

2 June 2017

## **BARALABA COAL COMPANY LIMITED ENTERS INTO BRIDGING LOAN**

Baralaba Coal Company Limited (**BCL** or the **Company**) today announced that it has entered into a bridge loan agreement (**Bridge Loan Agreement**) with one of the Company's major shareholders, Liberty Metals & Mining Holdings, LLC (**LMM**) pursuant to which LMM will provide the Company with a A\$12,500,000 loan pursuant to the terms of the Bridge Loan Agreement.

The terms of the Bridge Loan Agreement, which will assist the Company to continue road works for the restart of the Baralaba North mine and to meet its day-to-day cash requirements, include:

- Interest of 12.5% per annum (with a default interest rate of 16.5%);
- Interest accrues and is payable in cash on the maturity date;
- Term of the loan is to 15 July 2017 when the loan is repayable in full; and
- An establishment fee payable by BCL of A\$375,000 which will be applied by LMM to pay for ordinary shares in the Company (**Shares**) issued to LMM at a price equal to the volume weighted average price of Shares over the 5 trading days prior to the draw down date under the Bridge Loan Agreement.

It is expected that BCL will draw down funds under the Bridge Loan Agreement this week.

LMM has also waived certain covenants under the loan agreement with, among others, the Company, dated 30 May 2016 (**Original Loan Agreement**), until 15 July 2017. In consideration for this waiver, a fee is payable by BCL of 1% of the principal amount of the loan under the Original Loan Agreement which will be applied by LMM to pay for Shares issued to LMM at a price equal to the volume weighted average price of Shares over the 5 trading days prior to the issuance of such Shares.

ENDS

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit an offering of the Shares in any jurisdiction outside Australia or New Zealand. In particular, the Shares referred to herein have been not and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold to any person in the United States or any person that is acting for the account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Shares to be offered and sold in any offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

## **Forward looking statements**

This announcement contains certain forward-looking statements including statements of current intention, statements of opinion and predictions as to possible future events. Forward-looking statements can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “consider”, “foresee”, “aim”, “will” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of BCL and cannot be predicted by BCL. This includes changes in circumstances or events that may cause objectives to change as well as any statements about market and industry trends, which are based on interpretations of current market conditions. They also include general economic conditions, exchange rates, interest rates, regulatory environments, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and none of BCL or any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements.