



NEWS RELEASE

FOR IMMEDIATE RELEASE

July 7, 2017

Pepcap Announces Deferral of Payment of Interest under the Outstanding Secured Convertible Debentures

Vancouver, July 7, 2017 – Pepecap Resources Inc. (TSXV: WAV) (“**Pepcap**” or “the **Company**”) reports that it 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.

An interest payment was due under the Indenture on June 30, 2016 (the “**June 2017 Interest Payment**”). A majority of the Debentureholders have instructed the trustee under the Indenture to waive any Event of Default when and as the same may occur by virtue of the failure by the Company to make the June 2017 Interest Payment when and as due until September 30, 2017.

About Pepecap 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 the potential exploration and development of the mining properties in Indonesia, the future plans and objectives for the mining licences, future opportunities, 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 exploration and development activities at the mining properties will continue as planned 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. For more exhaustive information on these risks and uncertainties you should refer to our annual filings which are available on 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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