



## TMAC Resources' Guidance for 2017 and Update on Commissioning of Processing Plant at Doris Mine

TORONTO, January 11, 2017 /Business Wire/ – TMAC Resources Inc. (TSX: TMR) (“**TMAC**” or the “**Company**”) is pleased to provide guidance for 2017 and an update on its Hope Bay Project, located in the Kitikmeot region of Nunavut, Canada.

	2017 Guidance
Ore mined (tonnes)	275,000
Average grade mined (grams/tonne)	13
Ore milled (tonnes)	325,000
Gold sold (ounces)	130,000 – 140,000
Cash cost per ounce sold <sup>(2)</sup>	<US\$600
All-in sustaining cost per ounce sold (“ <b>AISC</b> ”) <sup>(2)</sup>	<US\$750
Capital expenditures:	
Sustaining	\$15 million
Pre-production and expansion	\$35 million
Exploration and evaluation	\$22 million

### Notes:

1. CAD/USD exchange of 1.30.
2. Cash cost and AISC per ounce of gold sold are in accordance with the recommendations of the World Gold Council.
3. The Technical Report on the Hope Bay Project, Nunavut, Canada, dated May 28, 2015, detailing the Preliminary Feasibility Study with an effective date of March 31, 2015 (the “**PFS**”) anticipated 136,000 ounces of gold recovered and sold.
4. All dollar amounts are expressed in Canadian dollars unless otherwise specified.

Dr. Catharine Farrow, Chief Executive Officer, stated, “We are pleased with the progress of the Hope Bay Project towards production. Ore is starting to move through the processing plant, tailings pipeline construction is nearing completion, the crushing, grinding, gravity and flotation circuit is largely commissioned and we are working towards final commissioning of the concentrate treatment circuit. We anticipate the production of our first saleable gold in early February. In 2016 our focus was on surface and underground work that more than doubled our lateral development and tonnes of ore and waste mined compared with the Path to Production plan created in 2015. This will enable TMAC to smooth out its production profile as we complete the commissioning of the processing plant, achieve steady state production at 1,000 tonnes per day, and ramp up to 2,000 tonnes per day by 2018, all of which are proceeding well. This will also facilitate a smooth and robust pay-back of our debt commitments through to the end of 2018, which is a focus of TMAC management.” Dr. Farrow went on to say, “TMAC is unique in that we have about 56,500 ounces of gold contained in 121,600 tonnes of

ore stockpiled on surface as we initiate processing. Our people and our contractors have worked tirelessly and our stakeholders are about to be rewarded by their efforts.”

Commissioning of the processing plant is progressing smoothly and TMAC anticipates the first saleable gold to be available in early February and to achieve commercial production of gold in the first quarter of 2017. TMAC’s focus for 2017 remains the orderly, but relatively quick, ramp up of gold production by the processing plant, the ramp up of underground production at Doris from the current single Python’s capacity of approximately 1,000 tonnes per day (“tpd”) to 2,000 tpd by the end of 2017 and the fabrication, delivery and installation of the second Python that will double the processing plant’s capacity. Much of the second Python’s fabrication has been completed with \$13 million incurred to December 31, 2016 and already included in the Path to Production costs.

The pre-production and expansion capital for 2017 include the costs associated with completing and installing the second Python, as well as its related equipment and infrastructure, the construction of additional site bed-space for 80 people, and the development of the Doris North BTD zone as, dependent on further exploration success, Doris North BTD mineralization is anticipated to be a future source of mill feed. Pre-production and expansion capital in 2017 is forecast to be \$35 million and includes a one-time amount of \$8 million to Nunavut Tunngavik Inc., payable in eight equal quarterly instalments, for achieving gold production at Hope Bay. .

The Doris North BTD program planned for 2017 is designed to fulfil three objectives:

1. Provide drilling platforms for additional exploration drilling below the diabase dyke in areas of high potential;
2. Provide proximal drilling platforms to effectively drill the Doris North BTD Extension; and,
3. Provide access to the Doris North BTD East Limb for lateral development;

Sustaining capital expenditures are estimated to be \$15 million and include costs for construction activities in the tailings impoundment area, water discharge, surface equipment, an equipment wash-bay, final installation and commissioning of the last two generators at the power plant and other miscellaneous items.

The 2017 exploration and evaluation activities will focus on reserve and resource expansion and include 16,000 metres of underground drilling at the BTD zone of Doris, 6,500 metres of surface drilling at Naartok and 7,500 metres of surface drilling at Boston.

Working capital for 2017 will include the replenishment of consumables, materials and supplies in the 2017 sealift to support the operations at 2,000 tpd during 2018 and additional letters of credit of \$7.2 million will be issued for security deposits related to Inuit organizations.

Monthly payments under the Credit Agreement will equal 1/22 of the total Debt Facility outstanding as at June 30, 2017 (including any capitalized interest and obligations in relation to the gold call options to

June 30, 2017), and will commence on July 31, 2017 and end on November 30, 2018, with a final payment equal to the remaining amount owed under the Debt Facility due December 31, 2018.

## **Phase 2 of the Hope Bay Project Draft Environmental Impact Statement**

In support of TMAC's proposal to develop and mine the Madrid and Boston deposits (Phase 2 of the Hope Bay Project), the draft Environmental Impact Statement (the "**DEIS**") and associated water licence application was submitted to the Nunavut Impact Review Board (the "**NIRB**") and the Nunavut Water Board (the "**NWB**"), on December 28, 2016. The submission is currently undergoing a conformity review. Once this review is successfully completed the NIRB and NWB will commence formal public review of the documents.

### **Conference Attendance**

*January 18 – 19, 2017*

Catharine Farrow, Chief Executive Officer, will present on Thursday, January 19, 2017 during the Keynote Canadian Mining Lunch at 12:30 pm ET at the TD Securities' 2017 Mining Conference to be held in Toronto, ON, Canada on January 18 – 19, 2017.

*January 25 – 27, 2017*

Ron Gagel, Executive Vice President and Chief Financial Officer, will present at the CIBC 20th Annual Whistler Institutional Investor Conference on Wednesday, January 25, 2017 at 9:00 pm PT as part of the Emerging Producers' Panel to be held in Whistler, BC, Canada.

## **SCIENTIFIC AND TECHNICAL INFORMATION**

Scientific and technical information related to Doris mine development was prepared by, and all other scientific and technical information contained in this document was reviewed and approved by David King, P.Geo., the Vice President, Exploration and Geoscience of TMAC, and Paul Christman, P.Eng., the Manager of Mining of TMAC, each of whom is a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

## **ABOUT TMAC**

TMAC holds a 100% interest in the Hope Bay Project located in Nunavut, Canada. TMAC is a fully financed, emerging gold producer, with the Doris Mine expected to achieve commercial production in the first quarter of 2017. 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. TMAC's shares trade on the Toronto Stock Exchange under the trading symbol TMR.

**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, bringing the Hope Bay Project into production, beginning with the timing of the commissioning of the Processing Plant at Doris and achieving commercial production in early 2017.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management 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 future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. See "Risk Factors" in the Company's AIF dated February 25, 2016 filed on SEDAR at [www.sedar.com](http://www.sedar.com) for a discussion of these risks.

**For further information please contact:****TMAC Resources Inc.**

Catharine Farrow  
Chief Executive Officer  
416-628-0216

Ann Wilkinson  
Vice President, Investor Relations  
416-628-0216  
[www.tmacresources.com](http://www.tmacresources.com)

**Renmark Financial Communications Inc.**

Daniel Gordon: [dgordon@renmarkfinancial.com](mailto:dgordon@renmarkfinancial.com)  
Tel: (416) 644-2020 or (514) 939-3989  
[www.renmarkfinancial.com](http://www.renmarkfinancial.com)

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