

# Corsa Announces Credit Facility Refinancing

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CANONSBURG, Aug. 16, 2019 - [Corsa Coal Corp.](#) (TSXV: CSO; OTCQX: CRSXF) ("Corsa" or the "Company") is pleased to announce that certain wholly-owned subsidiaries of the Company, as borrowers, have entered into a senior secured revolving credit facility with KeyBank National Association ("KeyBank") for up to US\$25 million (the "KeyBank Facility"). Additionally, Wilson Creek Holdings, Inc. ("WCH"), as lessee, and the Company along with all of the subsidiaries of WCH, as guarantor, have entered into a lease financing agreement with Key Equipment Finance, as lessor and assignor, and 36<sup>th</sup> Street Coal Partners, LLC, as assignee ("36<sup>th</sup> Street"), for the sale and leaseback of various coal mining equipment (the "Leased Property") for a funding amount of US\$12 million (the "36<sup>th</sup> Street Facility" and together with KeyBank Facility, the "New Credit Facilities"). The New Credit Facilities replace the US\$25 million senior secured term credit facility with Sprott Resource Lending Corporation entered into on August 19, 2014 (the "Sprott Facility"), which was repaid using a portion of the proceeds from the New Credit Facilities.

"We are pleased to have completed this refinancing. The New Credit Facilities will provide additional flexibility as we continue to focus on increasing shareholder value through improved operational, financial and other strategic opportunities and also extends the maturity of our obligations. The Company is focused on deleveraging our balance sheet and these new credit facilities advance that goal significantly" said Peter Merritts, Chief Executive Officer of Corsa.

## Additional Details Regarding the New Credit Facilities

The KeyBank Facility bears interest at London Inter-Bank Offered Rate ("LIBOR") plus 350 basis points or Base Rate plus 350 basis points and matures on August 16, 2022. The 36<sup>th</sup> Street Facility has an effective interest rate of 9.50% and a term of 48 months. The agreements contain customary financial covenants. In addition to the repayment of the Sprott Facility, the proceeds of the New Credit Facilities are expected to be used to, among other things, finance the ongoing working capital requirements of the borrowers, general corporate purposes of the borrowers and pay fees and expenses associated with this transaction. In connection with the arrangement of the KeyBank Facility, the Company paid a commitment fee, upfront administrative fee, all of which are customary to these arrangements. In connection with the arrangement of the 36<sup>th</sup> Street Facility, the Company paid certain fees, all of which are customary to these arrangements. The KeyBank Facility will be secured against all now owned and after acquired tangible and intangible assets of the borrowers and the guarantor, while the 36<sup>th</sup> Street Facility will be secured against the Leased Property.

Copies of the credit agreements governing the New Credit Facilities will be filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com)

The TSX Venture Exchange has granted conditional approval of the New Credit Facilities.

## Information about Corsa

Corsa is a coal mining company focused on the production and sales of metallurgical coal, an essential ingredient in the production of steel. Our core business is producing and selling metallurgical coal to domestic and international steel and iron producers in the Atlantic and Pacific basin markets.

## Forward-Looking Statements

Certain information set forth in this press release contains "forward-looking statements" and "forward-looking information" as defined under applicable securities laws (collectively, "forward looking statements"). Except for statements of historical fact, all other statements in this press release constitute forward-looking statements which include management's assessment of future performance and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "estimates", "expects", "anticipates", "believes", "projects", "plans", "capacity", "hope", "forecast", "anticipate", "could" and similar expressions. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-

statements necessarily involve known and unknown risks and uncertainties, which may cause Corsa's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the satisfaction of conditions precedent for additional borrowings under the New Credit Facilities, payment of fees and expenses under the New Credit Facilities, willingness of the lenders under the New Credit Facilities to make additional funds available to the Company, availability of proceeds from the New Credit Facilities, anticipated benefits of the New Credit Facilities and management's ability to anticipate and manage the foregoing factors and risks. The forward-looking statements contained in this press release are based on certain assumptions regarding, among other things, coal sales being consistent with expectations; future prices for coal and currency and exchange rates; Corsa's ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; the regulatory framework representing royalties, taxes and environmental matters in the countries in which Corsa conducts business; coal production levels; Corsa's ability to retain qualified staff and equipment in a cost-effective manner to meet its demand; and Corsa being able to execute its program of operational improvement and initiatives. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. Corsa does not undertake to update any of the forward-looking statements contained in this press release unless required by law.

The TSX Venture Exchange has in no way passed on the merits of this news release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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<sup>1</sup> Pursuant to the credit agreement governing the KeyBank Credit Facility, "Base Rate" means rate per annum equal to the highest of (i) the rate of interest established by KeyBank, from time to time, as its "prime rate," (ii) the Federal Funds Effective Rate in effect from time to time plus ½ of 1% per annum, and (iii) 100 basis points in excess of the LIBOR Rate for loans with an interest period of one month.

SOURCE [Corsa Coal Corp.](#)

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