# Fountain Asset Corp. Announces Closing and Amendment to Shares for Debt Transactions

TORONTO, Dec. 31, 2020 --

**Fountain Asset Corp**. (TSXV:FA) (“Fountain” or the “Company”) would like to announce further to Fountain’s news release of October 13, 2020 pursuant to which the Company announced the settlement of $1,505,000 of debt through the issuance of subordinate voting shares of the Company (the “Original Debt Settlement”), or 3,010,000 subordinate voting shares of the Company (the “Shares”) at a deemed price of $0.50 per Share, to certain creditors of the Company, including certain of its officers and consultants (the “Creditors”). The Original Debt Settlement was subject to the approval of the TSX Venture Exchange, and in working with the Exchange, the Company and the Creditors have revised the Original Debt Settlement, which has been conditionally approved by the Exchange.

Today, the Company settled $1,435,000 of debt through the issuance of 2,870,000 Shares (the “Debt Settlement”). The change from the Original Debt Settlement is simply a reduction in the amount of debt settled with Andrew Parks, the Company’s Chief Executive Officer. Mr. Parks settled $30,000 of debt and was therefore issued 60,000 Shares.

As certain insiders participated in the Debt Settlement, it is considered to be a “related party transaction” under Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transaction (“MI 61-101”). All of the independent directors of the Company, acting in good faith, considered the transactions and determined that the fair market value of the securities being issued to the insiders and the consideration being paid is reasonable. The Company intends to rely on the exemptions from the valuation and minority shareholders’ approval requirements of MI 61-101 contained in section 5.5 (a) and 5.7 (a).

The Shares issued pursuant to the Debt Settlement are subject to a four month and one day restricted period from trade.

**About Fountain Asset Corp.**

Fountain Asset Corp. is a merchant bank which provides equity financing, bridge loan services (asset back/collateralized financing) and strategic financial consulting services to companies across many industries such as marijuana, oil & gas, mining, real estate, manufacturing, retail, financial services, and biotechnology.

**Forward-Looking Statements**

Certain information contained in this press release constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of the Company, which are based on assumptions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information in this press release includes, but is not limited to, growing Fountain’s capital base and a strong pipeline going forward. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the level of bridge loans and equity investments completed, the nature and credit quality of the collateral security and the nature and quality of equity investments, and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated August 30, 2019 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein*.*

*Neither TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

For further information: please contact Andrew Parks at (647) 344-4429 or visit Fountain Asset Corp.'s website at www.fountainassetcorp.com.