



TMAC Provides Transaction Update and Notice to Shareholders

TORONTO, January 8, 2021 /Business Wire/ – TMAC Resources Inc. (TSX: TMR) ("**TMAC**" or the "**Company**") is pleased to update the market on its transaction with Agnico Eagle Mines Limited ("**Agnico Eagle**") and provide notice to its shareholders of the hearing scheduled to consider the Agnico Final Order (as defined below).

As announced on January 5, 2021, TMAC and Agnico Eagle agreed that Agnico Eagle will acquire all of the issued and outstanding common shares of TMAC at an all-cash price of C\$2.20 per share (the "**Transaction**"). The Transaction is being effected by way of assignment to Agnico Eagle of the arrangement agreement between TMAC and Shandong Gold Mining Co., Ltd. and its affiliate dated May 8, 2020 (the "**Arrangement Agreement**"). The plan of arrangement contemplated by the Arrangement Agreement was approved by TMAC shareholders on June 26, 2020 and by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") by final order (the "**Final Order**") on June 30, 2020. An application will be made to the Court to amend the Final Order and shareholders are entitled to appear at the hearing scheduled to consider the application on January 20, 2021, at 11:00 a.m. ET by video conference.

Further information concerning the Transaction is set out below and in a Notice to Shareholders being mailed to TMAC shareholders starting today. A copy of the Notice to Shareholders will also be available on TMAC's SEDAR profile and the Transaction website at <https://cassels.com/tmacresources/>.

Overview

On May 8, 2020, TMAC entered into the Arrangement Agreement with Shandong Gold Mining (HongKong) Co., Limited (which subsequently assigned its interest to its affiliate, Streamers Gold Mining Corporation Limited) (collectively, "**Shandong**") and Shandong Gold Mining Co., Ltd. (the "**Shandong Guarantor**" and, together with Shandong, the "**Shandong Parties**") that provided for the acquisition of all of the issued and outstanding common shares of TMAC at a price of C\$1.75 per share. Under an assignment, assumption and novation agreement dated January 4, 2021 among the Shandong Parties, TMAC and Agnico Eagle (the "**Assignment Agreement**"), the Shandong Parties assigned all of their rights and obligations under the Arrangement Agreement to Agnico Eagle, immediately following which TMAC and Agnico Eagle entered into an amending agreement (the "**Amending Agreement**") to provide, among other things, that Agnico Eagle will acquire all of the issued and outstanding common shares of TMAC at a cash price of C\$2.20 per share (the "**Offer Price**").

The total equity value under the Transaction is approximately C\$286.6 million. In addition, in connection with the closing of the Transaction, Agnico Eagle will retire the outstanding debt (including all deferred interest and associated fees) under the Debt Facility (as defined below).

The Offer Price represents a premium of approximately 26% to the offer price of C\$1.75 per TMAC share that was to be paid by Shandong and a premium of approximately 66% to TMAC's 20-day volume-weighted average price as at January 4, 2021.

Resource Capital Funds ("**RCF**"), Newmont Corporation ("**Newmont**"), Shandong and all directors and officers of TMAC, collectively holding approximately 62.3% of the current outstanding TMAC common shares, have entered into agreements with Agnico Eagle that include obligations to, among other matters, cooperate in seeking the Agnico Final Order (as defined below) and not solicit competing transactions or take actions that would interfere with the completion of the Transaction (the "**Support Agreements**"). RCF and Newmont also entered into voting and support agreements in connection with the Arrangement Agreement and were among the TMAC shareholders who voted 97.08% in favour of the arrangement at the special meeting held on June 26, 2020. In addition, since announcement of the Transaction on January 5, 2021, shareholders holding approximately 9.8% of the current outstanding TMAC common shares have provided letters confirming their support of the Transaction. Accordingly, as of the date hereof, TMAC shareholders that collectively hold approximately 72.2% of the current outstanding TMAC common shares have confirmed their support of the Transaction.

Capitalized terms used in this news release but not otherwise defined have the respective meanings given to them in the Arrangement Agreement (as modified by the Amending Agreement).

Transaction Summary

The Transaction will be completed by way of a plan of arrangement under the *Business Corporations Act* (Ontario) ("**OBCA**"). The Transaction is subject to obtaining a variation of the Final Order to approve the substitution of Agnico Eagle as purchaser under the plan of arrangement (such varied final order, the "**Agnico Final Order**"). Subsequent to entering into the Assignment Agreement and the Amending Agreement, on January 6, 2021, the parties received an advance ruling certificate under the *Competition Act* (Canada) satisfying the "Competition Act Clearance" condition in respect of the Transaction.

Agnico Eagle and TMAC have agreed to use their commercially reasonable efforts to complete the Transaction on or before February 8, 2021. However, either Agnico Eagle or TMAC may extend the outside date beyond the February 8, 2021 date contemplated in the Arrangement Agreement (as modified by the Amending Agreement) if necessary in order to obtain *Competition Act* (Canada) clearance or the Agnico Final Order, provided that the outside date may not be extended beyond February 26, 2021. As noted above, the required Competition Act Clearance has since been obtained.

The following additional key amendments were made to the Arrangement Agreement:

- To substitute Agnico Eagle as the purchaser under the Arrangement Agreement (instead of Shandong).
- To delete all references to the Shandong Guarantor.
- To increase the offer price to C\$2.20.
- To remove the condition of closing that the purchaser be able to make a site visit.

- To delete all references to a fee that would have been payable by the purchaser if the Arrangement Agreement was terminated due to a failure to receive the approvals required under the laws of the People's Republic of China and in certain other circumstances that have not arisen.
- To add, as mutual conditions to closing, the requirement to obtain the Agnico Final Order and the *Competition Act* (Canada) clearance.

Court Approval of the Transaction

On June 30, 2020, TMAC obtained the Final Order of the Court under Section 182 of the OBCA approving the arrangement of TMAC with Shandong, as contemplated under the Arrangement Agreement. The Final Order authorized amendments to the Plan of Arrangement with the consent of the parties, subject to the further approval of the Court. In addition, the Arrangement Agreement permitted the assignment and amendment at any time of the Arrangement Agreement with the consent of the parties and does not require further approval of the shareholders.

Accordingly, the arrangement of TMAC with Agnico Eagle (the "**Arrangement**") requires approval by the Court, which will be evidenced by the Agnico Final Order. A copy of the notice of motion to amend the Final Order (the "**Notice of Motion**") can be accessed on the Transaction website at <https://cassels.com/tmacresources/>.

The hearing in respect of the Agnico Final Order is scheduled to take place on January 20, 2021, at 11:00 a.m. ET by videoconference. The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Transaction.

Any TMAC shareholder who wishes to appear or be represented and to present evidence or arguments must serve and file a notice of appearance on the solicitors for TMAC and Agnico Eagle as soon as reasonably practicable, and in any event, by 4:00 p.m. ET on January 18, 2021. Shareholders who wish to participate in or be represented at the Court hearing for the Agnico Final Order should consult their legal advisors as to the necessary requirements.

Copies of the Arrangement Agreement, the Arrangement Circular (which includes the Interim Order as Appendix E) (as defined below), the Amending Agreement (which includes the Plan of Arrangement, as amended by the Amending Agreement, as Schedule A), the Assignment Agreement and other documents and materials that relate to the Transaction, including each of the Fairness Opinions (as defined below), have or will be filed under TMAC's SEDAR profile at <https://sedar.com/> and can be accessed on the Transaction website at <https://cassels.com/tmacresources/>. Copies of the court materials for the Agnico Final Order can be accessed on the Transaction website at <https://cassels.com/tmacresources/>. The summary of each of the Fairness Opinions in this press release is qualified in its entirety by reference to the full text of such fairness opinion, which sets out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with such fairness opinion.

Background to the Arrangement

The following is a summary of the principal events leading up to the announcement of the Transaction on January 5, 2021. Please see the "Background to the Arrangement" section of TMAC's management information circular dated May 28, 2020 (the "**Arrangement Circular**") for a summary of the principal events leading up to the execution and public announcement of the Arrangement Agreement dated May 8, 2020.

Agnico Eagle was involved in the Initial Process (as such term is defined in the Arrangement Circular) and conducted extensive due diligence on TMAC after entering into a confidentiality agreement in October 2018. Agnico Eagle was also involved in the strategic process that resulted in TMAC's transaction with Shandong. Agnico Eagle completed its due diligence but declined to make an offer at that time.

After announcing in October 2020 that it had received notification that the sale to Shandong would undergo a national security review, TMAC accelerated consideration of its contingency plans in the event that the transaction with Shandong could not be completed. This consideration became more focused after Shandong extended the outside date to February 8, 2021 and there was no clear solution to address TMAC's balance sheet challenges and the upcoming maturity of all indebtedness under the Debt Facility Agreement with the Debt Facility Lenders (the "**Debt Facility**") if the transaction with Shandong was not completed.

Given the increasing uncertainty about the transaction with Shandong and the significant financial challenges related to the refinancing of the Debt Facility if the transaction with Shandong was not completed and which would have to be addressed in the first quarter of 2021, TMAC's board of directors (the "**Board**") determined that it was appropriate to reconstitute the committee of independent directors (the "**Special Committee**") that had been formed in January 2020 with a mandate to establish a strategic process and oversee TMAC's financial condition. The Special Committee was reconstituted on November 12, 2020 to consist of Andrew Adams (Chair), Leona Aglukkaq, Thom Boehlert, Alan Pangbourne and Martha Vallance. The Board also approved a revised mandate for the Special Committee which authorized the Special Committee, among other things, to supervise, assist and provide guidance in (i) developing contingency plans and considering the potential strategic alternatives for TMAC that may be available to TMAC in the event the transaction with Shandong could not be completed having regard to the restrictions contained in the Arrangement Agreement; (ii) overseeing TMAC's liquidity and financial management requirements; and (iii) taking such actions as it may consider appropriate in furtherance of the responsibilities in (i) and (ii), and making recommendations to the Board in respect of the foregoing. As permitted under its mandate, the Special Committee retained Stikeman Elliott LLP ("**Stikeman**") as its legal counsel on November 12, 2020. The Special Committee also retained Blair Franklin Capital Partners ("**Blair Franklin**") as its financial advisor as of November 20, 2020. No portion of the fees payable to Blair Franklin is contingent on the completion of any transaction or the conclusions in any advice or opinion to be provided by Blair Franklin.

On December 4, 2020, a financial advisor to Agnico Eagle approached Shandong to establish contact between the two companies and to explore Agnico Eagle's potential involvement. Following initial informal discussions between Shandong, Agnico Eagle and TMAC, on December 8, 2020, Agnico Eagle formally expressed its interest in working with TMAC.

On December 21, 2020, TMAC announced that the Governor in Council had issued an order under the *Investment Canada Act* directing Shandong not to implement the transaction with TMAC. Following this announcement, Agnico Eagle accelerated discussions with TMAC and Shandong with a view to presenting a proposal for the assignment of the rights and obligations of the Shandong Parties under the Arrangement Agreement to Agnico Eagle.

On December 23, 2020, Agnico Eagle delivered a non-binding proposal letter (the "**Proposal Letter**") to TMAC and Shandong which contemplated that Agnico Eagle would acquire all of the issued and outstanding common shares of TMAC at the same price, and on substantially the same terms, set out in the Arrangement Agreement. In addition to setting out proposed terms of the assignment transaction, the Proposal Letter also requested a period of exclusivity through February 8, 2021. As Agnico Eagle had completed its due diligence in connection with the strategic process that resulted in TMAC's transaction with Shandong, the Proposal Letter indicated that Agnico Eagle's interest in acquiring TMAC was not conditional on any further due diligence, although TMAC agreed to facilitate a review of various matters to support the integration of TMAC in connection with the proposed Transaction.

On or around the same time, approaches were made by other interested parties expressing interest in a potential transaction involving TMAC. However these approaches were preliminary and informal, did not involve a discussion of price and were subject to greater execution risk.

On December 26, 2020, the TMAC Board met to consider the Proposal Letter and discuss the approaches by other interested parties, with the financial and legal advisors to TMAC and the Special Committee in attendance. Following extensive discussions, and after receiving financial and legal advice, the Board approved entry into a period of exclusivity with Agnico Eagle and Shandong, conditional on certain modifications to the Proposal Letter, including reducing the term of the exclusivity period to January 15, 2021.

Following numerous calls among the principals and advisors of TMAC, Agnico Eagle and Shandong, Agnico Eagle delivered a revised non-binding proposal letter (the "**Exclusivity Agreement**") to TMAC and Shandong on December 28, 2020, which contained the modifications requested by the Board, including the requested reduction to the exclusivity period.

On December 29, 2020, the Special Committee met to consider the Exclusivity Agreement, with the financial and legal advisors to TMAC and the Special Committee in attendance. Following discussions, and after receiving financial and legal advice, the Special Committee confirmed its support for TMAC entering into the Exclusivity Agreement and it was executed by TMAC and Shandong on December 29, 2020. TMAC commenced negotiations with Agnico Eagle and Shandong in respect of the Transaction following the delivery of the Exclusivity Agreement.

As contemplated in the Exclusivity Agreement, TMAC also entered into a confidentiality agreement with Agnico Eagle and the Shandong Guarantor dated December 30, 2020.

TMAC and Agnico Eagle also commenced negotiations with Newmont and RCF with a view to receiving their support in the event that TMAC, Shandong and Agnico Eagle were able to reach an agreement. Since the consent of TMAC's lenders was required under the Debt Facility Agreement in order for TMAC to enter into the Assignment Agreement and the Amending

Agreement, TMAC and Agnico Eagle also commenced negotiations with the Debt Facility Agent and other lenders to secure such consent.

Following extensive arm's length negotiations on the terms of the Assignment Agreement, the Amending Agreement and the Support Agreements, Agnico Eagle agreed to increase the Offer Price to C\$2.20 per TMAC share, which represents a premium of approximately 26% to the offer price of C\$1.75 per TMAC share that was to be paid under the Arrangement Agreement, and a premium of approximately 66% to TMAC's 20-day volume-weighted average price as at January 4, 2021.

On January 4, 2021, the Special Committee met to review the Assignment Agreement and the Amending Agreement, receive an update on outstanding issues and the path to announcement of the Transaction, and to receive the fairness opinion of Blair Franklin (the "**Blair Franklin Fairness Opinion**"). Blair Franklin provided a presentation to the Special Committee that included an overview of the methodologies and analysis underlying the Blair Franklin Fairness Opinion. At this meeting, Blair Franklin advised the Special Committee that, as of the date of the delivery of such opinion, subject to the assumptions, limitations and qualifications set forth therein, it was of the opinion that the Offer Price to be received by TMAC shareholders is fair, from a financial point of view, to the TMAC shareholders. After discussion and taking into account the best interests of TMAC and the impact of the Transaction on the shareholders and other stakeholders of TMAC, and after consultation with its financial and legal advisors, the Special Committee unanimously determined that the Transaction is in the best interests of TMAC. Accordingly, the Special Committee unanimously recommended that the Board approve the Transaction and TMAC enter into the Assignment Agreement and the Amending Agreement.

A meeting of the Board was held later on January 4, 2021. At this meeting, the Special Committee reported to the Board and confirmed its unanimous recommendation that the Board approve the Transaction. The Board also received the Blair Franklin Fairness Opinion, the fairness opinion of BMO Capital Markets (the "**BMO Fairness Opinion**") and the fairness opinion of CIBC Capital Markets (the "**CIBC Fairness Opinion**", and together with the Blair Franklin Fairness Opinion and the BMO Fairness Opinion, the "**Fairness Opinions**"). At this meeting, each of BMO Capital Markets and CIBC Capital Markets provided a presentation to the Board in respect of the Transaction and advised the Board that, as of the date of its opinion and subject to the assumptions, limitations and qualifications set forth therein, it was of the opinion that the Offer Price to be received by TMAC shareholders under the Transaction is fair, from a financial point of view, to the TMAC shareholders. After discussion and taking into account the best interests of TMAC and the impact of the Transaction on the shareholders and other stakeholders of TMAC, and after consultation with its financial and legal advisors, the Board unanimously determined that the Transaction is in the best interests of TMAC and unanimously approved the Transaction and TMAC entering into the Assignment Agreement and the Amending Agreement.

Following these meetings and the recommendations and determinations of the Special Committee and the Board, counsel to TMAC and management of TMAC finalized the Assignment Agreement, the Amending Agreement and ancillary documents. A fully executed version of the Assignment Agreement was exchanged in escrow and legal counsel to each of the parties confirmed release of the escrow shortly before midnight on January 4, 2021. The fully executed versions of the Amending Agreement, the Sprott Amendment and Assignment Waiver and the Support Agreements were concurrently released from escrow.

A news release announcing the Transaction was jointly issued by TMAC and Agnico Eagle on January 5, 2021 prior to the opening of trading on the Toronto Stock Exchange.

Reasons for the Transaction

The Board and the Special Committee, in unanimously determining that the Transaction is in the best interests of TMAC and approving the Transaction, considered and relied upon a number of factors, including, among others, the following:

- **Increased Consideration.** TMAC shareholders will receive C\$2.20 in cash per common share, which represents a premium of approximately 26% to the offer price of C\$1.75 per TMAC share that TMAC shareholders overwhelmingly approved, and a premium of approximately 66% to TMAC's 20-day volume-weighted average price as at January 4, 2021.
- **Same Time Frame.** By leveraging the Arrangement Agreement, the Transaction is expected to be completed relatively quickly and prior to the February 8, 2021 extended outside date contemplated in the Arrangement Agreement, which TMAC shareholders overwhelmingly approved.
- **Experience and Commitment to Nunavut and Canada.** Agnico Eagle is an established senior Canadian gold mining company that has produced precious metals since 1957 and is uniquely established as a significant and experienced operator in Nunavut, and equally committed to the long-term success of Hope Bay and its stakeholders, including having an excellent track record for community and Indigenous relations and ESG matters.
- **Addresses TMAC's Balance Sheet Challenges.** The Transaction will address TMAC's balance sheet challenges, including the upcoming maturity of the Debt Facility. Refinancing of the Debt Facility would, among other potential adverse outcomes, otherwise risk significant dilution to current shareholders of TMAC.
- **Shareholder Support.** Newmont, RCF and Shandong, as well as all of the directors and officers of TMAC, collectively holding approximately 62.3% of the current outstanding TMAC common shares have entered into the Support Agreements. When aggregated with the holdings of shareholders who provided letters confirming their support of the Transaction since announcement of the Transaction on January 5, 2021, TMAC shareholders that collectively hold approximately 72.2% of the current outstanding TMAC common shares are supportive of the Transaction. RCF and Newmont also entered into voting and support agreements in connection with the Arrangement Agreement and were among the TMAC shareholders who voted 97.08% in favour of the arrangement at the special meeting held on June 26, 2020.
- **Certain Value and Immediate Liquidity.** The form of consideration payable to TMAC shareholders, being all cash, provides certainty of value and immediate liquidity.
- **Limited Conditionality.** The only conditions to completion of the Transaction were receipt of the Agnico Final Order and the *Competition Act* (Canada) clearance and other

customary closing conditions for a transaction of this nature, each of which is expected to be satisfied. As noted above, following the Board's approval of the Transaction, the Competition Act Clearance was obtained.

- **Fairness Opinions.** The Special Committee and the Board have received a fairness opinion from Blair Franklin, who was engaged on a fixed fee basis and agreed to provide its opinion on a long form basis. In addition, the Board has received fairness opinions from BMO Capital Markets and CIBC Capital Markets, respectively. Each of the opinions provides that as of January 4, 2021, the Offer Price to be received by TMAC shareholders under the Transaction is fair, from a financial point of view, to the TMAC shareholders, subject to the assumptions, limitations and qualifications set forth in the opinion.

Important Information for TMAC Shareholders

Shareholders are advised that they need take no further action in order to receive the all-cash Offer Price of C\$2.20 per share. The arrangement was approved by a vote of 97.08% of the votes cast by TMAC shareholders present in person or represented at a shareholders meeting on June 26, 2020 and there will be no further shareholders meeting in connection with the Transaction. Letters of transmittal already sent to or received by the Depositary remain valid and all shareholders will be entitled to receive the increased Offer Price of C\$2.20 per share on the Effective Date upon submission of the letter of transmittal as more fully described in the Arrangement Circular.

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 in this release includes, but is not limited to, statements regarding receipt of the Agnico Final Order and the outcome of the Transaction, including the expected closing date.

“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. See “Risk Factors” in the Company’s Annual Information Form dated May 12, 2020 filed on SEDAR at www.sedar.com for a discussion of these risks.

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