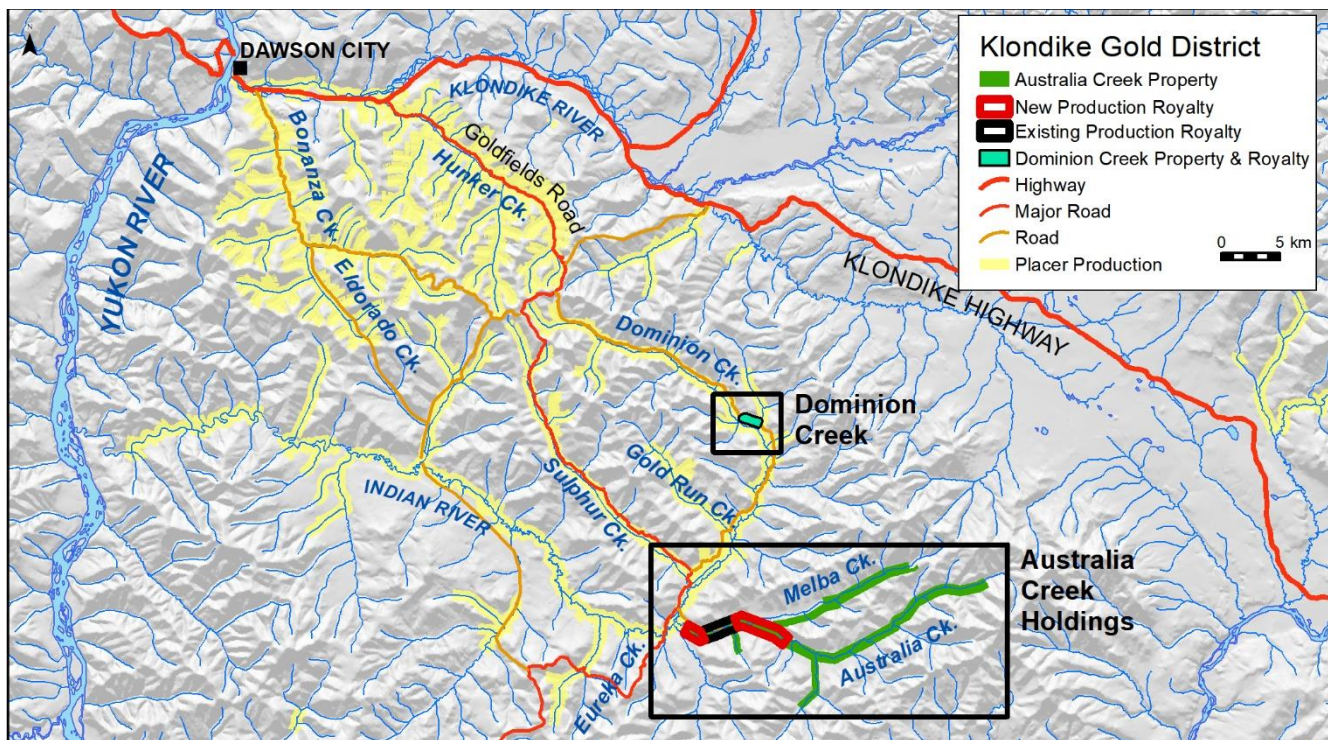


## Metallic Minerals Signs New Production Royalty Agreement on Two Additional Areas on its Australia Creek Holdings within the Klondike Gold District

October 3, 2018, Vancouver, B.C., Metallic Minerals Corp. (TSX-V: MMG; US OTC: MMNGF) (“Metallic” or the “Company”) announces that it has entered into a production royalty agreement covering a total of four additional miles of valley bottom and bench alluvial claims in two blocks of its Australia Creek property. The Company has granted exclusive mining rights to an experienced alluvial mining operator in exchange for a 10% royalty on all gold production. The property is road accessible and permitted for large-scale alluvial gold production. The operator mobilized mining equipment to the site and has been conducting exploration work including drilling and bulk sample test pit development, which has confirmed the presence of significant alluvial gold.

Metallic Minerals now has approximately 6 miles out of its 26 miles of holdings on Australia Creek under production royalty agreements with an additional mile of its Dominion Creek claims also under agreement. The Company has received royalties from test mining activities carried out in both 2017 and 2018 and will receive annual advanced minimum royalties on the properties once they begin full commercial operations.

Figure 1: Klondike Gold District Properties



Australia Creek is part of the historic Klondike gold district that is estimated to have produced over 20 million ounces of gold since its discovery. Australia Creek and its benches are now recognized by Yukon Geological Survey as an eastern continuation of the highly productive Indian River drainage, which is the largest placer gold producing area in the Yukon. Mining on the Indian River began in the late 1970s and has produced more than 40% of all placer production in the Yukon through 2015. With the expansion of larger-scale, open-pit operations, alluvial production on the Indian River has doubled since 2010<sup>1</sup>.

Despite extensive mining activity nearby, Australia Creek itself was never historically mined due to its importance as a source of water and hydro-electric power for supporting the very large scale, floating dredge operations that were being conducted in the area by Yukon Consolidated Gold Company (YCGC) which operated in the Klondike Region between 1920s and 1960s. The dams on Australia Creek have been removed with only the historic diversion channels now remaining. YCGC did limited exploration churn drilling at the mouth of Australia Creek, but no further exploration up the drainage. The mouth area is being actively mined at present and auger drill holes on Lower Australia Creek have returned values in the gravels similar to other parts of the Indian River, with initial test pits in 2015 to 2018 confirming the presence of alluvial gold.

<sup>1</sup>Yukon Geological Survey (“YGS”) Yukon Placer Mining Industry Report 2010-2014

Over the past five months, Metallic has completed exploration work within the broader Australia Creek drainage that has converted approximately 22 miles of placer leases into claims building on the Company's substantial holdings in the district. The Company received a Yukon Mining Exploration Program (YMEP) grant for exploration and alluvial testing and initiated a program of ground resistivity geophysics, auger drilling and bulk sampling to characterize the potential for alluvial production on less explored parts of the drainage.

Metallic has initiated alluvial mine permit applications on the northern Melba Creek drainage of Australia Creek, as well as an additional five miles of the middle Australia Creek drainage, along with a further three-mile-long tributary on the southern side of middle Australia Creek. The Company is currently in discussions with additional experienced operators on further production royalty agreements on these highly prospective areas.

Greg Johnson, CEO and Chairman of Metallic Minerals, noted, "We are very pleased to have signed production royalty agreements on two additional blocks of our Australia Creek holdings. The Indian River drainage is one of the most productive alluvial gold producers in the Yukon and the Australia Creek drainage system is one of the only large-scale drainages to the Indian River that remains virtually unmined in the prolific Klondike Gold District. We are pleased to have attracted another high-quality operator on these two blocks of the lower Australia Creek drainage. Metallic is currently in discussions with other potential operators for additional production royalty agreements on further blocks from the Company's large Australia Creek land package, as well as our other holdings. The Company receives on-going royalty payments from test mining activities as the properties progress into full production. We see the opportunity to build a substantial gold production royalty business in the Klondike Gold District over time as an attractive business complement to our focus as one of the leading high-grade silver explorers in the Yukon."

### **About Metallic Minerals Corp.**

Metallic Minerals Corp. is a growth-stage exploration company focused on the acquisition and development of high-grade silver and gold in the Yukon within under-explored districts with potential to produce top-tier assets. Our objective is to create value through a disciplined, systematic approach to exploration, reducing investment risk and maximizing probability of long-term success. Our core Keno Silver Project is located in the historic Keno Hill Silver District of Canada's Yukon Territory, a region which has produced over 200 million ounces of silver and currently hosts one of the world's highest-grade silver resources. The Company's McKay Hill Project, northeast of Keno Hill, is a high-grade historic silver-gold producer. Metallic Minerals is also building a portfolio of gold royalties in the Klondike Gold District. Metallic Minerals is led by a team with a track record of discovery and exploration success, including large scale development, permitting and project financing.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Website: [www.metallic-minerals.com](http://www.metallic-minerals.com)

Email: [chris.ackerman@metallic-minerals.com](mailto:chris.ackerman@metallic-minerals.com)

Phone: 604-629-7800

Toll Free: 1-888-570-4420

### **Qualified Person**

Scott Petsel, P.Geol, Vice President, Exploration and an employee of Metallic Minerals Corp., is a Qualified Person as defined by National Instrument 43-101. Mr. Petsel has reviewed the scientific and technical information in this news release and approves the disclosure contained herein. Mr. Petsel has reviewed the results of the sampling program and confirmed that all procedures, protocols and methodologies used in the drill program conform to industry standards.

### **Forward-Looking Statements**

*Forward Looking Statements: This news release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts including, without limitation, statements regarding potential mineralization, historic production, estimation of mineral resources, the realization of mineral resource estimates, interpretation of prior exploration and potential exploration results, the timing and success of exploration activities generally, the timing and results of future resource estimates, permitting time lines, metal prices and currency exchange rates, availability of capital, government regulation of exploration operations, environmental risks, reclamation, title, and future plans and objectives of the company are forward-looking statements that involve various risks and uncertainties. Although Metallic Minerals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, unsuccessful*

exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, risks associated with regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same, and other exploration or other risks detailed herein and from time to time in the filings made by the companies with securities regulators. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral exploration and development of mines is an inherently risky business. Accordingly, the actual events may differ materially from those projected in the forward-looking statements. For more information on Metallic Minerals and the risks and challenges of their businesses, investors should review their annual filings that are available at [www.sedar.com](http://www.sedar.com).

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