

## Corsa announces completion of private placement of common shares for C\$23 million

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CANONSBURG, PA, Oct. 26, 2016 /CNW/ - Corsa Coal Corp. (TSXV: CSO) ("**Corsa**" or the "**Company**") is pleased to announce that it has closed its previously announced private placement, including, as a result of strong investor demand, the exercise, in full, of the Agents' (defined below) overallotment option. An aggregate of 230,000,000 common shares of the Company ("**Common Shares**") were issued at C\$0.10 per Common Share for gross proceeds of C\$23.0 million (the "**Private Placement**"), 213,880,000 of which were issued and sold on a brokered basis and 16,120,000 of which were issued and sold on a non-brokered basis. The proceeds of the Private Placement will be used for mine development, general corporate and working capital purposes. The Private Placement was originally announced on October 5, 2016 and subsequently upsized on October 7, 2016.

George Dethlefsen, Chief Executive Officer of Corsa, commented, "With spot metallurgical coal prices rising by over 200% since the lows in Q1 2016, Corsa intends to aggressively expand production and sales volumes and capitalize on the current favorable market conditions. This financing is expected to enable Corsa to continue to execute on its growth strategy of developing its fully permitted underground metallurgical coal mines."

A syndicate led by Paradigm Capital Inc., and including GMP Securities L.P. and Pareto Securities Limited (collectively, the "**Agents**") acted as agents for the brokered portion of the Private Placement. The Company paid the Agents aggregate cash commissions of C\$923,280 in connection with the Private Placement.

The TSX Venture Exchange ("**TSXV**") has granted listing approval of the Common Shares issued under the Private Placement subject to final acceptance. Such Common Shares are subject to resale restrictions pursuant to applicable Canadian securities laws and requirements, as well as stock exchange rules, until February 27, 2016.

### **Information about Corsa**

Corsa is one of the leading suppliers of premium quality metallurgical coal, an essential ingredient in the production of steel, which is necessary for the secular trends in global urbanization. Our core business is supplying premium quality metallurgical coal to domestic and international steel producers. Corsa also offers high heat content coal to major utilities and industrial users in the Southeast region of the U.S.

### **Additional Disclosure regarding the Private Placement**

As part of the Private Placement, Sprott Resource Partnership ("**Sprott Resource**") acquired 10,000,000 Common Shares, Lorito Holdings S.à r.l. ("**Lorito**") and Zebra Holdings and Investments S.à r.l. ("**Zebra**"), two companies controlled by a trust settled by the late Adolf H. Lundin, each acquired 30,000,000 Common Shares and certain directors and officers of the Company acquired an aggregate of 1,350,000 Common Shares. Each such subscription was a "related party transaction" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), however, such subscriptions were exempt from the minority approval requirements of MI 61-101, as neither the fair market value of the securities issued to nor the consideration paid by such subscribers, in the aggregate, exceeded 25% Corsa's market capitalization calculated in accordance with MI 61-101. Sprott Resource now holds approximately 17.2% of the outstanding Common Shares and Lorito and Zebra collectively hold approximately 16.4% of the outstanding Common Shares.

*The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered thereunder or unless an exemption from registration is available.*

### **Forward-Looking Statements**

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws (collectively, "forward looking statements") and which are based on the expectations, estimates and projections of management of Corsa as of the date of this press release unless otherwise stated. Forward-looking statements are statements and information regarding possible events, conditions or results of operations that are based upon assumptions about future economic conditions and courses of action. Some of the forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "plans", "projections", "outlook", "intends", "may", "could", "would", "might", "will" and similar expressions. More particular and without limitation, this press release contains forward-looking statements and information concerning the use of proceeds from the Private Placement, the expansion of the Company's production and sales volumes and the development of its underground metallurgical coal mines.

By their very nature, forward looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward looking statements will not prove to be accurate. Do not unduly rely on forward looking statements, as a number of important factors, many of which are beyond Corsa's control, could cause actual results to differ materially from the estimates and intentions expressed in such forward looking statements.

Forward looking statements speak only as of the date those statements are made. Except as required by applicable law, Corsa does not assume any obligation to update, or to publicly announce the results of any change to, any forward looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward looking statements.

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

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CNW 11:27e 26-OCT-16