



TMAC Announces Credit Agreement Amendment and Provides Update on Operations

TORONTO, March 6, 2020 /Business Wire/ – TMAC Resources Inc. (TSX: TMR) ("**TMAC**" or the "**Company**") announces an amendment to its credit agreement and provides an operational update for the first two months of 2020. All dollar values in this news release are in Canadian dollars, unless otherwise stated.

BALANCE SHEET AND AMENDMENT TO CREDIT AGREEMENT

The Company announced that it was entering into a strategic review process on January 20, 2020, which is expected to be completed in the second quarter. The strategic process was initiated to explore, review and evaluate a broad range of potential alternatives focused on maximizing shareholder value, including a potential sale or merger of the Company, joint venture of the Hope Bay mine, introduction of a new significant strategic shareholder or various long-term financing alternatives. Through the strategic process, the Company is seeking to support ongoing operational improvement, funding for near-term investment and long-term expansion at Hope Bay.

In an effort to allow additional financial flexibility for the strategic review process, the Company has entered into an amendment to its amended and restated credit agreement dated July 26, 2017 (the "**Credit Agreement**") with Sprott Private Resource Lending (Collector), LP and associated lenders (the "**Sprott Lenders**").

The principal and interest payment due April 1, 2020, equal to US\$5.0 million, has been deferred and will be added to the July 1, 2020 scheduled principal and interest payment. The \$10.0 million minimum cash balance covenant has been reduced to US\$0.5 million until June 30, 2020. Other covenants were also deferred to June 30, 2020. The consideration for these amendments is a fee of 1% of the adjusted principal balance that will be paid on July 1, 2020 and an increase in the extension fee from 1% to 2% should TMAC elect to extend the maturity date from December 31, 2020 to June 30, 2021. Subject to the receipt of regulatory approval, as applicable, the repayment fee and extension fee under the facility are payable in cash or shares at the election of the Sprott Lenders.

TMAC ended 2019 with an unrestricted cash balance of \$20.7 million, which reflected previously announced gold production in Q4 2019.

Year to date, the feed grade and recovery performance of the processing plant have been significantly better than Q4 2019; however, we have experienced continued throughput

challenges due to unplanned maintenance issues. The February 29, 2020 unrestricted cash balance was \$15.9 million.

OPERATIONAL UPDATE

January and February 2020 Production Highlights

- Production: 18,950 ounces of gold produced
- Sales: 17,760 ounces of gold sold
- Mining: 1,900 tonnes per day ("**tpd**"), with a grade of 10.2 g/t Au, which includes 650 tpd, with a grade of 7.0 g/t Au from the Madrid North Naartok East crown pillar
- Processing: 990 tpd, with a feed grade of 11.8 g/t Au, and 85% recovery

Year to date 2020, TMAC has realized improvements in the rate of mining, mined and processed grades, recoveries and gold production rates, compared with Q4 2019.

TMAC has seen a higher recovery rate of 85% in the processing plant in December 2019 that has carried forward through January and February 2020. We are seeing good initial results from the scavenger units previously disclosed with the first batch of loaded resins shipped offsite in early February. Year to date 2020, feed grade has averaged 11.8 g/t Au; however, as a result of significant unplanned downtime for maintenance, throughput has averaged 990 tpd. Gold production of 18,950 ounces in the first sixty days of the quarter was achieved despite throughput challenges based on strong grade and recovery. The Company is targeting a return to more typical throughput in March 2020.

Doris underground mine production, including incremental ore, was 1,250 tpd at a grade of 11.9 g/t Au through to the end of February. Production came from the Doris BTD East Limb and Extension zones as well as the Doris Connector area. Ground conditions in the Doris BTD East Limb remained favourable after completion of the rehabilitation work, supporting planned mining rates. We continue surface mining at the Naartok East crown pillar to provide additional flexibility in feeding the processing plant, mining at 650 tpd at a grade of 7.0 g/t Au through the end of February. Mining rates at Doris and Naartok East have exceeded the processing plant throughput and, as a result, primary stockpiles have been built up as at the end of February. The primary stockpile at the end of February totalled 78,000 tonnes, grading 7.7 g/t Au and contained 19,400 ounces, where approximately one-quarter of the tonnes are from Doris while the balance are from Naartok East.

Development advances at the Doris mine have been in line with plan in January but slowed in February. While conducting initial underground delineation diamond drilling in the Doris Central zone in 2020, TMAC encountered groundwater of a high enough pressure and flowrate to warrant suspension of development in this zone and re-evaluation of the development strategy. Geological structural modelling indicates there are several ways water may be entering the mine, including sub-vertical faults and/or historical surface diamond drill holes from Doris Lake. The size and extent of the water bearing structure relative to the orebody is not yet known. Grouting experts are preparing a test grouting program and the Company will perform further probing of the Doris Central zone, once the current inflow of water in this area is mitigated. As a result, development of the Doris Central mining zone is expected to be delayed by at least several months.

TMAC had anticipated Doris Central to represent nearly 15% of its 2020 production, commencing in the second half of the year, and a significant portion of its 2021 production. There is a risk that Doris Central production in 2020 will be significantly less and that 2021 production from Doris Central may also be impacted. TMAC is evaluating opportunities to mitigate any production lost in Doris Central with other areas.

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 processing plant which originally had nameplate capacity of 1,000 tpd and expanded to 2,000 tpd 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.

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.

"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. 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 expressed or implied. Such risks include, without limitation, the timing of the Company's need for additional financing to fund operations, future production, sales, and operating performance, and the duration and impact of the delay in production from the Doris Central zone due to the groundwater issue described under "Operational Update". See "Risk Factors" in the Company's Annual Information Form dated March 11, 2019 filed on SEDAR at www.sedar.com for a discussion of these risks.

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