

# Alphamin Secures US\$80 Million Credit Facility for the Construction of the Bisie Tin Mine/ Announces Equity Financing

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GRAND BAIE, Mauritius, Nov. 13, 2017 (GLOBE NEWSWIRE) -- [Alphamin Resources Corp.](#) (TSX-V:AFM) (&ldquo;Alphamin&rdquo; or &ldquo;the Company&rdquo;) has secured a credit facility of US\$80 million from a syndicate of lenders for the construction of the Bisie Tin Mine (&ldquo;the ABM project&rdquo;) in the North Kivu Province of the Democratic Republic of the Congo. The ABM project, which is likely to become one of the most significant tin mines in the world, is expected to begin production in early 2019 with steady state production expected towards the end of the same year.

- Project debt funding now secured with credit agreement signed with a syndicate of lenders for an US\$80 million
- Commitments received for 55 percent of the remaining total equity funding required to complete construction and
- Construction of the ABM project progressing well with the box cut for the underground portal now complete and t
- Project commissioning scheduled to commence early in 2019 and achieve steady state production before the en

A definitive credit agreement has been signed by Alphamin with Sprott Private Resource Lending (Collector), LP (&ldquo;Sprott&rdquo;), Barak Fund SPC Limited (&ldquo;Barak&rdquo;) and Tremont Master Holdings (&ldquo;Tremont&rdquo;) (collectively, the &ldquo;lenders&rdquo;) in respect of an US\$80 million senior secured, non-revolving, term credit facility (the &ldquo;credit facility&rdquo;) to be provided to Alphamin&rsquo;s 80.75 percent subsidiary, Alphamin Bisie Mining S.A. (&ldquo;ABM&rdquo;), as borrower, for the continued development of the ABM project.

&ldquo;We are very pleased that Sprott and Barak have committed to partner with our existing major shareholder, Tremont, to provide the debt financing needed for the ABM project, as a step in drawing the fund-raising process towards a close and delivering on our commitment to stakeholders to bring the ABM project into production,&rdquo; said Boris Kamstra, CEO of Alphamin. &ldquo;The ABM project is advancing and our team has made excellent progress in the construction of the mine and associated infrastructure. The completion of the box cut for the underground portal of the mine is another key risk mitigating milestone for the project. We&rsquo;ve also received commitments for the majority of the remaining equity funding requirement, so we are excited to move this forward with everyone involved.&rdquo;

To date, Alphamin has secured in excess of 80 percent of the remaining financing needed for the ABM project, which includes this US\$80 million credit facility, US\$13.7 million commitment from the Industrial Development Corporation of South Africa Ltd (&ldquo;IDC&rdquo;), and US\$24.7 million commitment from Tremont. As a result, Alphamin will now focus on raising the final US\$31.4 million of equity to complete the ABM project.

## Credit Facility Terms

The credit facility provides for an initial advance of US\$10 million, which is available upon fulfilment of initial conditions precedent pertaining to *inter alia* delivery and execution of security and statutory documents, which conditions are expected to be fulfilled shortly after signing. The balance of US\$70 million will become available following the satisfaction of certain subsequent conditions precedent, including, *inter alia*, the Company completing an equity financing of a minimum of US\$50 million net of associated costs (&ldquo;equity financing&rdquo;) (of which US\$24.7 has been committed by Tremont as its participation pro-rata to current ownership).

The key terms of the credit facility are:

- US\$80 million senior secured, non-revolving term credit facility
- Available, subject to fulfilment of conditions precedent, for an 18-month period following the initial advance date
- Five-year term commencing on the initial advance date
- Coupon of 14 percent plus the greater of US dollar 3-month LIBOR and 1 percent per annum
- Interest to be capitalized until the earlier of achievement of commercial production and 24 months following the initial advance date, repayable monthly thereafter
- No principal repayments until 31 March 2020, with repayments thereafter in 11 equal quarterly instalments
- Cash sweep of 30 percent of excess cash flow with effect from 30 April 2020
- Work fee of 2.9 percent payable as to 50 percent upon the initial advance and the balance upon the first subsequent advance
- Bonus shares of US\$1.77 million to be issued upon the later of the initial advance and completion of the equity financing and US\$2.23 million to be issued pro rata on subsequent advances
- Termination payment in certain circumstances, not to exceed value of work fee and bonus shares not previously paid

The credit facility is subject to the final acceptance of the TSX Venture Exchange and credit documentation will not be effective unless and until such acceptance has been obtained. All shares of the Company issued to the lenders in connection with the credit facility will be subject to a 4-month hold period in accordance with applicable Canadian securities laws.

All advances under the credit facility are subject to the satisfaction of a number of conditions precedent and there can be no assurance that the Company will satisfy these conditions.

A full copy of the credit agreement will be filed and available for viewing and download on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### The ABM Project

“Alphamin is focused on unlocking one of the richest tin deposits in the world and, as a result, the entire North Kivu region of the DRC. This is a very rare opportunity where you have both the potential for an extraordinary financial return in a particular project and a host of developmental returns in the surrounding region and in the country in particular,” says Kamstra.

Future tin supply is globally uncertain as tin inventories are running low and economically viable tin reserves are being depleted. The International Tin Research Institute (“ITRI”) has forecast that there is likely to be a global shortfall of tin commencing in 2018.

“We believe that we have a world-class tin deposit that is managed by an experienced team and is supported by well capitalised investors who are astute industry specialists,” continues Kamstra, “and the ABM project provides the ideal foundation to build a premier tin producer.”

Alphamin is expected to deliver a significant return to investors through the full range of expected tin prices. Under the Control Budget Estimate (“CBE”) completed in February 2017, the net present value (“NPV”) of the ABM project amounts to US\$402.2 million and the real, after tax internal rate of return (“IRR”) is 49.1 percent. The CBE is based on a long term, real tin price of US\$21 400 per tonne, whilst ITRI is predicting a long run equilibrium price of US\$ 25,000 per tonne.

#### Project Construction Update

Considerable progress on the construction of the ABM project has already been made to-date. The box cut for the underground portal of the mine has been completed and the decline has already progressed 50m underground into hard rock. The first production at the mine is expected early in 2019 and the mine is expected to reach steady state production towards the end of 2019.

Additional project construction milestones achieved to-date include opening the access road between the Walikale – Kisangani road and Bisie which has enabled trucks to make regular deliveries of material and equipment to Bisie using this road as well as the construction and inauguration of the Lukaa school near Logu.

### Positive Impact for Region

The ABM project is the manifestation of what conflict mineral legislation aimed to achieve. Responsible procurement is the order of the day and the normal way of working at the ABM project. Currently, the ABM project is the largest local employer in the region and is continuing to add value to the area through job creation, construction, connectivity and development of economic infrastructure. The ABM project has been a catalyst for regional economic growth and holds more positive promise for years to come, and Alphamin is committed to contributing to the stability and economic activity in North Kivu.

### Overall Financing Update

The ABM project has a peak funding requirement of US\$172.1 million, including a total contingency of US\$23m (US\$8m previously). To date, US\$140.7 million has been raised and committed, covering in excess of 80 percent of the total peak funding requirement.

Application of Funds	US\$m	Source of Funds	US\$m
Project peak funding requirement	172.1	Equity financing July 2017	22.3
		Credit facility	80.0
		IDC equity commitment received	13.7
		Tremont equity commitment received	24.7
		Final equity raise requirement	31.4
<b>Total</b>	<b>172.1</b>	<b>Total</b>	<b>172.1</b>

### Equity Financing

Following on from the equity fundraising of US\$22.3 million completed in July 2017, the commitment from the IDC to invest US\$13.7 million in the ABM project as equity pro-rata to its shareholding, and the successful conclusion of the aforementioned US\$80 million credit facility, Alphamin is now commencing the raising of the final equity required to complete the ABM project. Alphamin intends to raise up to US\$56.1 million in the planned equity financing, with Tremont committing to participate in the amount of US\$24.7 million. This final equity raise is in progress, and is expected to close before year-end. Pricing and other offering terms will be announced by subsequent press release as soon as determined. The equity financing is subject to regulatory approval.

### Bridge Loan

To enable the ABM project to continue on its critical path development timeline without interruption, Alphamin has secured a US\$5.7 million bridge loan from Tremont. This again signifies the confidence in the project's future from one of its key stakeholders. The bridge loan is unsecured and repayable from the proceeds of the next equity financing by ABM no later than 31 January 2018. The bridge loan bears interest at a rate of 1% per month capitalized monthly and payable upon repayment of the loan. A 2.9 percent drawdown fee is also payable in connection with the bridge loan, subject to all necessary regulatory approvals.

### Related Party Transactions

Tremont owns 44.1 percent of the outstanding common shares of Alphamin. As a result of the participation in the credit facility, and the bridge loan provided by Tremont, the credit facility and bridge loan are both considered to be "related party transactions" under TSX Venture Exchange Policy 5.9 *Protection of*

The transactions are however, both exempt from the formal valuation and minority approval requirements of Policy 5.9 as neither the fair market value of the subject matter of, nor the consideration for each transaction, insofar as they involve Tremont, exceeded 25 percent of Alphamin's market capitalization at the relevant time. The participation of Tremont as a lender in the credit facility and the making of the bridge loan were not finalized until shortly prior to the execution of the credit facility. Alphamin wished to secure the bridge loan and credit facility as soon as possible and therefore could not publicly disclose details of the nature and extent of Tremont's participation in the credit facility and bridge loan at least 21 days in advance.

### Qualified Person

Gordon Mark Cresswell, (PrEng MSc, FSAIMM, MIMMM, ARSM), a Minerals Processing Consulting Engineer of DRA Projects, an independent EPCM consulting company to Alphamin, and a Qualified Person

as defined in National Instrument 43-101 *Standards of Disclosure of Mineral Projects* has reviewed and approved the scientific and technical information contained in this news release.

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Further information, videos and photographs of the ABM project's progress are available on the [Alphamin Resources Corp.](http://www.alphaminresources.com) website at [www.alphaminresources.com](http://www.alphaminresources.com)

EDITORS NOTES:

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ISSUED ON BEHALF OF THE BOARD OF DIRECTORS OF [Alphamin Resources Corp.](http://www.alphaminresources.com) BY:  
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MORE INFORMATION ON [Alphamin Resources Corp.](http://www.alphaminresources.com):

Alphamin is a tin exploration and development company with the vision to be respected in the international tin sector by unleashing the full profit and potential of its world-class tin asset in North Kivu, DRC currently under development.

Alphamin has the vision to become a premier tin producer by:

- Leading a world-class, profitable mining company in North Kivu, delivering results for the benefit of all stakeholders and viewed with respect by the communities and Government.
- Becoming a profitable tin producer, while continuing with exploration to increase life of mine. ABM intends to operate a profitable tin mine in a safe environment and uplifting the local community. Alphamin is striving to develop the first, low-cost per tonne tin, commercial mine in North Kivu, while at the same time making a marked, positive impact on the communities surrounding the mine. We intend to be a tin mining company that excels at the production of tin and provides leadership for the region in terms of safety, health, environment and community development.
- Delivering on the commitment to develop the first large, commercial tin mine in that part of the country - giving Alphamin credibility locally and abroad – and becoming a business transformation reference in the tin mining industry.
- Creating value for both shareholders and the community.
- Committing, from the date of production, to spend 4 percent of its in-country operating and administrative expenses on community development. This investment will be governed with representative input from local communities and managed by the Lowa Alliance, a GDRC-regulated not-for-profit foundation. Alphamin will continue to preserve its legal rights to develop the ABM project and explore ways to assist artisanal miners to transition from illegal to legal status, conflict-free sites elsewhere in the region.

- Implementing community projects, supported by the alliance, being selected following an in-depth survey of the 13 500 households (approximately 80 000 residents) across the 44 communities closest to Bisie. Representative committees will prioritise a range of projects to promote social and economic development to which they, local authorities and potentially external donors, will also contribute. These projects would provide incentives for income beyond illegal artisanal mining while also providing educational and health infrastructure and services like potable water, malaria reduction and treatment and primary health care capacity building.

## CONFLICT FREE TIN

Through the initiatives of the global tin industry regarding the trade of conflict minerals in the Great Lakes Region, burden of proof falls primarily on supply chain operators and exporters to prove the direct source of the tin concentrate produced for smelting. That material which is not traceable to its direct source is at risk of being unsaleable or heavily discounted in the open market, since global smelters are under increasing pressure to assure certification and chain of custody to their customers. The ABM project will supply conflict-free tin from eastern DRC and will be the manifestation of what conflict mineral advocacy and legislation aimed to achieve.

Alphamin's conflict-free tin concentrate and social initiatives should therefore be of interest to international trading and smelting companies and multinational brands which use tin in their products, including laptops, mobile and smart phones and cars. The complexities of certifying tin concentrates as conflict free also make the product less appealing to armed groups and so reduces the risk of threats to the mine or transporters with the intention to forcefully gain occupation of the mine site or appropriate final product.

Alphamin is a member of the Conflict-Free Sourcing Initiative, a global end-user grouping of companies who develop conflict-free certification standards and protocols, and is also a member of the International Tin Research Institute which is involved in global conflict-free sourcing initiatives.

## COMMUNITY DEVELOPMENT

The ABM project is planned to deliver on the commitment to develop the first large commercial tin mine in the eastern DRC that will produce conflict-free tin concentrate, while promoting community development, safety, health and environmentally sound practices. Alphamin, therefore has a robust and proactive programme of community outreach and engagement in place.

In April, 2016 a Memorandum of Understanding was signed between Alphamin and the Walikale Community to collaborate in creating the Lowa Alliance and to promote environmental conservation and the reduction of illegal artisanal mining on Alphamin concessions. Alphamin committed, from the date of production, to spend 4 percent of its in-country operating and administrative expenses on community development. This investment will be governed with representative input from local communities and will be managed by the Lowa Alliance, a Government of the DRC (&ldquo;GDRC&rdquo;)-regulated non-profit foundation. The development of an industrial mine at Bisie will also generate leveraging of the GDRC and donor resources for additional investment in community infrastructure and social and economic development in the project affected communities.

The Lowa Alliance will invest, along with the community itself and other development partners including the Government of the DRC, in 120 projects over the initial five years, which will include schools and technical training, primary health care services, agriculture and fish-farming, small scale renewable energy, small and micro enterprise, community infrastructure, town zoning and road articulation to help manage growth, and women's empowerment.

Alphamin through its exploration and development phase has already created 350 new jobs, invested in road and telecommunications infrastructure to unlock the isolated Walikale territory, developed 25 participatory local development plans representing the long-term needs of the 14,000 households living closest to the mine, and recently completed the construction of a quality primary school with solar powered lighting.

Alphamin's artisanal mining strategy is also highly integrated with the community development

strategy and promotes incentives for artisanal miners to operate away from project areas with improved legal and other conditions. The artisanal mining strategy also works with authorities to improve compliance with regulatory frameworks. Alphamin will encourage and assist GDR authorities, supported by the supply chain and donor financed traceability systems, to identify more sites for legal artisanal mining and to support their validation and traceability. Alphamin is responsible for consistent monitoring of all community initiatives, including the artisanal strategy, and will work with all involved stakeholders to assure respect for and compliance with the Voluntary Principles on Security and Human Rights guidelines.

## CAUTION REGARDING FORWARD LOOKING STATEMENTS

*Information in this news release that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include, without limitation, statements relating to the intended completion of additional financing and the anticipated use of funds from such financing, the participation of Tremont, IDC and other stakeholders, the Company's intentions to raise the balance of funding required to complete construction of the ABM project and the sources thereof, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, economic return estimates, social, community and environmental impacts, and continued positive discussions and relationships with local communities and stakeholders. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements 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 statements. Although Alphamin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: Alphamin's ability to secure sufficient financing to advance and complete the ABM project, uncertainties associated with ABM project's resource and reserve estimates, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties associated with securing off-take agreements and customer contracts, uncertainties with respect to social, community and environmental impacts, adverse political events, uncertainties with respect to optimization opportunities for the ABM project, as well as those risk factors set out in the Company's Management Discussion and Analysis and other disclosure documents available under the Company's profile at [www.sedar.com](http://www.sedar.com). Forward-looking statements contained herein are made as of the date of this news release and Alphamin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.*

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