

Ikkuma Resources Corp.

Ikkuma Resources Provides Activity Update

TSX Venture Exchange: IKM-V

CALGARY, Oct. 11, 2018 /CNW/ - Ikkuma Resources Corp. ("**Ikkuma**" or the "**Corporation**") is pleased to provide an update on its recent activity.

Ikkuma is pleased to announce that on October 9, 2018 it closed a conveyance and sale agreement for the sale of a non-core dormant midstream facility in the Alberta foothills (the "**Midstream Facility Sale**") to an undisclosed purchaser for a total consideration of \$2.0 million, subject to customary adjustments.

As previously announced on July 5, 2018, Ikkuma entered into a purchase and sale agreement to sell certain midstream assets in the Alberta foothills (the "**Infrastructure Asset Sale**") for a total consideration of \$23 million. The Infrastructure Asset Sale, which was expected to close on or before September 30, 2018, is currently under review in conjunction with Ikkuma's proposed business combination (the "**Business Combination**") with Pieridae Energy Limited as announced on August 24, 2018. In addition, the Corporation's previously announced non-core natural gas divestiture program through a public process with GMP FirstEnergy has been terminated.

Proceeds from the Midstream Facility Sale were used to reduce bank debt. On October 9, 2018, the Corporation entered into an agreement to further amend its amended and restated syndicated credit agreement, whereby the borrowing base of the credit facility established thereunder (the "**Facility**") was maintained at \$25 million, of which \$13 million is currently available at the full discretion of the Corporation. As at September 30, 2018, approximately \$4 million was drawn on the Facility. The Facility is subject to a semi-annual review by October 31, 2018.

The foregoing restriction on the Facility prevents available bank debt from being used for the Corporation's flow-through program of \$12 million that is required to be spent by December 31, 2018. Alternative sources of financing have been considered and are expected to be reviewed and announced on or about November 1, 2018. The focus of the flow-through program will be on drilling locations associated with the Corporation's Central Alberta foothills asset acquisition that was completed in the fourth quarter of 2017.

A Management Information Circular and Proxy Statement with respect to the Business Combination is expected to be mailed to Ikkuma shareholders on or before October 22, 2018 with a special meeting of shareholders scheduled to be held on November 19, 2018.

About Ikkuma Resources Corp.

Ikkuma Resources Corp. is a diversified growth-oriented public oil and gas company listed on the TSX Venture Exchange under the symbol "IKM", with holdings in both conventional and unconventional projects in Western Canada. The Corporation is focused in the Foothills Region of Western Canada with a team that has extensive experience in the area with the unique skills at successfully exploiting a complex and potentially prolific play type. Corporate information can be found at: www.ikkumarescorp.com.

Forward-Looking Statements and Information

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. In particular, this press

release contains forward-looking statements and information relating to the results of the review of the Infrastructure Asset Sale, the completion of the semi-annual review of the Facility, the Corporation obtaining alternative sources of financing on or about November 1, 2018, the timing of the mailing of the Management Information Circular and Proxy Statement and the special meeting of Ikkuma shareholders, the focus of the flow-through program and the completion of the Business Combination. 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. The forward-looking statements and information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning: the satisfaction of all conditions to the closing of the Infrastructure Asset Sale and on the time frames contemplated; the Corporation's ability to fund its flow-through obligations, successful bidding, negotiation of terms and timing of review in connection with its additional noncore production and infrastructure assets; prevailing and future commodity prices, exchange rate, interest rates, inflation rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserves volumes; anticipated timing and results of capital expenditures in carrying out planned activities; the state of the economy and the exploration and production business; the regulatory framework regarding royalties, taxes and environmental laws; results of operations; performance; business prospectus and opportunities. 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 risk. 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 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 recovery and reserve estimates contained in this press release are estimates only and there is no guarantee that the estimated reserves will be recovered.

In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements and information contained in this press release are made as of the date hereof and Ikkuma undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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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