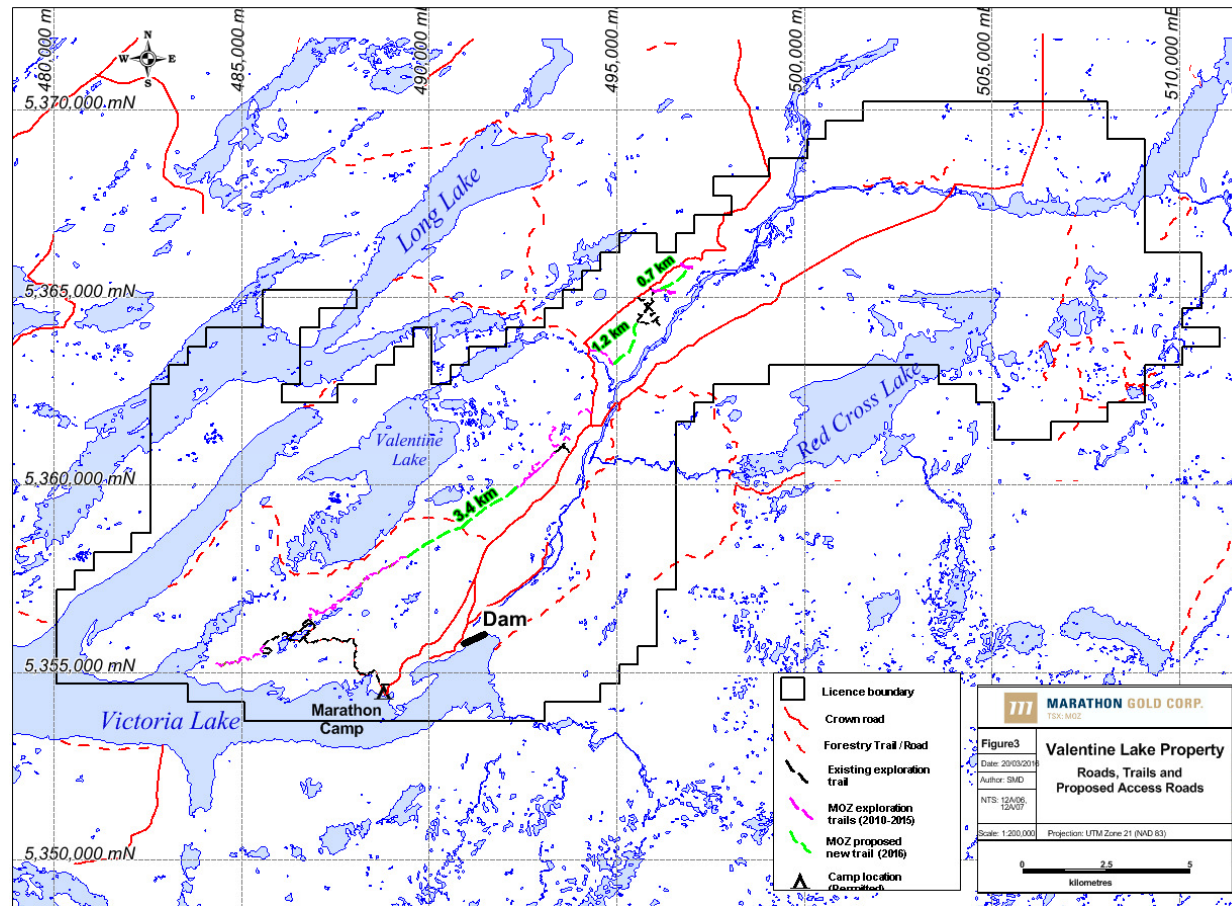


Figure 3: Location of the proposed 5.3 km of drill access road (green) proximal to the existing approximately 38 km of crown land roads (solid red), 34 km of forestry access skidder trails (dashed red), 11.5 km of pre-Marathon exploration skidder trails (dashed black), and 14 km of Marathon 2010-2015 skidder trails (dashed pink) within the Valentine Lake Property.

Undertaking Registration
Valentine Lake Property, Central Newfoundland

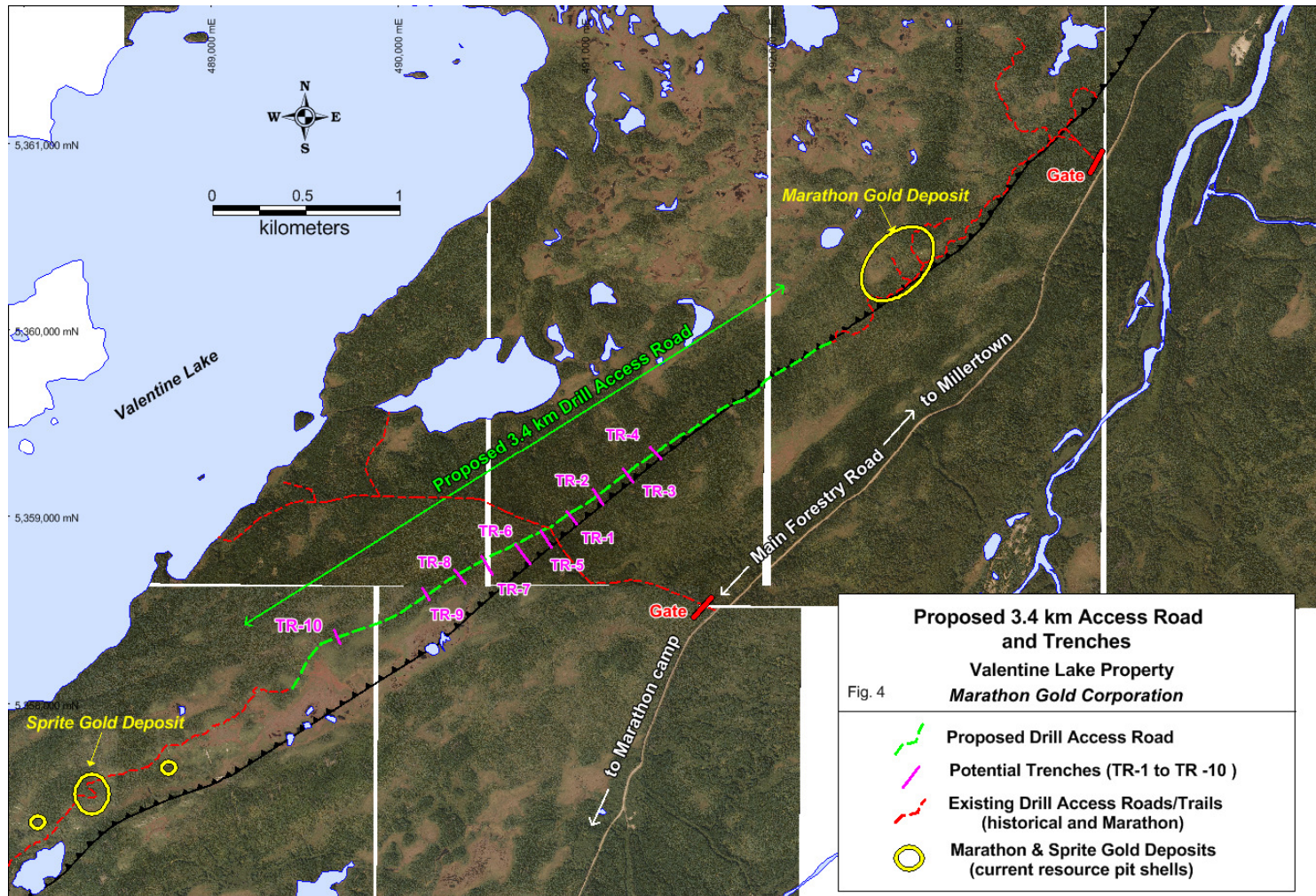


Figure 4: Location of the proposed trenches and 3.4 km of drill access road (dashed green) located between the Sprite and Marathon Gold Deposits and proximal to the existing main crown land road (connects from Millertown to the Victoria Reservoir and dam site) and existing pre-forest access and 2010-2015 Marathon drill access skidder trails (dashed red).

Undertaking Registration
Valentine Lake Property, Central Newfoundland

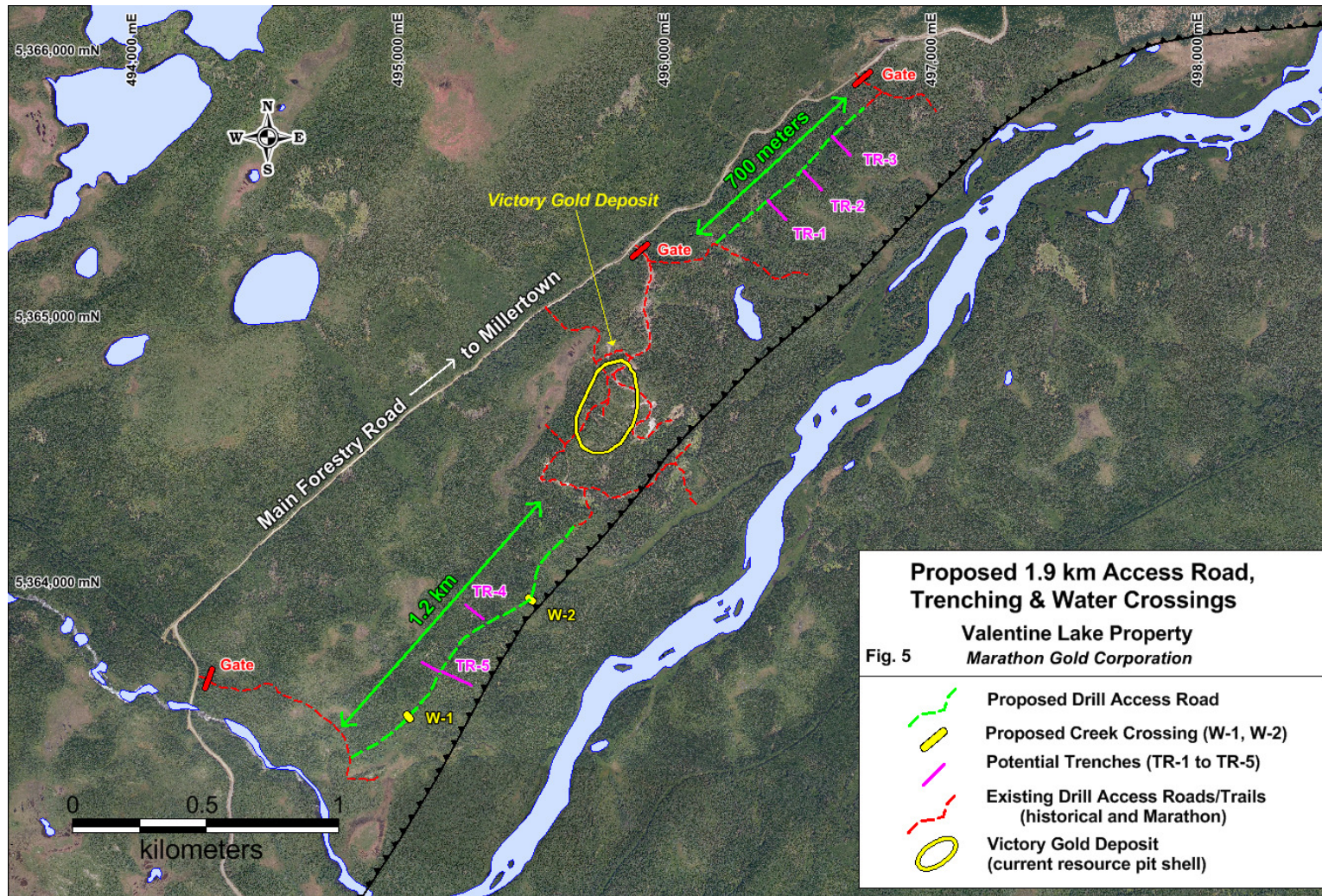


Figure 5: Location of the proposed 1.2 km drill access road (dashed green) located between the Victory Deposit and Victory SW area and the proposed 700 meter drill access road (dashed green) located between the Victory Deposit and Victory NE area as well as the proximal existing main crown land road (connects from Millertown to the Victoria Reservoir and dam site) and existing historical and Marathon access skidder trails (dashed red).

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 1: An example of drill access skidder trail reclamation with smoothing of ground disturbance and covering by felled trees, brush plus loose hay and highway-blend grass seed.

Marathon Gold Corporation

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 2: Example of drill access skidder trail reclamation involving leveling of ground disturbance followed by contouring of overburden and covering by organic layer as well as hay and highway-blend grass seed where limited organics.

Marathon Gold Corporation

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 3: Example of drill access skidder trail used for 4 years by excavator, skidder and 4-wheel quad vehicles.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 4: Example of drill access skidder trail used for 1 year by excavator, skidder and 4-wheel quad vehicles.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 5: Example of drill site reclamation involving smoothing and contouring of overburden, then covering by organic layer, felled trees and brush as well as highway-blend grass seed.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 6: Example of drill site reclamation involving smoothing and contouring of overburden, then covering by organic layer and brush as well as highway-blend grass seed. Note silt screen along edge of wet area to prevent siltation runoff into boggy area.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 7: Re-growth of grasses and brushes at the NE end of the Leprechaun Gold Deposit, in area of close spaced drill hole collars and proximal to drill access trail (quad in photo).

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 8: Example of stockpiled organic material and till set aside for later backfilling and reclamation of trench.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 9: An example of a partially backfilled trench showing smoothed surface covered with till, organics and grass seed.

Undertaking Registration
Valentine Lake Property, Central Newfoundland



Plate 10: The *Marathon Gold Corporation* exploration camp is located along the north shore of Victoria Reservoir (Permit of Occupy # 138262). The up to 60-person camp has an engineered septic system located in the center of the cleared field and a permitted drilled well for drinking water.

Undertaking Registration
Valentine Lake Property, Central Newfoundland

APPENDIX A – STANTEC Environmental Reports for Marathon Gold Corporation – VLP – 2011-2015

APPENDIX B – Marathon Gold Corporation – 2016 – Exploration Approval Permit – E160004

APPENDIX C – VLP – 2012 Site Inspection Report

APPENDIX D – Permit to Occupy – Marathon exploration camp

APPENDIX E – Water Usage Permit

APPENDIX F - Figures