

Slow and steady

It's a marathon, not a sprint, to build a gold mine at Valentine Lake

The Valentine Lake gold discovery in central Newfoundland was made in 1986. Now 33 years later, Marathon Gold Corporation is taking significant steps to turn it into a producing mine.

The Toronto-based junior mining company has started a 2019 exploration drilling campaign and announced the results of the last four holes it drilled in its 2018 drilling program at Valentine Lake. Those four holes intersected new gold zones in areas where minimal drilling has occurred in the past. The company says it is advancing towards a pre-feasibility study for an open pit gold mine. Marathon Gold boasts it is the largest gold project in Atlantic Canada with 2,691,400 ounces of measured and indicated gold reserves at Valentine Lake.

In the first days of 2019, the company sent requests for proposals for an

environmental assessment registration/project description to qualified consultants. The company says the document will be completed and sent to provincial and federal regulators in March 2019. It also appointed Robbert Borst as its first chief operating officer in the third quarter of 2018.

If the mine is built, the company says it will produce an average of 225,100 ounces of gold per year and it would operate for approximately 12 years. In its latest corporate presentation, Marathon says construction of the mine could start by the first quarter of 2021.

But the capital cost to build the mine is estimated at US\$355 million—a significant amount for a company that had just \$5.9 million in its treasury as of September 2018. The man who discovered Valentine Lake, Sokoman Iron Corp. president and CEO Tim Froude, says another company may have to build the mine. “Marathon is doing a great job there. But bigger players generally wait out until the project is de-risked in the hands of a company like Marathon,” Froude says. “Once they feel the numbers are right, they walk in and say, ‘We’d like to take over now and make an offer for the company.’” |nrm



Marathon Gold's goal is to pour gold at an open pit mine in central Newfoundland
Photo: Getty Images



Local Team, Proven **Success.**

We know Newfoundland and Labrador. And we know the harshness that projects here must endure. Since 2001, Atlantic XL has met and exceeded the challenge, with our talented, local team. Delivering the best every day.

16 years on Canada's east coast

- Designed, installed and commissioned offshore telecommunications and navigation systems.
- Atlantic XL is an XL Group company. XL Group is a multi-discipline technology organization with 26 years of successful projects in UK oil and gas and beyond.

atlanticxl.com

