TORONTO, ONTARIO--(Marketwired - Apr 26, 2016) - Buffalo Coal Corp. (TSX:BUF)(JSE:BUC) ("Buffalo" or "the Company") announced today that it has completed certain shares for debt arrangements with two of its creditors, STA Coal Mining Company Proprietary Limited ("STA") and Resource Capital Fund V L.P. ("RCF").

The Company issued 6,136,353 common shares of the Company ("Common Shares") to STA, at a deemed issuance price of $0.05 per Common Share, in settlement of approximately $307,000 of contract mining fees payable to STA by a subsidiary of the Company in respect of the five month period ended March 31, 2016. The Common Shares were issued in accordance with the terms and conditions of an equity settlement agreement dated October 28, 2015 between the Company, STA and certain other parties.

The Company also issued an aggregate of 57,000,240 Common Shares to RCF, at a deemed issuance price of $0.05 per Common Share, in settlement of an aggregate of $2.85 million of interest payable to RCF pursuant to a convertible credit facility between the Company and RCF dated December 2, 2015 (the "RCF Facility"). The Common Shares were issued in two tranches as follows: 14,990,400 Common Shares effective January 14, 2016 (in respect of interest payable to RCF for the three month period ended December 31, 2015) and 42,009,840 Common Shares effective April 6, 2016 (in respect of interest payable to RCF for the three month period ended March 31, 2016). The Common Shares issued to RCF are subject to certain resale restrictions under applicable United State securities laws. RCF is an insider of the Corporation (holding approximately 88.7% prior to the completion of arrangements described herein and 89.0% following completion of the arrangements described herein). The RCF Facility, including the settlement of interest through the issuance of Common Shares, was previously approved by the shareholders of the Corporation at a meeting of shareholders held on June 19, 2015.

About Buffalo

Buffalo is a coal producer in southern Africa. It holds a majority interest in two operating mines through its 100% interest in Buffalo Coal Dundee, a South African company which has a 70% interest in Zinoju. Zinoju holds a 100% interest in the Magdalena bituminous mine and the Aviemore anthracite mine in South Africa. Buffalo has an experienced coal-focused management team.

Cautionary Notes:

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Buffalo to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, foreign operations, political and social uncertainties; a history of operating losses; delay or failure to receive board or regulatory approvals; timing and availability of external financing on acceptable terms; not realizing on the potential benefits of the proposed transaction; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of mineral products; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and, delays in obtaining governmental approvals or required financing or in the completion of activities. Although Buffalo has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Buffalo does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the Toronto Venture Exchange, nor its regulation services provider (as that term is defined in the policies of the exchange), accepts responsibility for the adequacy or accuracy of this release.

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