

# Foran Mining Announces Completion of Strategic C\$100 Million Private Placement by Fairfax

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VANCOUVER, BC, Aug. 6, 2021 /CNW/ - **Foran Mining Corp.** (TSXV: FOM) (OTCQX: FMCXF) ("**Foran**" or the "**Company**") is pleased to announce the completion of the strategic C\$100 million private placement (the "**Financing**") by certain entities controlled by Fairfax Financing Holdings Limited (collectively, "**Fairfax**").

The Financing consisted of the following:

- C\$50 million gross proceeds through the issuance of 27,777,778 units (each, a "**Common Share Unit**") at a price of C\$1.80 per Common Share Unit. Each Common Share Unit is comprised of one common share ("**Common Share**") and 0.288 of a Common Share purchase warrant (each, a "**Warrant**"). There is a total of 27,777,778 Common Shares and 8,000,000 Warrants issuable under the Common Share Units. Each whole Warrant may be exercised into one (1) Common Share at a price of C\$2.09 for a period of five (5) years from the date of issuance; and
- C\$50 million gross proceeds through the issuance of 27,777,778 non-voting units (each, a "**Non-Voting Unit**"), at a price of C\$1.80 per Non-Voting Unit. Each Non-Voting Unit is comprised of one non-voting share ("**Non-Voting Share**") and 0.288 of a Warrant. There is a total of 27,777,778 Non-Voting Shares and 8,000,000 Warrants issuable under the Non-Voting Units. Each whole Warrant may be exercised into one (1) Common Share at a price of C\$2.09 for a period of five (5) years from the date of issuance.

The Common Shares, Non-Voting Shares and Warrants issued in connection with the Financing and the Common Shares underlying the Warrants are subject to a statutory hold period of four months plus one day from the date of the closing of the Financing, in accordance with applicable securities legislation.

Foran is very pleased to welcome such a highly respected and supportive shareholder in Fairfax to its shareholder registry as its largest investor. This unique transaction establishes a strategic partnership focused on building Canada's first carbon neutral copper company, with the Company's strong proforma cash balance of approximately C\$120 million, positioning Foran well to execute on its business plan and accelerate development of the McIlvenna Bay Project.

The net proceeds of the Financing will be used to rapidly advance the development of the McIlvenna Bay Project and centralized mill for the Hanson Lake District as well as further exploration on the Company's substantial land holdings, enable further investment in key technological and operational research and equipment, and for general corporate purposes.

**Dan Myerson, Executive Chairman of Foran commented:** *"We are very grateful to have gained a world-class cornerstone investor in Fairfax. We appreciate their strong support and profound vote of confidence as we look to create exponential value for all stakeholders as we pursue our vision to enable a greener future and build Canada's first carbon neutral copper mine in the*

*emerging and prolific Hanson Lake District. This investment and partnership is a defining moment for Foran and one that will shape our future for many decades to come, elevating us onto the world-stage."*

At the Company's Annual General and Special Meeting held on August 4, 2021 (the "**2021 AGSM**"), shareholders overwhelmingly voted in favour of all matters brought before them, including the creation of Fairfax as a control person as well as the creation of a new class of non-voting shares as related to the Financing.

The following voting results are based on the total number of votes that were cast at the 2021 AGSM, rather than the issued and outstanding shares as previously announced:

<b>Appointment of Auditors</b>	<b>For</b>	<b>Withheld</b>	<b>Outcome</b>
Appoint Smythe LLP, Chartered Professional Accountants as auditors of the Company and to fix their remuneration	72,078,947 (99.9%)	10,000 (0.1%)	Carried
<b>Number of Directors</b>	<b>For</b>	<b>Against</b>	<b>Outcome</b>
Set the number of directors at five	58,689,152 (99.9%)	4,191 (0.1%)	Carried
<b>Election of Directors</b>	<b>For</b>	<b>Withheld</b>	<b>Outcome</b>
Elect the following nominees as directors of the Company			
Darren Morcombe	58,599,543 (99.8%)	93,800 (0.2%)	Carried
Daniel Myerson	56,265,332 (95.9%)	2,425,261 (4.1%)	Carried
Maurice Tagami	52,860,391 (91.8%)	4,714,202 (8.2%)	Carried
David Petroff	56,193,707 (95.9%)	2,496,886 (4.1%)	Carried
Jean Rogers	58,669,168 (99.9%)	24,175 (0.1%)	Carried
<b>Long Term Incentive Plan</b>	<b>For</b>	<b>Against</b>	<b>Outcome</b>
Approve the Company's Long Term Incentive Plan	58,560,727 (99.8%)	132,616 (0.2%)	Carried
<b>New Control Person</b>	<b>For</b>	<b>Against</b>	<b>Outcome</b>
Approve the creation of a new Control Person	58,652,468 (99.9%)	40,875 (0.1%)	Carried
<b>New Class of Non-Voting Shares</b>	<b>For</b>	<b>Against</b>	<b>Outcome</b>
Approve the amendment to the Articles to create a new class of non-voting shares	58,623,007 (99.9%)	70,336 (0.1%)	Carried

The 2021 AGSM materials, together with the amended and restated articles of Foran, are available on SEDAR.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

### **About Fairfax Financial Holdings Limited**

Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management.

### **About Foran Mining Corp.**

Foran Mining is a copper-zinc-gold-silver exploration and development company committed to supporting a greener future, empowering communities, and creating circular economies which create value for all our stakeholders, while also safeguarding the environment. Our goal is to build the first mine in Canada designed to be carbon neutral from day one of production. We are in the feasibility stage of development for our flagship McIlvenna Bay project in eastern Saskatchewan.

McIlvenna Bay is a copper-zinc-gold-silver rich VMS deposit intended to be the centre of a new mining camp in a prolific district that has already been producing for 100 years. McIlvenna Bay sits just 65km from Flin Flon, Manitoba and is part of the world class Flin Flon Greenstone Belt that extends from Snow Lake, Manitoba, through Flin Flon to Foran's ground in eastern Saskatchewan, a distance of over 225km.

Mcllvenna Bay is the largest undeveloped VMS deposit in the region. The Company filed a NI 43-101 Technical Report for the PFS on the Mcllvenna Bay Deposit on SEDAR on April 28, 2020. Foran's copper-zinc VMS Bigstone Deposit is expected to serve as additional feed for the mill at Mcllvenna Bay. The Company filed a NI 43-101 Technical Report for the Bigstone Deposit's first resource estimate on January 21, 2021. Foran trades on the TSX.V under the symbol "FOM" and on the OTCQX under the symbol "FMCXF".

#### CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This news release contains "forward-looking information" (also referred to as "forward looking statements"), which relate to future events or future performance and reflect management's current expectations and assumptions. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "hopes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. All statements, other than statements of historical fact, are forward-looking statements or information. Forward-looking statements or information in this news release relate to, among other things: the use of proceeds of the Financing; completion of the feasibility study in a timely manner, and the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, anticipated mining and processing methods, proposed PFS production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, future financial or operating performance of the Company, subsidiaries and its projects; estimation of mineral resources, exploration results, opportunities for exploration, development and expansion of the Mcllvenna Bay Project, its potential mineralization; the future price of metals; the realization of mineral reserve estimates, costs and timing of future exploration, the timing of the development of new deposits; requirements for additional capital; foreign exchange risk; government regulation of mining and exploration operations, environmental risks, reclamation expenses; title disputes or claims; insurance coverage; and regulatory matters. In addition, these statements involve assumptions made with regard to the Company's ability to develop the Mcllvenna Bay Project and to achieve the results outlined in the PFS, and the ability to raise capital to fund construction and development of the Mcllvenna Bay Project.

These forward-looking statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: volatility in the trading price of common shares of the Company, risks relating to the ability of the Company to obtain required approvals, and complete the Financing on the terms announced; our mineral reserve and resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock confirming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the PFS; success of the Company's projects, including the Mcllvenna Bay Project; prices for zinc, copper, gold and silver remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital decommissioning and reclamation estimates; mineral reserve and resource estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

The Company cautions the reader that forward-looking statements and information include known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this news release and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: the projected and actual effects of the COVID-19 coronavirus on the factors relevant to the business of the Corporation, including the effect on supply chains, labour market, currency and commodity prices and global and Canadian capital markets, fluctuations in zinc, copper, gold and silver prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets (such as the Canadian dollar versus the U.S. dollar); operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structure formations, cave-ins, flooding and severe weather); inadequate insurance, or the inability to obtain insurance, to cover these risks and hazards; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices in Canada, including environmental, export and import laws and regulations; legal restrictions relating to mining; risks relating to expropriation; increased competition in the mining industry for equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at [www.sedar.com](http://www.sedar.com)). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements or information.

These forward-looking statements are made as of the date hereof and, except as required by applicable securities regulations, the Company does not intend, and does not assume any obligation, to update the forward-looking information.

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