

Amendments to Credit Facility With Investec Bank Limited and Commencement of Strategic Review Process

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TORONTO, March 19, 2018 (GLOBE NEWSWIRE) -- [Buffalo Coal Corp.](#) (TSXV:BUF) (JSE:BUC) ("Buffalo" or "the Company") announced today that Buffalo Coal Dundee Proprietary Limited ("Buffalo Coal Dundee"), the Company's wholly-owned subsidiary, has entered into an amendment (the "Amendment") to the term loan and revolving credit facility with Investec Bank Limited ("Investec" or the "Lender") dated November 17, 2011, as amended from time to time (the "Investec Facility").

Pursuant to the Amendment, among other things and subject to customary terms and conditions:

- the working capital facility under the Investec Facility was increased by R16 million (approximately C\$1.75 million) (the "Supplemental Credit") to R96 million (approximately C\$10.5 million), with the aggregate Investec Facility increasing from R220 million (approximately C\$24 million) to R236 million (approximately C\$26 million);
- the Supplemental Credit is available subject to the provision of a utilization report acceptable to the lender;
- the availability period of the working capital facility was extended to June 22, 2018;
- the maturity date for any amounts drawn against the Supplemental Credit will be June 29, 2018;
- Buffalo Dundee will immediately repay to Investec the amount of R36.6 million (approximately C\$4 million) currently due to Investec under the existing Investec Facility, of which R30 million reduces the aggregate amount outstanding on the Investec Facility from R200.3 million (approximately C\$22 million) to R170.3 million (approximately C\$19 million), with the remaining R6.6 million (approximately C\$0.75 million) applied to the mine royalty payment in the amount of R6.1 million and the balance of R0.5 million (approximately C\$0.05 million) applied to default interest, all of which were due and payable on March 16, 2018;
- the due date for the principal payment amount of R7.5 million (approximately C\$0.8 million) due on March 31, 2018 will be extended to June 29, 2018; and
- Investec agrees not to exercise its acceleration rights with respect to any existing events of default under the Investec Facility and will appoint a technical advisor until June 30, 2018 to provide certain monthly reports to Investec.

As a further condition to the Amendment, the Company has retained Northcott Capital Limited as its financial advisor to conduct a review of its strategic options. The Company cautions that there are no guarantees that the strategic review will result in a transaction or if a transaction is undertaken, as to its terms or timing. The Company does not intend to disclose developments with respect to the strategic review process unless and until a definitive transaction or strategic option has been approved, unless otherwise required by law or disclosure of which is deemed appropriate. Shareholders of the Company are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

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. Forward-looking information includes, but is not limited to, the outcome of the strategic review process being commenced by the Company. 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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