



# Press Release

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## Nautilus provides funding update

**Toronto Ontario, January 11, 2018 - Nautilus Minerals Inc. (TSX:NUS, OTC:NUSMF Nasdaq Intl Designation)** (the "**Company**" or "**Nautilus**") announces that it continues to arrange bridge loans from Deep Sea Mining Finance Ltd. (the "**Lender**"), which are expected to form part of a larger secured structured credit facility of up to US\$34 million to be provided by the Lender to the Company.

In conjunction with initial advances under the bridge loans, the Company has issued to the Lender an additional 8,591,065 warrants of the Company (the "**Warrants**"), for a total of 11,812,714 share purchase warrants issued to the Lender to date. Each Warrant entitles the Lender to purchase one common share of the Company at a price of C\$0.17 for a period of five years from the date of issuance of the Warrant.

The bridge loans, which the Company expects to be in the amount of up to US\$7 million, will assist the Company's immediate working capital requirements and facilitate payments required to continue the development of the Company's seafloor production system to be first utilized at the Company's Solwara 1 Project. The loans bear interest at 8% per annum, payable bi-annually in arrears with a one year maturity date.

The Company will be entitled to pre-pay each loan prior to maturity, by paying 108% of the outstanding principal of the loan plus accrued and unpaid interest. Each loan will be represented by a promissory note and will initially be secured against the assets of the Company through a general security agreement. The Lender may subsequently require the loan to be guaranteed by the Company's material operating subsidiaries and secured against the assets of such subsidiaries.

There can be no assurance that the Company will be successful in concluding the larger credit facility transaction or that any further funding will be secured by the Company.

As previously disclosed, the Lender is a private company owned 50% by each of: (i) USM Finance Ltd, a wholly owned subsidiary of USM Holdings Ltd, an affiliate of Metalloinvest Holding (Cyprus) Limited; and (ii) Mawarid Offshore Mining Ltd., a wholly-owned subsidiary of MB Holding Company LLC. As the Lender is controlled by two insiders of the Company, the Lender is a "related party" of the Company and the loan transaction constitutes a "related party transaction" of the Company under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The transactions comprising the bridge loans and the Warrants will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

The Company did not file a material change report more than 21 days before the expected closing of this transaction, as the details of the transaction were not finalized until immediately prior to the closing and the Company wished to close the transaction as soon as practicable for sound business reasons.

The Company requires significant additional funding in order to complete the build and deployment of the seafloor production system to be utilized at the Solwara 1 Project by the Company and its joint venture partner (as to 15%), the Independent State of Papua New Guinea's nominee.

There can be no assurances that the Company will be successful in securing the necessary additional financing transactions within the required time or at all. Failure to secure the necessary financing may result in the Company undergoing various transactions including, without limitation, asset sales, joint ventures and capital restructurings.

The Company will provide further updates as circumstances warrant.

## Links

[http://www.nautilusminerals.com/irm/PDF/1950\\_0/Nautilusarrangesbridgeloansandsignsnewfundingmandate](http://www.nautilusminerals.com/irm/PDF/1950_0/Nautilusarrangesbridgeloansandsignsnewfundingmandate)

For more information please refer to [www.nautilusminerals.com](http://www.nautilusminerals.com) or contact:

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**The TSX does not accept responsibility for the adequacy or accuracy of this press release.**

Certain of the statements made in this news release may contain forward-looking information within the meaning of applicable securities laws, including statements with respect to the Company's funding requirements, expectations to receive additional bridge loans and enter into a credit facility, and the continued development of the Solwara 1 Project. We have made numerous assumptions about such statements, including assumptions relating to the Company's funding requirements, project funding, and completion and operation of the Company's seafloor production system. Even though our management believes the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that they will prove to be accurate. Forward-looking information by its nature involves known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information. Please refer to our most recently filed Annual Information Form in respect of material assumptions and risks related to the prospects of extracting minerals from the seafloor and other risks relating to the Company's business and plans for development of the Solwara 1 Project. Risks related to continuing the Company's operations and advancing the development of the Solwara 1 Project include the risk that the Company will be unable to obtain at all or on acceptable terms, and within the timeframes required, the remaining financings necessary to fund completion of the build, testing and deployment of the Company's seafloor production system and that agreements with third party contractors for building slots within certain timeframes are not secured as required. As the Company has not completed an economic study in respect of the Solwara 1 Project, there can be no assurance that the Company's production plans will, if fully funded and implemented, successfully demonstrate that seafloor resource production is commercially viable. Except as required by law, we do not expect to update forward-looking statements and information as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada.

### **About Nautilus Minerals Inc.**

Nautilus is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits. Nautilus was granted the first mining lease for such deposits at the prospect known as Solwara 1, in the territorial waters of Papua New Guinea, where it is aiming to produce copper, gold and silver. The Company has also been granted its environmental permit for this site.

Nautilus also holds highly prospective exploration acreage in the western Pacific (granted and under application), as well as in international waters in the Central Pacific.

A Canadian registered company, Nautilus is listed on the TSX:NUS stock exchange and is also a member of the Nasdaq International Designation program. Its corporate office is in Brisbane, Australia. Its major shareholders include MB Holding Company LLC, an Oman based group with interests in mining, oil & gas, which holds a 29.3% interest and Metalloinvest, the largest iron ore producer in Europe and the CIS, which has a 18.5% holding (each on a non-diluted basis, excluding loan shares outstanding under the Company's share loan plan).