

TORONTO, ON--(Marketwired - August 11, 2016) - [TMAC Resources Inc.](#) (TSX: TMR) ("TMAC" or the "Company") filed its Condensed Interim Financial Statements and Management's Discussion & Analysis ("MD&A") for the periods ended June 30, 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.

SECOND QUARTER 2016 HIGHLIGHTS

- The Processing Plant and related equipment is on route from Australia to Hope Bay with arrival expected during the last week of August.
- Construction of the Mill Building remains on schedule and on budget.
- Mine development and ore stockpiling is on schedule and on budget with 25,400 contained gold ounces in 56,900 tonnes at 13.9 g/t placed on surface.
- Positive exploration results at Doris below the dyke ("Doris BTD Zone") announced June 7, 2016.
- Completed a bought deal financing initiated in June and closed July 19, 2016 (the "Bought Deal Financing") of an aggregate of 3,975,000 common shares of the Company (the "Common Shares") and 2,120,000 Common Shares from Resource Capital Fund VI L.P. ("RCF"), a major shareholder, at a price of \$15.10 per Common Share for gross proceeds of approximately \$92.0 million, of which approximately \$60.0 million of the gross proceeds were received by the Company and approximately \$32.0 million of the gross proceeds were received by RCF including the over-allotment option exercised by the underwriters.

Dr. Catharine Farrow, Chief Executive Officer of TMAC, stated, "We remain on track and on budget with our progress to advance the Hope Bay Project towards commercial production in early 2017. As of this week, we are approximately 87% complete with steel erection, wall panelling and roofing of the Mill Building, and 75% complete on floor and plinth concrete pouring. The Processing Plant and related equipment are in transit to Hope Bay and expected to arrive late this month. TMAC personnel are working in conjunction with our contractors to finalize installation and commissioning plans in preparation for the plant's arrival by ship. TMAC remains focused on executing this critical stage in our evolution as we build the first gold mine in what we believe to be Canada's next gold mining district."

2016 OUTLOOK

Hope Bay Project

- Deliver the Processing Plant, mobile equipment and diesel fuel 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 ("TIA") 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, amounts to 52,300 ounces of recoverable gold.
- Obtain the amended Doris Permits.
- Complete and submit the draft environmental impact statement ("DEIS") on Madrid and Boston.
- Deploy approximately \$23 million of the net proceeds of approximately \$56.5 million from the Bought Deal Financing in 2016, with the balance of \$33.5 million to be spent in 2017, for the development of an exploration ramp to access and delineate additional ounces at the Doris BTD Zone.

Financial and Corporate

- Draw down the remaining funds under the US\$120 million debt facility (the "Debt Facility").

THE HOPE BAY PROJECT'S PATH TO PRODUCTION OVERVIEW

With the \$9 million of funds raised from the flow-through financing completed on March 18, 2016 ("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 increased from \$325 million to \$334 million. As at June 30, 2016, TMAC had incurred \$249 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 June 2016, TMAC is 18 months into those planned 24 months of expenditures, or 75% complete, and envisions achieving commercial production during the first quarter of 2017.

At June 30, 2016, TMAC had \$37 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 and Federal government organizations. The existing cash on hand, together with the US\$35 million drawdown on the Debt Facility completed on July 7, 2016, and the US\$35 million remaining to be drawn on the Debt Facility, provide 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. The net proceeds from the Bought Deal Financing will be used for exploration and development of the Doris BTD Zone, but can provide an additional cash cushion if needed.

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 three-quarters of the way through the Doris development period and has incurred 70% 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	Incurred
Hope Bay Project development costs	\$ million	\$ million
Direct costs	145	110
Indirect costs	20	13
Capitalized pre-production operating costs	54	33
Hope Bay Project development sub-total	219	156
Collateral for Letters of Credit	26	19
Corporate, exploration, permitting and general expenditures related to the Hope Bay Project	89 ⁽¹⁾	74
Total	334 ⁽²⁾	249

⁽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.

TMAC's Path to Production plan is to produce a high-grade gold ore stockpile on surface at December 31, 2016 that totals 110,700 tonnes with 55,600 ounces of contained gold (at 15.2 g/t) to provide the Processing Plant with significant high-grade feed at start-up, and 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 ore production achieved to June 30, 2016 compared with the expected ore tonnes in the stockpile at June 30, 2016 as per the Path to Production plan.

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

	Three months ended June 30, 2016			Six months ended June 30, 2016		
	Actual	Plan	Variance	Actual	Plan	Variance
Development:						
Tonnes of ore mined	23,000	31,700	(8,700)	35,800	44,900	(9,100)
Tonnes of waste mined	37,400	32,300	5,100	82,800	78,300	4,500
Total tonnes mined	60,400	64,000	(3,600)	118,600	123,200	(4,600)
Metres	1,070	1,199	(129)	2,098	2,290	(192)
Average grade	14.2	8.7	5.5	13.9	11.1	2.8
Contained ounces	10,500	8,900	1,600	16,000	16,000	-

As at June 30, 2016
Actual Plan Variance

Estimated Stockpile: ⁽¹⁾			
Tonnes	56,900	66,000	(9,100)
Average grade g/t	13.9	12.0	1.9
Contained ounces	25,400	25,400	-

⁽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).

EXPLORATION AND DEVELOPMENT BELOW THE DYKE AT DORIS

On June 7, 2016, TMAC announced that high-grade gold had been drill intersected at the Doris BTD Zone during the ongoing underground drill program at Doris. Underground exploration drilling commenced late in the first quarter of 2016 from the underground exploration drift developed during the fourth quarter of 2015 and first quarter of 2016. The exploration drift provided drill platforms necessary to effectively test high potential targets beneath the diabase dyke. Historical drilling that targeted this area has been limited due to few surface drilling platforms available to adequately drill from Doris Mountain, north of the Doris camp infrastructure. The current exploration drive will be used to begin the access ramp.

Completed a Bought Deal Financing of an aggregate of 3,975,000 Common Shares and 2,120,000 Common Shares from RCF, a major shareholder, at a price of \$15.10 per Common Share for gross proceeds of approximately \$92.0 million, of which

approximately \$60.0 million of the gross proceeds were received by the Company and approximately \$32.0 million of the gross proceeds were received by RCF including the over-allotment option exercised by the underwriters (table 3 below).

Table 3: Doris BTB Zone budgeted exploration and development cash outflows for the period from July 19, 2016 to December 31, 2017.

Principal Purpose	2016-2017 \$ million
Exploration and development of the Doris BTB Zone	30.5
Equipment and site infrastructure costs related to exploration and development of the Doris BTB Zone	14.5
General working capital, including diesel fuel	11.5
Total	56.5

STATEMENT OF PROFIT OR LOSS

Net loss and comprehensive loss for the three and six months ended June 30, 2016 were \$1,690,000 and \$1,895,000, respectively, compared with \$2,521,000 and \$4,649,000, respectively, for the three and six months ended June 30, 2015.

CASH AND LIQUIDITY

Cash and cash equivalents totaled \$37,217,000 as at June 30, 2016 compared with \$44,101,000 at December 31, 2015. The decrease in cash and cash equivalents resulted from expenses incurred to advance the development of Hope Bay, partially offset by the proceeds from the Debt Facility drawdown on February 10, 2016 and the Flow-Through Financing of March 18, 2016. Proceeds from the Debt Facility drawdown and Bought Deal Financing in July 2016 have significantly increased TMAC's cash position.

ADDITIONAL MATERIAL

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

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 statements" or "forward-looking information" within the meaning of applicable securities laws that are 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, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date the statements are made including, without limitation, assumptions about; favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Hope Bay Project and pursue planned exploration; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the accuracy of any mineral reserve and mineral resource estimates; the geology of the Hope Bay Project being as described in the prefeasibility study entitled "Technical Report on the Hope Bay Project, Nunavut, Canada", dated May 28, 2016 (effective date of March 31, 2015); the metallurgical characteristics of the Hope Bay Project being suitable for the Processing Plant; the stockpile at the end of 2016 having the characteristics projected in the Path the Production Plan, the successful and timely delivery, installation and operation of the Processing Plant; the successful completion of the Mill Building and tailings impoundment area, production costs; the 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 diesel fuel; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals, licences and permits on favourable terms; obtaining required renewals for existing approvals, licences, permits and Inuit agreements and obtaining all other required approvals, licences, permits and Inuit agreements on favourable terms; sustained labour stability; stability in financial and capital goods markets; availability of equipment; positive relations with the Kitikmeot Inuit Association, NIRB, NWB, and Nunavut Tunngavik Inc. and other local groups and the Company's ability to meet its obligations under its property agreements with such groups; the Company's ability to operate in the harsh northern Canadian climate; and satisfying the terms and conditions of the Debt Facility. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

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 June 30, 2016 \$000s	As at December 31, 2015 \$000s
Assets		
Current assets		
Cash and cash equivalents	37,217	44,101
Amounts receivable	2,524	3,996
Consumables, materials and supplies	20,139	26,486
Prepaid expenses	8,936	2,152
Equipment held for sale	500	500
	69,316	77,235
Non-current assets		
Property, plant and equipment	737,914	649,443
Goodwill	80,600	80,600
Restricted cash	29,141	18,656
Other assets	14,159	28,497
	861,814	777,196
Total assets	931,130	854,431
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	13,561	12,735
Other liabilities	1,110	-
	14,671	12,735
Non-current liabilities		
Debt Facility	63,889	-
Gold Call Options	5,042	2,731
Provision for environmental rehabilitation	24,719	24,719
Deferred tax liabilities	71,220	71,440
	164,870	98,890
Total liabilities	179,541	111,625
Equity		
Share capital	767,294	755,896
Warrants	2,139	2,936
Contributed surplus	7,364	5,989
Accumulated deficit	(25,208)	(22,015)

	751,589	742,806
Total equity and liabilities	931,130	854,431

TMAC RESOURCES INC.
CONDENSED STATEMENT OF PROFIT OR LOSS
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended June 30, 2016 \$000s	Three months ended June 30, 2015 \$000s	Six months ended June 30, 2016 \$000s	Six months ended June 30, 2015 \$000s
General and administrative				
Salaries and wages	1,259	793	2,902	1,294
	786	446	1,362	1,525
Professional and consulting fees	145	251	304	384
Travel	86	99	175	118
Investor relations	146	27	293	55
Depreciation	4	4	8	8
Office, regulatory and general	258	109	496	228
Loss before the following	2,684	1,729	5,540	3,612
Finance income	(157)	(110)	(297)	(230)
Finance expense	167	512	357	1,014
Business development expenses	-	711	-	711
Foreign exchange loss (gain)	180	(128)	(3,313)	(127)
Fair value adjustments	820	-	2,311	-
Other	35	96	61	175
Loss before income taxes for the period	3,729	2,810	4,659	5,155
Deferred income tax expense (recovery)	(741)	(289)	(1,466)	(506)
Net loss and comprehensive loss for the period	2,988	2,521	3,193	4,649
Net loss per share				
Basic & diluted	(\$0.04)	(\$0.05)	(\$0.04)	(\$0.09)
Weighted average number of shares (thousands)				
Basic and diluted	78,591	51,763	78,166	50,522

[TMAC Resources Inc.](#)

CONDENSED STATEMENT OF CASH FLOWS
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended June 30, 2016 \$000s	Three months ended June 30, 2015 \$000s	Six months ended June 30, 2016 \$000s	Six months ended June 30, 2015 \$000s
Net loss for the period	(2,988)	(2,521)	(3,193)	(4,649)
Operating activities				
Adjusted for:				
Share-based payments	786	446	1,362	1,525
Finance income	(157)	(110)	(297)	(230)
Finance expense	167	512	357	1,014
Depreciation	4	4	8	8
Unrealized foreign exchange loss (gain)	180	(140)	(3,313)	(139)
Fair value adjustments	820	-	2,311	-
Deferred income tax expense (recovery)	(741)	(289)	(1,466)	(506)
Increase (decrease) in non-cash operating working capital:				
Amounts receivable	(1,328)	(444)	1,594	(322)
Prepaid expenses	(7,193)	(1,259)	(7,193)	(1,260)
Accounts payable and accrued liabilities	-	1,372	-	792
Operating cash flows before interest and tax	(10,450)	(2,429)	(9,830)	(3,767)
Cash tax paid	-	-	-	-
Cash interest paid	(18)	(373)	(18)	(754)
Cash flows from (used in) operating activities	(10,468)	(2,802)	(9,848)	(4,521)
Investing activities				

Additions to property, plant and equipment	(40,071)	(32,490)	(67,693)	(44,109)
Interest received	166	110	279	230
Restricted cash	-	(650)	(10,485)	(650)
Cash flows from (used in) investing activities	(39,905)	(33,030)	(77,899)	(44,529)
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	-
Warrants exercised	3,872	-	3,872	-
Cash flows from (used in) financing activities	3,872	-	82,296	40,282
Effects of exchange rate changes on cash and cash equivalents	(5)	138	(1,433)	138
Net increase in cash and cash equivalents for the period	(46,506)	(35,694)	(6,884)	(8,630)
Cash and cash equivalents at the beginning of the period	83,723	59,108	44,101	32,044
Cash and cash equivalents at the end of the period	37,217	23,414	37,217	23,414

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