

Ikkuma Resources Corp.

## **Ikkuma Resources Corp. Announces Closing of Debt Financing and Amendment to Credit Facilities**

CALGARY, May 25, 2017 /CNW/ - Ikkuma Resources Corp. ("**Ikkuma**" or the "**Corporation**") (TSXV: IKM) announces that it has completed a financing with Alberta Investment Management Corporation ("**AIMCo**"), on behalf of certain of its clients, providing for a \$45.0 million second lien senior secured term loan (the "**Second Lien Facility**"), which bears annual interest at 7.25% and matures on March 31, 2022. The proceeds from the Second Lien Facility were made available in a single draw and amounts borrowed under the Second Lien Facility that are repaid or prepaid will not be available for re-borrowing. In addition, for no additional consideration, Ikkuma has issued warrants ("**Warrants**") to purchase common shares of the Corporation ("**Common Shares**") to AIMCo, entitling AIMCo to acquire up to 6.75 million Common Shares for a period of three years, at an exercise price of \$0.86 per Common Share, equal to a 40% premium to the volume weighted average trading price of the Common Shares for the 20 trading day period prior to the date of issue of the Warrants.

In conjunction with the approvals for the Second Lien Facility, the Corporation entered into an Amended and Restated Credit Agreement with respect to its existing credit facilities (the "**Credit Facilities**") with its banking syndicate, comprised of The Toronto-Dominion Bank and Alberta Treasury Branches as joint bookrunners, whereby the borrowing base was re-determined at \$25.0 million and the maturity date was extended to May 31, 2019. A financial covenant was added, being a debt to EBITDA ratio not to exceed 4.0x on a rolling four quarter basis, beginning on June 30, 2017. The Second Lien Facility is subject to the same financial covenant.

Net proceeds from the Second Lien Facility will be used to pay down all outstanding indebtedness under the Credit Facilities resulting in approximately \$10 million of cash deposits and an undrawn \$25 million Credit Facilities. These financing transactions significantly strengthen Ikkuma's liquidity and secures funding for the Corporation to continue developing its Cardium oil play. Ikkuma will provide further guidance on its 2017 capital program in its upcoming first quarter press release.

Desjardins Securities Inc. acted as financial advisor to the Corporation with respect to the Second Lien Facility and was paid a fee equal to 1% of the principal amount of the Second Lien Facility.

### **About Alberta Investment Management Corporation (AIMCo)**

AIMCo is one of Canada's largest and most diversified institutional investment managers with more than CDN\$90 billion of assets under management. AIMCo was established on January 1, 2008 with a mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 31 pension, endowment and government funds in the Province of Alberta.

### **About Ikkuma**

Ikkuma Resources Corp. is a diversified junior public oil and gas company listed on the TSXV under the symbol "IKM", with holdings in both conventional and unconventional projects in Western Canada. The technical team has worked together for over a decade in the Foothills Region of Western Canada, through two successful, publicly traded companies. The unique skills and repeat success at exploiting a complex, potentially prolific play type are fundamental ingredients for a successful growth-oriented company in Western Canada. Corporate information can be found at: [www.ikkumarescorp.com](http://www.ikkumarescorp.com).

## **Forward-Looking Statements and Information and Cautionary Statements**

This press release contains forward looking statements and forward looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward looking statements or information. Forward-looking statements and information in this press release includes, but is not limited to, the use of net proceeds from the Second Lien Facility and funding for the development of the Corporation's Cardium oil play. Although Ikkuma believes that the expectations and assumptions on which the forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Ikkuma cannot give any assurance that they will prove to be correct. Since forward looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include but are not limited to the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the inability to meet expectations in respect of the amount or timing of capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility, and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

The forward-looking statements contained in this document are made as of the date hereof and Ikkuma does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Please refer to Ikkuma's Annual Information Form dated April 19, 2017 for additional risk factors relating to Ikkuma which is available for viewing on [www.sedar.com](http://www.sedar.com).

**NEITHER 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.**

SOURCE Ikkuma Resources Corp.

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