

TORONTO--(BUSINESS WIRE)-- TMAC Resources Inc. (TSX: TMR) ("**TMAC**" or the "**Company**") has signed an amendment to its amended and restated credit agreement entered into on July 26, 2017 (the "**Credit Agreement**") with Sprott Private Resource Lending (Collector), LP and associated lenders (the "**Sprott Lenders**"). The outstanding principal is US\$117 million after repaying an additional US\$8.8 million during the first quarter of 2019. The amendment eliminates all principal payments until April 1, 2020, totalling US\$26 million (approximately C\$35 million). Quarterly principal repayments of US\$2.5 million are scheduled to recommence on April 1, 2020. The remaining principal balance is due on December 31, 2020, with TMAC having an option to extend the term by six months to June 30, 2021.

Jason Neal, TMAC's President and Chief Executive Officer, stated, "These amendments to the Credit Agreement provide additional financial flexibility for the next two years through both significantly reduced principal amortization and easing of covenant restrictions. The cash borrowing cost is slightly reduced, though Sprott achieves equity exposure through repricing of its current warrants. Sprott has been an excellent partner to TMAC through our extended ramp up, and as we transition to optimization we appreciate the endorsement demonstrated through these amendments."

As consideration for the amendment, TMAC agreed to reprice up to 1,900,000 outstanding warrants currently held by the Sprott Lenders that were issued with the signing of the Credit Agreement in 2017. The warrants will be repriced at a 25% premium to the five-day volume weighted share price of TMAC ending April 30, 2019. Subject to the approval of the Toronto Stock Exchange, the repricing of the warrants will become effective on May 14, 2019. An equivalent value in cash may also be paid to one of the warrant holders in lieu of repricing the warrants held by them.

## **AMENDMENTS TO THE CREDIT AGREEMENT**

The amendments to the Credit Agreement include the following terms:

- Eliminate a total of US\$26 million in principal payments previously due in 2019 and the first quarter of 2020.
- Quarterly principal payments for 2020 were reduced to US\$2.5 million per quarter and rescheduled to commence on April 1, 2020, from the previously scheduled US\$6.5 million for April 2020 and July 2020 and US\$5.5 million for October 2020.
- The initial maturity date is changed from July 31, 2020 to December 31, 2020.
- TMAC can prepay the facility in whole in or part on or after September 30, 2020.
- TMAC has the option to extend the term for six months to June 30, 2021 for a 1% extension fee payable on the then outstanding principal balance. Quarterly principal payments of US\$2.5 million would continue during the extended term.
- The coupon of 3-Month US LIBOR + 6.5% is unchanged
- A 2% repayment fee is payable on the outstanding balance at either the initial or extended maturity date, or on any prepayment, which replaces the current 2% anniversary fee due on July 31, 2020 or 2% repayment fee on any prepayments made in advance of July 31, 2020.
- In the event of a change of control transaction, each of TMAC and Sprott have the option to accelerate maturity of the credit facility, which would accelerate the 2% repayment fee.
- The covenant requiring TMAC to provide the Sprott Lenders with a financial model that demonstrates TMAC's ability to repay the full loan from free cash flow and the Doris reserve tail test covenant have been deleted.
- TMAC has reduced restrictions in executing gold and currency hedging transactions up to

25% of forecast production.

The remaining terms of the Credit Agreement are unchanged.

## **ABOUT TMAC RESOURCES INC.**

TMAC Resources operates Hope Bay 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 sunk 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. Hope Bay has 4.8 million ounces of measured and indicated resources at Doris, Madrid and Boston deposits, largely within 350 metres of surface. There is potential to grow these 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 thereof or comparable terminology. Such forward-looking information includes, without limitation, the repricing of certain Warrants and payment of a cash fee in lieu of repricing the remaining Warrants, the returns from the Hope Bay Project being greater than the cost of capital under the Revised Credit Agreement, the timing for bringing Madrid and Boston into production and the ramp up at Doris and anticipated seasonal expenditure.

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 of the Company to be materially different from any 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 March 11, 2019 filed on SEDAR at [www.sedar.com](http://www.sedar.com) for a discussion of these risks.

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