

TMAC to be Acquired by SD GOLD

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- Culmination of comprehensive strategic review process
- Ensures commitment to continued investment and future expansion of Hope Bay

[TMAC Resources Inc.](#) (TSX: TMR) (TMAC; or the Company) is pleased to announce that it has entered into a definitive agreement (the Arrangement Agreement) with Shandong Gold Mining Co. Ltd. (SH:600547; SEHK:1787) (SD GOLD), through its wholly-owned, overseas subsidiary Shandong Gold Mining (HongKong) Co., Limited, pursuant to which SD GOLD has agreed to acquire all of the outstanding shares of TMAC (the Transaction) at a price of C\$1.75 per share (the Offer Price) in cash.

The total equity value pursuant to the Transaction is approximately US\$149 million on a fully diluted basis. The Offer Price represents a premium of 52% to TMAC's 20-day volume-weighted average price as at May 6, 2020.

Resource Capital Funds (RCF), Newmont Corporation (Newmont) and directors and officers of TMAC collectively holding approximately 58.6% of the current outstanding TMAC common shares have entered into voting support agreements to support the Transaction.

Jason Neal, President and Chief Executive Officer of TMAC, stated, The Transaction is the culmination of the strategic review process we announced earlier this year. Over the past several months, SD GOLD has completed a significant due diligence review of TMAC, including a site visit to Hope Bay earlier this year. SD GOLD, as one of the world's largest gold producers, has the financial strength, technical capability and long-term vision to maximize the value of the Hope Bay camp.

Yumin Chen, Chairman of Shandong Gold Group Co., Ltd. (SD GOLD Group), the controlling shareholder of SD GOLD, stated, Hope Bay is a highly prospective high-grade gold camp which requires substantial investment to optimize production and extend mine life and maximize the value of the camp to the benefit of all stakeholders. We look forward to completion of the Transaction and the opportunity to invest in the project for years to come as the generational potential of the camp is unlocked. We have been impressed by TMAC's strong relationships with its local stakeholders and responsible management of environmental and safety aspects of mining, and intend on demonstrating the same commitment as the owner and future developer of Hope Bay's assets. We look forward to working closely with all stakeholders and local communities in Nunavut to deliver a world-class operation that will benefit the regional economy for generations to come.

Stanley Anablak, President of the Kitikmeot Inuit Association (KIA), stated, KIA supports the Hope Bay Project and all of the benefits it has brought and will bring to Kitikmeot Inuit and subject to KIA conducting its own due diligence would be supportive of a sale of TMAC to SD GOLD if KIA determines the proposed sale satisfies KIA's mandate. KIA's mandate is to manage Inuit Owned Lands and resources to protect and promote the social, cultural, political, environmental, and economic well-being of Kitikmeot Inuit.

Transaction Summary

The Transaction will be completed pursuant to a Plan of Arrangement under the Business Corporations Act (Ontario). The Transaction will be subject to the approval of at least 66-2/3% of the votes cast by shareholders at a special meeting of TMAC shareholders expected to be held in June 2020. In addition to shareholder and court approvals, the Transaction is also subject to the receipt of applicable regulatory approvals including,

but not limited to, TSX approval, approval under the Investment Canada Act (Canada), the Competition Act (Canada) and approval by relevant authorities in China, as well as the satisfaction of certain other closing conditions customary in transactions of this nature.

The Arrangement Agreement includes, among other things, a non-solicitation covenant on the part of TMAC (subject to fiduciary out provisions) and a right for SD GOLD to match any competing offer that constitutes a superior proposal. Under certain circumstances, SD GOLD and TMAC would each be entitled to a termination fee equal to US\$12.5 million.

Benefits to Canada

SD GOLD is among the world's largest gold producers by market capitalization, with the financial strength and experience to invest in the Hope Bay camp. SD GOLD is committed to the long-term success of Hope Bay and the local communities in the region. As part of this transaction, SD GOLD plans to:

- Complete the feasibility study with respect to the expansion of Hope Bay mining and processing, following on the prefeasibility study recently completed by TMAC, and be in a position to execute and fund the significant capital expenditure required
- Maintain the significant contracting benefits to those serving Hope Bay, including the continuity of existing significant contract business to local, Inuit-owned firms
- Maintain the flow of royalties, fees and taxes to Inuit and Territorial governments, necessary to provide public services to Nunavut residents
- Continue to grow Inuit employment at Hope Bay
- Continue to invest in skills training for Inuit employees
- Provide ongoing and long-term employment opportunities, including highly skilled jobs, at Hope Bay
- Maintain a commitment to the highest standards of environmental sustainability and to the health and safety of its workers
- Support organizations in the local communities via charitable, social, recreational, and community development programs within Nunavut
- Expand SD GOLD's existing office in Toronto; going forward, this regional office will oversee new project development of SD GOLD in the Americas
- Ensure the continued commercial orientation and standards of corporate governance practiced by TMAC

TMAC Board of Directors Recommendations

The Transaction has been unanimously approved by the board of directors of TMAC following the unanimous recommendation of a special committee of independent directors of TMAC (the "Special Committee"). BMO Capital Markets has provided an opinion to the TMAC board of directors stating that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to the TMAC shareholders pursuant to the Transaction is fair, from a financial point of view, to the TMAC shareholders. CIBC Capital Markets has provided an opinion to the TMAC Special Committee stating that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to the TMAC shareholders pursuant to the Transaction is fair, from a financial point of view, to the TMAC shareholders.

Timing

Full details of the Transaction will be included in TMAC's management information circular, which is expected to be mailed to shareholders in June 2020 with the shareholders meeting expected to take place in June 2020. Shareholders are urged to read the information circular once available, as it will contain additional important information concerning the Transaction. The Arrangement Agreement will also be filed on SEDAR.

TMAC Interim Financing

By way of separate press release, TMAC is also announcing today an equity investment to support the cost of the Company's sealift this year. This equity investment is being made by Shandong Gold Mining

(HongKong) Co., Limited.

To provide TMAC financial flexibility until closing of the Transaction, TMAC has, among other things, also entered into an amendment to its amended and restated credit agreement (the "Credit Agreement") dated July 26, 2017 with Sprott Private Resource Lending (Collector) LP and associated lenders (the "Sprott Lenders"). The Sprott Lenders have agreed to defer all principal and interest payments until closing of the Transaction. Upon closing of the Transaction, SD GOLD will redeem TMAC's debt as per the terms of the Credit Agreement and subsequent amendments.

Advisors and Counsel

BMO Capital Markets and CIBC Capital Markets are acting as financial advisors to TMAC. Cassels Brock & Blackwell LLP is acting as legal counsel to TMAC. Longview Communications & Public Affairs is communications counsel to TMAC.

Scotiabank is acting as financial advisor to SD GOLD Group. McCarthy Tétrault LLP and Jingtian & Gongcheng LLP are acting as legal counsel to SD GOLD Group. Golder Associates is technical advisor to SD GOLD Group. Ernst & Young (China) Advisory Limited is accounting and tax advisor to SD GOLD Group.

ABOUT TMAC RESOURCES INC.

TMAC operates the Hope Bay property located in Nunavut, Canada. The property and operations are remote but not isolated, serviced by both a port and airstrip. Hope Bay is an 80 km by 20 km Archean greenstone belt that has been explored by BHP, Miramar, Newmont and TMAC over a period spanning more than 30 years. In that time, more than \$1.5 billion of expenditures have been spent in exploration and evaluation, surface infrastructure, and mine and process plant development. TMAC began producing gold in early 2017 from Doris, its first mine at Hope Bay, and processed gold at the Doris Plant which originally had nameplate capacity of 1,000 tonnes per day and expanded to 2,000 tonnes per day midway through 2018. There is potential to grow TMAC's established deposits considerably at depth, and then grow resources further through the prioritized exploration of the more than 90 other identified regional targets. TMAC is now permitted to produce from both Madrid and Boston.

ABOUT SD GOLD

Headquartered in Jinan, Shandong province, China, Shandong Gold Mining Co., Ltd. was founded in 2000, listed on the Shanghai Stock Exchange in 2003 and on the Main Board of the Hong Kong Stock Exchange in 2018. SD GOLD has approximately 16,000 employees and produced approximately 1.3 million ounces of gold in 2019. SD GOLD's international assets include its 50% interest in the Veladero mine, with its partner [Barrick Gold Corp.](#), with whom SD GOLD Group entered into a Strategic Cooperation Agreement.

SD GOLD adheres to the safety and environmental protection "double zero" target of zero safety responsibility accidents and zero environmental pollution accidents, and upholds the development concept of "SD GOLD, Eco-mining" to actively promote resource conservation and emission reduction. SD GOLD, and its related subsidiaries, currently have 12 mines that qualify as a "National Grade Green Mine" in China, with a goal to have all mines reach "National Grade Green Mine" status by the end of 2020.

SD GOLD Group directly and indirectly hold in aggregate approximately 47% of the total issued shares of SD GOLD, SD GOLD Group, in turn, is owned by the government of the province of Shandong, China.

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 or comparable terminology, and includes statements with respect to the benefits of the Transaction to TMAC's shareholders and other stakeholders as well as the region and local communities, the anticipated meeting date and mailing date of the TMAC's management information circular in respect of the meeting, timing for completion of the Transaction and receiving the required regulatory and court approvals, the interim financing, deferrals under the Credit Agreement and the incremental NSR payments due before closing of the Transaction, SD GOLD's plans with respect to the Hope Bay camp and the future plans of TMAC and SD GOLD.

Forward-looking information is not a guarantee of future performance and management bases forward-looking statements on a number of estimates and assumptions at the date the statements are made. Although management of TMAC has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. 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 to be materially different from those expressed or implied. See Risk Factors in the Company's Annual Information Form dated March 11, 2019, management's discussion and analysis and other disclosure documents filed on SEDAR at www.sedar.com for a discussion of these risks. Accordingly, readers should not place undue reliance on forward-looking information. TMAC does not intend, and does not assume any obligation, to update this forward-looking information, except as otherwise required by applicable law.

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