

TORONTO, ON--(Marketwired - May 12, 2016) - [TMAC Resources Inc.](http://www.tmacresources.com) (TSX: TMR) ("TMAC" or the "Company") filed its Condensed Interim Financial Statements and Management's Discussion & Analysis ("MD&A") for the period ended March 31, 2016, which documents can be found on the Company's website at www.tmacresources.com or on SEDAR at www.sedar.com. The highlights provided below are derived from these documents and should be read in conjunction with them.

Dr. Catharine Farrow, Chief Executive Officer of TMAC, stated, "We are pleased with our progress to advance the Hope Bay Project to production late in 2016. During the first quarter, we made excellent progress on the underground development at Doris and on our ore stockpile, completed foundation work required in advance of Mill Building erection, and continued our work with Gekko Systems of Australia to execute on the procurement, fabrication and factory testing of the Processing Plant for shipment and installation during the second half of 2016. We remain on track and on budget for both initiating the commissioning of the processing plant and the stockpiling of over 100,000 tonnes of high-grade (approximately 15 g/t) ore we plan to mine by the end of 2016."

FIRST QUARTER 2016 HIGHLIGHTS

Hope Bay Project

- Mining and mine development productivity and ore production were on target. Mining and mine development continued in the first quarter of 2016 with 58,100 tonnes of the planned 59,200 tonnes having been mined. Productivity averaged 0.4 metres per man-shift, exceeding the estimates of metres per man-shift published in the May 28, 2015 Prefeasibility Study (the "PFS"). Ore production was 12,800 tonnes at an estimated 13.3 grams of gold per tonne.
- Taking into account ore mined in late 2015 and ore mined by the previous operator, based on the PFS estimates for the material mined, the stockpile is estimated to contain 34,000 tonnes of ore at a grade of 13.6 grams of gold per tonne, or 14,900 ounces of gold of which 14,000 ounces of gold are recoverable at the estimated recovery rate of 94%.
- Manufacture of the processing plant (the "Processing Plant") by Gekko Systems Pty of Ballarat, Australia for delivery in 2016 was 84% complete at March 31, 2016, and is on budget and on schedule for delivery in the 2016 sealift.
- Construction of the building that will house the Processing Plant (the "Mill Building") progressed with the foundations for the main walls and reclaim walls being completed. The Mill Building steel is on site and erection commenced in late April 2016.
- As part of the Nunavut Impact Review Board ("NIRB") and Nunavut Water Board regulatory review process of the application to amend the Doris permits, including the Doris Project Certificate and the Nunavut Water Board Doris Water License (the "Doris Permit Amendments"), TMAC received technical comments from various Federal and Territorial government agencies and the Kitikmeot Inuit Association (collectively the "Reviewing Parties"). Responses to these comments were completed by TMAC and filed. A public hearing was held under the NIRB process with the Reviewing Parties and the general public from April 12 to 14, 2016. All outstanding issues were resolved, the file was closed and TMAC now awaits NIRB's recommendation to the Minister of Indigenous and Northern Affairs Canada ("INAC"). Once the NIRB process is completed, the Nunavut Water Board final review process will commence and includes a public hearing and approval from the Minister of INAC.

Financial and Corporate

- All conditions precedent required to draw down the first tranche of the Debt Facility were satisfied and a drawdown of US\$50,000,000 was completed. US\$38,000,000 was converted to Canadian dollars at a foreign exchange rate of C\$1.3904/US\$1 and US\$12,000,000 was retained to cover all non-Canadian dollar expenditures remaining in 2016.
- A private placement (the "Flow-Through Financing") of 827,206 flow-through Common Shares of TMAC (the "Flow-Through Common Shares") was completed at a price of \$10.88 per Flow-Through Common Share for gross proceeds of \$9,000,000.

Statement of Profit or Loss

The net loss and comprehensive loss for the three months ended March 31, 2016 was \$205,000, compared with \$2,128,000 for the three months ended March 31, 2015.

Cash and Liquidity

At March 31, 2016, TMAC had \$84 million of cash and cash equivalents, excluding restricted cash of \$29 million, comprising a \$10 million minimum cash balance in a segregated account in accordance with the Debt Facility requirements and \$19 million invested in guaranteed investment certificates set aside as collateral for the letters of credit (the "Letters of Credit") that support environmental reclamation bonding and provide security for compliance under various agreements with indigenous organizations. The existing cash on hand and the US\$70 million remaining to be drawn on the Debt Facility provide for an approximate \$40 million cushion for the Company to achieve commercial production at the Hope Bay Project, beginning with Doris, in the first quarter of 2017.

2016 OUTLOOK

Hope Bay

- Complete fabrication of the Processing Plant.
- Deliver the Processing Plant and mobile equipment in the 2016 sealift.
- Complete erection of the Mill Building and the installation of associated services.

- Complete the installation of and initiate commissioning of the Processing Plant.
- Complete preparation of the tailings impoundment area to receive tailings.
- Stockpile by December 31, 2016, 110,700 tonnes of ore with an estimated 55,600 ounces of contained gold that, at a 94% recovery rate, is 52,300 ounces of recoverable gold.
- Obtain the Doris Permit Amendments.
- Complete and submit the draft environmental impact statement on Madrid and Boston.
- Explore for additional ounces at Doris Connector and below the dyke at Doris North.
- Complete SkyTEM Mag/EM and CGG Gravity airborne geophysical surveys.

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- Complete SkyTEM Mag/EM airborne geophysical surveys.

Financial and Corporate

- Draw down the second tranche of funds remaining under the Debt Facility.

THE HOPE BAY PROJECT'S PATH TO PRODUCTION OVERVIEW

With the \$9 million of funds raised from the Flow-Through Financing, the total estimated cash outflows, including working capital, for the combined 2015 and 2016 years for the Path to Production plan has increased from \$325 million to \$334 million. As at March 31, 2016, TMAC had incurred \$201 million of the planned \$334 million of cash outflows under the Path to Production plan. The cash outflows to date are in line with the Path to Production plan in terms of timing and the amount of cash outflows. The expenditures included in the Path to Production are based on the two calendar years commencing January 1, 2015. Accordingly, by the end of March 2016, TMAC is 15 months into those planned 24 months of expenditures, or 63% of the way, and envisions achieving commercial production during the first quarter of 2017.

Table 1 shows the expected cash outflows over the two year period 2015-2016 detailed in the Path to Production plan and the expenditures to date. TMAC is now approximately two thirds of the way through the Doris development period and has incurred 60% of the planned expenditures.

Table 1: Path to Production cash outflows for the period from January 1, 2015 to December 31, 2016.

Principal Purpose	Path to Production 2015-2016 \$ million	Incurred \$ million
Hope Bay Project development costs		
Direct costs	145	93
Indirect costs	20	13
Capitalized pre-production operating costs	54	26
Hope Bay Project development sub-total	219	132
Collateral for Letters of Credit	26	19
Corporate, exploration, permitting and general expenditures related to the Hope Bay Project	89 ⁽¹⁾	51
Total	334 ⁽¹⁾	201

⁽¹⁾ Includes \$9 million from the Flow-Through Financing completed March 18, 2016.

⁽²⁾ Comprises \$325 million of the Path to Production and \$9 million from the Flow-Through Financing.

The Path to Production envisions TMAC having a high-grade gold ore stockpile on surface at December 31, 2016 totalling 110,700 tonnes containing 55,600 ounces of gold (at 15.2 g/t) to provide the Processing Plant with significant high-grade feed at start up, a smooth production ramp up to 1,000 tonnes per day in 2017 and to 2,000 tonnes per day in 2018.

Table 2 sets forth the production achieved to March 31, 2016 compared with the expected ore tonnes on the stockpile as per the Path to Production plan.

Table 2: Path to Production metrics for the pre-production period 2015 - 2016.

Development:	As at March 31, 2016	Path to Production 2016
Ore (tonnes)	21,300	98,000
Waste (tonnes)	70,300	197,000
Total	91,600	295,000
Estimated Stockpile: ⁽¹⁾		
Ore	34,000	110,700
Gold (contained ounces)	14,900	55,600

(1) Estimated stockpile on surface includes 12,700 tonnes of ore containing an estimated 5,600 ounces of gold (at a 94% recovery rate is 5,300 ounces of recoverable gold) that had been brought to surface prior to underground development commencing in October 2015 (i.e. ore from test mining by TMAC in early 2015 and by Newmont in 2010 prior to TMAC's acquisition of Hope Bay).

ADDITIONAL MATERIAL

Following is a link to a video showing the Mill Building construction site as it appeared on Monday, May 9, 2016 to give readers an aerial view of TMAC's progress to date.

https://www.youtube.com/watch?v=_5VYTetgwOw&feature=youtu.be

We encourage our readers to review TMAC's first quarter 2016 MD&A as well as it contains a number of photos of both the site construction and the Processing Plant fabrication, as well as figures relating to our exploration activities.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TMAC will host its annual general meeting of shareholders on June 21, 2016 at 4:30 pm Eastern Time in the TSN Theatre at The Hockey Hall of Fame, 30 Yonge Street, Toronto, Ontario.

ABOUT TMAC

TMAC holds a 100% interest in the Hope Bay Project located in Nunavut, Canada. TMAC is a fully financed, gold development company. During 2015, TMAC significantly de-risked the Hope Bay Project financially by securing equity and debt financing for gross proceeds of over \$350 million providing full funding for the Company to achieve its Path to Production plan, beginning with the Doris Mine, by the end of 2016. The Company has a board of directors with depth of experience and market credibility and an exploration and development team with an extensive track record of developing high grade, profitable underground mines.

FORWARD-LOOKING INFORMATION

This release contains "forward-looking information" within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. "Forward-looking information" includes statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, bringing the Hope Bay Project into production, beginning with the timing of the erection and completion of the Mill Building, fabrication, delivery and construction of the Processing Plant, the commissioning of the Processing Plant at Doris by the end of 2016, the availability of funds under the Debt Facility, and that the cash on hand and drawdowns under the Debt Facility will be sufficient to fully fund the Hope Bay Project and the objectives of the exploration program.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made, including among other things, assumptions about; the ability meet the conditions precedent to drawdowns under the Debt Facility; the ability to raise any additional capital needed to advance the development of the Hope Bay Project to production; future prices of gold and other metal prices; the geology of the Hope Bay Project being as described in the Company's PFS technical report for the Hope Bay Project filed on SEDAR; accuracy of the mineral resource and mineral reserve estimates in the PFS; the metallurgical characteristics of the deposit being suitable for the processing plant; the successful and timely delivery, installation and operation of the Processing Plant; favourable weather conditions for planned sealifts and construction activities; production costs being as estimated in the PFS; accuracy of budgeted exploration and development costs and expenditures, including to complete development of the infrastructure at the Hope Bay Project; the price of other commodities such as fuel; future currency exchange rates and interest rates; favourable operating conditions; political and regulatory stability; receipt of governmental approvals and permits and all necessary third party financing on favourable terms; obtaining renewals for existing licences and permits and obtaining all other required licences and permits; sustained labour stability; stability in financial and capital goods markets; availability of equipment; positive relations with the Kitikmeot Inuit Association and Nunavut Tunngavik Inc. and other local groups; and the Company's ability to operate in the harsh northern Canadian climate. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. See "Risk Factors" in the Company's AIF dated February 25, 2016 filed on SEDAR at www.sedar.com for a discussion of these risks.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be

accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.

SOURCE [TMAC Resources Inc.](#)

CONDENSED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian dollars)

	As at March 31, 2016 \$000s	As at December 31, 2015 \$000s
Assets		
Current assets		
Cash and cash equivalents	83,723	44,101
Amounts receivable	1,160	3,996
Consumables, materials and supplies	22,362	26,486
Prepaid expenses	1,905	2,152
Equipment held for sale	500	500
	109,650	77,235
Non-current assets		
Property, plant and equipment	700,213	649,443
Goodwill	80,600	80,600
Restricted cash	29,141	18,656
Other assets	7,487	28,497
	817,441	777,196
Total assets	927,091	854,431
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	13,292	12,735
Other liabilities	2,382	-
	15,674	12,735
Non-current liabilities		
Debt Facility	61,916	-
Gold Call Options	4,222	2,731
Provision for environmental rehabilitation	24,719	24,719
Deferred tax liabilities	70,690	71,440
	161,547	98,890
Total liabilities	177,221	111,625
Equity		
Share capital	762,444	755,896
Warrants	2,936	2,936
Contributed surplus	6,710	5,989
Accumulated deficit	(22,220)	(22,015)
	749,870	742,806
Total equity and liabilities	927,091	854,431

CONDENSED STATEMENT OF PROFIT OR LOSS

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended March 31, 2016 \$000s	Three months ended March 31, 2015 \$000s
General and administrative		
Salaries and wages	1,643	501
Share-based payments	576	1,079
Professional and consulting fees	159	133
Travel	89	19
Investor relations	147	28
Depreciation	4	4

Office, regulatory and general	238	119	
Loss before the following	2,856	1,883	
Finance income	(140	) (120)
Finance expense	190	502	
Foreign exchange loss (gain)	(3,493	) 1	
Fair value adjustments	1,491	-	
Other	26	79	
Loss before income taxes for the period	930	2,345	
Deferred income tax expense (recovery)	(725	) (217)
Net loss and comprehensive loss for the period	205	2,128	
Net loss per share			
Basic & diluted	(0.00	) (0.04)
Weighted average number of shares (thousands)			
Basic and diluted	77,746	49,211	

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended March 31, 2016 \$000s	Three months ended March 31, 2015 \$000s	
Net loss for the period	(205	) (2,128)
Operating activities			
Adjusted for:			
Share-based payments	576	1,079	
Finance income	(140	) (120)
Finance expense	190	502	
Depreciation	4	4	
Unrealized foreign exchange loss (gain)	(3,493	) 1	
Fair value adjustments	1,491	-	
Deferred income tax expense (recovery)	(725	) (217)
Increase (decrease) in non-cash operating working capital:			
Amounts receivable	2,922	122	
Prepaid expenses	-	(1)
Accounts payable and accrued liabilities	-	(580)
Operating cash flows before interest and tax	620	(1,338)
Cash tax paid	-	-	
Cash interest paid	-	(381)
Cash flows from (used in) operating activities	620	(1,719)
Investing activities			
Additions to property, plant and equipment	(27,622	) (11,619)
Interest received	113	120	
Restricted cash	(10,485) -	
Cash flows from (used in) investing activities	(37,994	) (11,499)
Financing activities			
Third Equity Financing, net of issue costs	-	40,282	
Debt Facility drawdown	69,520	-	
Flow-through financing, net of issue costs	8,904	-	
Cash flows from (used in) financing activities	78,424	40,282	
Effects of exchange rate changes on cash and cash equivalents	(1,428) -	
Net increase in cash and cash equivalents for the period	39,622	27,064	
Cash and cash equivalents at the beginning of the period	44,101	32,044	
Cash and cash equivalents at the end of the period	83,723	59,108	

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