

PRESS RELEASE

LITTLE ROCK RESOURCES LTD. ANNOUNCES

PRIVATE PLACEMENT OF 8%

UNSECURED SUBORDINATED CONVERTIBLE DEBENTURES

October 22, 2017, CALGARY, ALBERTA - Little Rock Resources Ltd., (“Little Rock” or “the Company”) is pleased to announce a private placement of 8% unsecured subordinated convertible debentures.

On October 22, 2017, the Company issued its non-brokered, best efforts, \$10 million-dollar unsecured subordinated convertible debentures.

Details of the private placement are as follows:

- Issuer:** Little Rock Resources Ltd. (the “**Corporation**”).
- Issue:** Unsecured subordinated convertible debentures (“**Convertible Debentures**”). The Convertible Debentures will be issued pursuant to the terms of a trust indenture (the “**Indenture**”).
- Offering:** Up to \$10 million principal amount of Convertible Debentures, or such other amount as may be determined by the Corporation, by way of private placement exemption from prospectus requirements to “accredited investors” and certain other eligible persons in compliance with National Instrument 45-106 – *Prospectus and Registration Exemptions*, on a non-brokered basis (the “**Offering**”).
- Issue Price:** \$1,000.00 per Convertible Debenture.
Minimum Subscription: \$25,000.00.
- Selling Jurisdictions:** The Convertible Debentures will be offered for sale in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario.
- Use of Proceeds:** The net proceeds from the Offering will be used to accelerate the development of the Corporation’s Jumpbush and Badger properties and for general corporate purposes.
- Closing:** The initial closing date is expected to occur on or about November 17, 2017 or such other date as may be determined the Corporation (the “**Closing Date**”).

- Maturity Date:** The Convertible Debentures shall mature forty-eight (48) months from the date of issuance (“**Maturity Date**”).
- Ranking:** The Convertible Debentures will be direct, subordinated, unsecured obligations of the Corporation and will rank equally with one another and with all other existing and future unsecured indebtedness of the Corporation to the extent subordinated on the same terms.
- The Indenture will not restrict the Corporation or its subsidiaries from incurring additional indebtedness or from mortgaging, pledging, or charging its properties to secure any indebtedness or liabilities.
- The payment of the principal and premium, if any, of and interest on, the Convertible Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness (as such term shall be defined in the Indenture) of the Corporation.
- Interest:** The Debentures will bear interest at a rate of 8.0% per annum, payable quarterly in arrears on the last day of March, June, September, and December of each year, commencing on December 31, 2017 (each, an “**Interest Payment Date**”). The December 31, 2017 interest payment will represent accrued interest from the Closing Date, to but excluding December 31, 2017.
- Conversion:** Each \$1,000 principal amount of Convertible Debenture will be convertible into common shares of the Corporation (“**Common Shares**”) at the option of the holder at any time prior to the close of business on the earlier of (i) the business day immediately preceding the Maturity Date; (ii) if called for redemption, on the business day immediately preceding the date fixed for redemption; or (iii) if called for repurchase pursuant to a Triggering Event (as defined below), on the business day immediately preceding the payment date, at a conversion price of \$3.00 per Common Share (the “**Conversion Price**”), subject to adjustment in certain circumstances. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest Interest Payment Date to, but excluding, the date of conversion.

Dividend Adjustment and Anti-Dilution:

Anti-Dilution: The Conversion Price will also be subject to anti-dilution adjustments upon, *inter alia*, share consolidations, share splits, spin-off events, rights issues, and reorganizations.

Dividend Adjustment: The conversion right will be subject to standard anti-dilution provisions, including an adjustment to the Conversion Price for any dividends or distributions other than dividends paid in the ordinary course.

“**dividends paid in the ordinary course**” means any dividends, whether in cash, in securities of the Corporation, in specie, in kind or otherwise in property or other assets, declared payable or paid on the common shares of the Corporation in any fiscal quarter of the Corporation, to the extent that the aggregate of such cash dividends or the fair market value thereof, as bona fide determined by the directors of the Corporation, of such dividends in securities, in specie, in kind or otherwise in property or other assets declared and payable or paid from the beginning of the fiscal year of the Corporation in which such dividend is declared to the date of declaration of such dividend, including in such calculation the dividend in question, does not exceed funds from operations of the Corporation for the immediately preceding fiscal quarter.

Redemption:

The Convertible Debentures will not be redeemable at the option of the Corporation on or before the date that is twenty-four (24) months from the Closing Date, other than in the event of a Triggering Event.

On or after the date that is twenty-four (24) months from the Closing Date and prior to the date that is thirty-six (36) months from the Closing Date, the Convertible Debentures may be redeemed in whole or in part from time to time at the option of the Corporation on not more than sixty (60) days and not less than thirty (30) days prior notice, at a redemption price equal to 104% of the principal amount of the Convertible Debentures plus accrued and unpaid interest thereon for the period from and including the date of the latest Interest Payment Date to, but excluding, the date of redemption.

On or after the date that is thirty-six (36) months from the Closing Date and prior to the Maturity Date, the Convertible Debentures may be redeemed in whole or in part from time to time at the option of the Corporation on not more than sixty (60) days and not less than thirty

(30) days prior notice, at a price equal to their principal amount plus accrued and unpaid interest thereon for the period from and including the date of the latest Interest Payment Date to, but excluding, the date of redemption.

In the event that a holder of Convertible Debentures exercises their conversion right following a notice of redemption by the Corporation, such holder shall be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from and including the date of the latest Interest Payment Date to, but excluding, the date of conversion.

Triggering Event:

Within 30 days of the occurrence of an initial public offering of the Corporation's securities resulting in the Corporation's securities being publicly traded on a recognized North American stock exchange (including a reverse take-over event or other transaction having a similar result) or a Change of Control (defined in the Indenture as the acquisition of voting control or direction over at least 66 $\frac{2}{3}$ % of the aggregate voting rights attached to the Common Shares then outstanding by any person or group of persons acting jointly or in concert (including by way of a sale, merger, reorganization, take-over bid, amalgamation, arrangement, combination or other similar transaction) or the sale of all or substantially all of the assets of the Corporation, excluding an internal reorganization if the previous holders of Common Shares hold at least 66 $\frac{2}{3}$ % of the aggregate voting rights in such merged, reorganized, amalgamated, arranged, combined or other continuing entity (and in the case of a sale of all or substantially all of the assets, in the entity which has acquired such assets), (each, a "**Triggering Event**"), the Corporation will be required to make an offer to holders of the Convertible Debentures to:

a) repurchase their Convertible Debentures then outstanding (the "**Cash Redemption Offer**") at a price equal to a percentage of the principal amount, plus any accrued and unpaid interest thereon for the period from and including the date of the latest Interest Payment Date to, but excluding, the date of repurchase, based on the following schedule:

Period	Purchase Price %
Closing Date to twelve (12) months from Closing Date	112%
After twelve (12) months from Closing Date to twenty-four (24) months from Closing Date	108%
After twenty (24) months from Closing Date to thirty-six (36) months from Closing Date	104%
After thirty-six (36) months from the Closing Date to the Maturity Date	100%

b) convert (the “**Conversion Offer**”) all of the outstanding Convertible Debentures into Common Shares at the Conversion Price. The holders of Convertibles Debentures shall be bound to accept, at their discretion, either the Cash Redemption Offer or the Conversion Offer. If a holder fails to accept either the Cash Redemption Offer or the Conversion Offer within the required time, it will be deemed to have accepted the Conversion Offer.

Purchase for Cancellation:

The Corporation may purchase Debentures for cancellation by tender or private contract at any time subject to regulatory requirements.

Liquidity Provisions:

The securities of the Corporation are not listed on any stock exchange and there is no agreement to list any of the securities of the Corporation on any stock exchange. The Convertible Debentures and underlying Common Shares will be subject to an indefinite statutory hold period and resale restrictions imposed under applicable securities laws. The Corporation is not a reporting issuer in any jurisdiction in Canada and therefore the hold period or restricted period may never expire.

Currency:

Unless expressly noted otherwise, all currency references are stated in terms of Canadian dollars



About Little Rock Resources Ltd.

Little Rock is a Southern Alberta focused dividend paying Canadian oil and gas company with headquarters in Calgary, Alberta.

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