

TORONTO, ON--(Marketwired - June 22, 2016) - [TMAC Resources Inc.](#) (TSX: TMR) ("TMAC" or the "Company") announces that it has entered into an agreement with the Lenders, under its Debt Facility as such terms are defined below), to extend the period (the "Availability Period") during which TMAC can draw on the remaining US\$70 million of the Debt Facility from June 30, 2016 to December 31, 2016.

The amendment to the credit agreement for the Debt Facility (the "Credit Agreement") extends the Availability Period during which the Company can draw under the Debt Facility from the first currently available extension period of August 31, 2016 to December 31, 2016. In conjunction with the above, TMAC anticipates drawing a portion of the US\$70 million in July 2016. Additional draws are anticipated as funds are needed.

On February 10, 2016, TMAC satisfied the conditions precedent to draw the first US\$50 million of the Debt Facility and completed the first drawdown in the amount of US\$50 million. An additional condition precedent to draw on the remaining US\$70 million relates to the receipt of two documents, (1) an amended Project Certificate from NIRB and (2) an amended Water License from the Nunavut Water Board (the "NWB") for Doris.

While TMAC expects to receive the amended NIRB Project Certificate before August 31, 2016, the Company does not expect to receive the amended Water License by August 31, 2016, resulting in the need to amend the Credit Agreement. The NWB Water License amendment process has mainly been progressing in parallel with the NIRB Project Certificate process. The NWB pre-hearing conference call has been scheduled for June 24th and the required regulatory approvals process will proceed from that date. TMAC is highly confident that the amended Water License will be approved in due course.

Dr. Catharine Farrow, Chief Executive Officer of TMAC, stated, "TMAC is currently permitted to operate the Doris North Project and to dispose of 458,000 tonnes of tailings (approximately 1 ½ years of currently planned production) into the already constructed and permitted tailings impoundment area. The requested amendment increases that number to 2,500,000 tonnes. The positive recommendation issued by the NIRB last week represents a major step forward and will allow TMAC to continue to maximize the potential of the growing global resource base at the Doris Mine. We are looking forward to receiving in due course the recommendation of the amended Water License from the NWB. Timing of the receipt of the permits neither affects our production schedule, our start-up timelines, nor our production profile in 2017. Once the Amended Project Certificate and Amended Water License are received TMAC will be able to extend the operational timeline to better match the currently identified mineral resources at the Doris Mine. Recognizing how advanced the process to amend the Project Certificate and the Water License is, the Lenders have worked diligently with TMAC to enable us to access additional funds under the Debt Facility."

ABOUT TMAC'S DEBT FACILITY

On July 23, 2015, TMAC entered into the Credit Agreement with a syndicate of lenders (the "Lenders") led by Sprott Resource Lending Partnership (the "Agent") and Morgan Stanley Capital Group Inc. with respect to a senior secured term loan facility (the "Debt Facility") for an aggregate principal amount of up to US\$120,000,000 maturing on December 31, 2018, with advances under the Debt Facility bearing interest at 8.75% per annum, compounded and payable quarterly. Until September 30, 2017, the Company will have the option to pay interest in cash or by way of a deferral of interest.

The Debt Facility is secured by a first ranking charge over all of the Company's present and after-acquired property, subject to certain limited exceptions. It does not require TMAC to complete any gold hedging. The Debt Facility has certain financial covenants including maintaining a \$10,000,000 minimum cash balance (which amount has been deposited in a segregated bank account and is included in restricted cash) and a \$20,000,000 minimum working capital balance, and other customary non-financial covenants. As of today's date, the Company is in compliance with the covenants. The Company can choose to prepay the Debt Facility prior to December 31, 2018, subject to defined prepayment fees if prepayment is made before July 23, 2017.

TMAC issued the Lenders 1,900,000 share purchase warrants (the "Warrants"), with each Warrant being exercisable for one Common Share at an exercise price of \$7.50 per Common Share. The Warrants have a term of five years expiring on July 23, 2020, and can be accelerated by the Company in the event the trading price per Common Share is higher than \$15.00 for 20 consecutive trading days at any time after July 23, 2016. As of the date of this release 1,383,833 of the Warrants remain outstanding with 516,167 Warrants exercised to date for proceeds to TMAC of \$3,871,253.

In addition, the Company issued the Lenders call options for 12,000 ounces of gold (the "Gold Call Options") with a term of five years expiring July 23, 2020 at a strike price of US\$1,140/ounce). The Company has the option to satisfy its obligations with respect to any Gold Call Options exercised prior to June 30, 2017 in cash or by way of an increase in the principal amount of the Debt Facility.

Monthly payments under the Credit Agreement will equal 1/22 of the total Debt Facility outstanding as at June 30, 2017 (including any deferred interest and any increase in the principal amount as a result of the capitalization of obligations in relation to the Gold Call Options), and will be made beginning on July 31, 2017 and ending on November 30, 2018, with a final payment equal to the remaining amount owed under the Debt Facility on December 31, 2018.

ABOUT TMAC RESOURCES

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, statements regarding the availability of funds and that the cash on hand and drawdowns under the Company's existing Debt Facility will be sufficient to fully fund the Hope Bay Project.

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; reaching agreement on an amendment to the Credit Agreement; the ability to meet the conditions precedent to drawdowns under the Debt Facility; the timing and receipt of required permits; future prices of gold and other metal prices; the geology of the Hope Bay Project being as described in the Company's technical report for the Hope Bay Project filed on SEDAR dated May 28, 2015 (the "PFS"); 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 KIA 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 Annual Information Form dated February 25, 2016 filed on SEDAR at www.sedar.com for a discussion of many 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.](http://www.tmacresources.com)

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