



## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

**November 10, 2017**

### **Pepcap Reports Default on Debenture and provides corporate update**

Vancouver, November 10, 2017 – Pepecap Resources Inc. (TSXV: WAV) (“**Pepcap**” or “the **Company**”) reports that further to its July 7, 2017 news release where it was stated that: “the Company has secured temporary relief from the interest payment related to the convertible debenture indenture (the “**Indenture**”) governing the 8.0% secured convertible debentures (the “**Debentures**”) by way of a waiver from the holders (“**Debentureholders**”) of more than 50% of the principal amount of the Debentures,” that, as of September 30, 2017 the Company is in default of the interest payment obligation.

A majority of the Debentureholders had instructed the trustee under the Indenture (the “Trustee”) to waive any Event of Default when and as the same was to occur by virtue of the failure by the Company to make the June 2017 Interest Payment when and as due until September 30, 2017.

The Company has notified the Trustee that an Event of Default has occurred. The Company has not received a demand to accelerate repayment of the Debentures. However, there can be no assurance that such notice will not be given by the Trustee.

At the time of this new release the Company is in discussions with the Debentureholders to renegotiate the terms of the conversion rate of the Debentures.

## **Previously reported non-binding letter of intent between the Company and “CROC” or “TI”**

In a news release dated *February 16, 2017* Pepcap announced the signing of a non-binding Letter of Intent between Pepcap and Turbo Ion, Inc., a California based “high-tech research and innovation company.”

Under the proposed terms of the reported Letter of Intent, Pepcap aims to acquire TI for an aggregate purchase price of \$15,000,000 at a deemed share price of \$0.025. The consideration to TI shareholders does not include a private placement financing at a price of \$0.025, for a minimum financing of \$2,000,000.

Upon completion of the Business Combination, the shareholders of TI would expect to own approximately 80.00% of the pro forma company.

Negotiations continue. The reported Letter of Intent is due expire in February 2018.

### **About Pepcap Resources Inc.**

Pepcap, through Asia Mining and its 99.6% subsidiary Andika, hold mining properties in Sumatra, Indonesia. The properties are divided into two coal blocks located in the Napal Putih and Putri Hijau districts of the North Bengkulu Regency of Bengkulu Province, Indonesia. Andika holds a one hundred percent (100%) undivided interest in the properties. Andika holds three IUPs (mining licences), two being production licences on 1,957 hectares and an exploration licence on 7,236 hectares.

On behalf of the Board of Directors:

Claus Andrup  
President and Chief Executive Officer

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## **Forward-Looking Information**

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Such forward looking information may include, among other things, statements regarding retirement of the debentures, the proposed acquisition of TI and the terms thereof and, the negotiation and completion of transactions and the future operating results and economic performance of the Company. Such forward-looking information and statements are based on a number of assumptions, including that the Company is able to negotiate a revised conversion rate for the Debentures, the negotiation of a definitive agreement with TI and satisfaction of all the closing conditions and that the Company will be able to continue raising the necessary capital to finance its operations.*

*Although we consider these assumptions to be reasonable at the time of preparation, they may prove to be incorrect. Readers are cautioned that the actual future exploration results, operating results and economic performance of the Company are subject to a number of risks and uncertainties. These risks include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling and exploration results and other geological data, the potential for unsuccessful exploration results, changes in project parameters as plans continue to be refined, fluctuating coal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, defects in title at the Sumatra properties in Indonesia, the availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, political instability, regulatory changes, delays in receiving government approvals, changes in general economic, market or business conditions and other risks as may be described herein and from time to time in the filings made by the Company with securities regulatory authorities in Canada, and include the rights of the holders of Debentures in the event of Default to realize on the security interests granted pursuant to the Indenture, a definitive agreement between the Company and TI not being entered into or the completion of the TI acquisition not being completed on the terms outlined herein, or at all.*

*For more exhaustive information on these risks and uncertainties you should refer to our annual filings which are available on [www.sedar.com](http://www.sedar.com).*

*Forward-looking information contained in this news release is based on current estimates, expectations and projections, which we believe are reasonable as of the current date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time except as required by applicable securities law.*

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