

# Press Release

Number 2018 – 36

## Nautilus receives additional loan under secured loan facility

**Vancouver, British Columbia, October 16, 2018** - Nautilus Minerals Inc. (TSX:NUS, OTC:NUSMF Nasdaq Intl Designation) (the "Company" or "Nautilus") announces that the Company has received a loan from Deep Sea Mining Finance Ltd. (the "Lender") in the principal amount of US\$770,000 under the previously announced loan agreement (the "Loan Agreement") between the Company, two of its subsidiaries and the Lender which provides for a secured structured credit facility of up to US\$34 million.

Pursuant to the Loan Agreement, the Company has issued to the Lender an additional 3,307,560 warrants of the Company in connection with the US\$770,000 loan. Each such 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.

To date the Company has issued a total of 68,492,264 share purchase warrants to the Lender in connection with loans totaling US\$15,945,000. Pursuant to the Loan Agreement, share purchase warrants are issued on the basis of one warrant for each US\$0.2328 of principal amount of loan advanced.

The Company may draw loans under the Loan Agreement on a monthly basis, which shall bear interest at 8% per annum, payable bi-annually in arrears. Advances of loans are subject to, among other things, the Lender's ongoing review and approval of the Company's monthly operational budget. All loans have a maturity date of January 8, 2019. The Company will be entitled to pre-pay, in whole but not in part, the loans at any time prior to maturity, by paying 108% of the outstanding principal of the loans plus accrued and unpaid interest.

The loans are being provided to fund the Company's working capital requirements and enable the Company to continue the advancement of the Solwara 1 Project while the Company seeks, with the assistance of its financial advisors, the remaining project financing of up to approximately US\$350 million required to complete the development of the Solwara 1 Project.

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 indirectly controlled by affiliates of the Company's two largest shareholders, 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 loans and the share purchase warrants are 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 issuance by the Company of the maximum number of warrants under the Loan Agreement, and the C\$0.17 exercise price of such warrants, received the requisite disinterested shareholder approvals at the Company's annual general meeting held on June 25, 2018 as required by the Toronto Stock Exchange.

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

Investor Relations  
Nautilus Minerals Inc. (Toronto)  
Email: investor@nautilusminerals.com  
Tel: +1 416 551 1100

**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 loans under the Loan Agreement, 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; that the Company will be unable to satisfy the conditions to receiving additional loans under the Loan Agreement; that the Company will be unable to rectify or arrange for the rectification of the previously disclosed default and rescission under the shipbuilding contract for the construction of the production support vessel (the "PSV"); that the Company will be unable to arrange for the charter of the PSV from the owner of the PSV; and that agreements with third party contractors for building slots within certain timeframes are not secured as required. As the Company has not completed a prefeasibility study or feasibility 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 30.4% interest and Metalloinvest, the largest iron ore producer in Europe and the CIS, which has a 19.2% holding (each on a non-diluted basis, excluding loan shares outstanding under the Company's share loan plan).