

# F O R A N

## FORM 51-102F3 MATERIAL CHANGE REPORT

**Item 1**      **Name and Address of Company**

Foran Mining Corporation (the "Company" or "Foran")  
409 Granville Street, Suite 904  
Vancouver, BC V6C 1T2

**Item 2**      **Date of Material Change**

October 24, 2022

**Item 3**      **News Release**

The news release was disseminated via CNW Distribution on October 24, 2022. The news release is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4**      **Summary of Material Change**

The Company announced that certain entities controlled by Fairfax Financial Holdings Limited have exercised its warrants in advance of the expiration date for gross proceeds to the Company of \$33,440,000.

**Item 5**      **Full Description of Material Change**

Please see news release attached as Schedule "A".

**Item 6**      **Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7**      **Omitted Information**

Not applicable.

**Item 8**      **Executive Officer**

James Steels  
Chief Financial Officer  
604-488-0008

**Item 9**      **Date of Report**

October 24, 2022

# F O R A N

## Foran Announces C\$33.4M of Warrant Exercises by Fairfax

**Vancouver, BC (October 24, 2022)** - Foran Mining Corporation (TSX.V: FOM) (OTCQX: FMCXF) ("Foran" or the "Company") is pleased to announce that certain entities controlled by Fairfax Financial Holdings Limited (collectively, "Fairfax") have exercised its Warrants (as defined below) in advance of the expiration date. As part of a C\$100 million private placement (the "Private Placement"), completed on August 6, 2021, Fairfax acquired 27,777,778 common shares of the Company (the "Common Shares"), 27,777,778 non-voting shares of the Company (the "Non-Voting Shares" and together with the Common Shares, the "Shares") and 16,000,000 warrants of the Company (the "Warrants"). Each Warrant entitled Fairfax to purchase one (1) Common Share at an exercise price of C\$2.09 for a period of five (5) years from the date of issuance. Fairfax has elected to exercise all of their Warrants, resulting in gross proceeds to the Company of C\$33,440,000.

Dan Myerson, Foran's Executive Chairman & CEO, commented *"As Foran continues on our path towards carbon neutral critical metal production, it is essential to have supportive and encouraging partners, who share the same vision and can meaningfully enable the execution of this shared vision. Recent market volatility has created opportunities for procurement and attracting the best and brightest talent, all of which can only be realized with the nimbleness of a hungry owners' team and through the certainty of funding. We are very grateful for the continued support of our largest shareholder in Fairfax and could not be prouder to be their partner. Foran continues to de-risk McIlvenna Bay, a hearty multi-decade copper-gold-silver-zinc asset with low capital intensity in a world class jurisdiction, explore and demonstrate the value of our additional deposits, all while delivering on our Net Positive Business strategy to deliver critical resources to support global decarbonization in a responsible and social-empowering way."*

Immediately prior to the exercise of the Warrants, Fairfax beneficially owned 27,777,778 Common Shares, representing 13.1% of the Common Shares, and 27,777,778 Non-Voting Shares representing 100% of the Non-Voting Shares and, together with the Common Shares owned by Fairfax, 23.1% of the issued and outstanding Shares. As a result of the exercise of the Warrants, Fairfax beneficially owns 43,777,778 Common Shares, representing 19.2% of the Common Shares, and 27,777,778 Non-Voting Shares, representing 100% of the Non-Voting Shares and, together with the Common Shares owned by Fairfax, 27.9% of the issued and outstanding Shares.

This press release and Fairfax's corresponding early warning report (the "Early Warning Report") which is expected to be filed on SEDAR in the near term, constitutes the required disclosure pursuant to section 5.2 of National Instrument 62-104 Take-Over Bids and Issuer Bids ("NI 62-104"). The requirement to file an early warning report was triggered because the exercise of the Warrants increased Fairfax's beneficial ownership of the Common Shares by greater than 2% as compared to the early warning report filed by Fairfax pertaining to the Private Placement. The Common Shares acquired in connection with the exercise of the Warrants are being acquired by Fairfax for investment purposes and in the future, it may discuss with management and/or the board of directors of the Company any of the transactions listed in clauses (a) to (k) of item 5 of Form F1 of National Instrument 62-103 – The Early Warning System and Related Take-over Bid and Insider Reporting Issues and it may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of the Company, in such manner as it deems advisable to benefit from changes in market prices of the Company's securities, publicly disclosed changes in the operations of the Company, its business strategy or prospects or

from a material transaction of the Company, and it will also consider the availability of funds, evaluation of alternative investments and other factors.

The Early Warning Report that will be filed on SEDAR in respect of the Warrant exercise will satisfy the requirement of section 5.2 of NI 62-104 to have the Early Warning Report filed by an acquiror, in this case by Fairfax, with the securities regulatory authorities in each of the jurisdictions in which the Company is a reporting issuer and which contains the information with respect to the foregoing matters and the information required by section 3.1 of National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which includes the information required by Form 62-103F1 - *Required Disclosure under the Early Warning Requirements*.

A copy of the Early Warning Report filed by Fairfax in connection with the Warrant exercise will be available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) or may be obtained directly from Fairfax upon request at the telephone number below.

The Company's head office is located at 409 Granville Street, Suite 904, Vancouver, BC, Canada, V6C 1T2, and the Common Shares are listed for trading on the TSXV under the symbol "FOM".

#### **FOR ADDITIONAL INFORMATION & MEDIA ENQUIRIES:**

**Foran:**

Jonathan French, CFA  
Director, Investor Relations  
409 Granville Street, Suite 904  
Vancouver, BC, Canada, V6C 1T2  
[jfrench@foranmining.com](mailto:jfrench@foranmining.com)

**Fairfax:**

John Varnell  
Vice President, Corporate Development  
95 Wellington Street West, Suite 800  
Toronto, ON, Canada, M5J 2N7  
(416) 367-4941

***Neither the TSX Venture Exchange 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.***

#### **About Foran Mining**

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. The McIlvenna Bay project is located entirely within the documented traditional territory of the Peter Ballantyne Cree Nation. The Company also owns the Bigstone project, a resource-development stage deposit located 25km southwest of its McIlvenna Bay project.

McIlvenna Bay is a copper-zinc-gold-silver rich VHMS 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 West of 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.

McIlvenna Bay is the largest undeveloped VHMS deposit in the region. The Company announced the results from its Feasibility Study on February 28, 2022, outlining that current mineral reserves would potentially support an 18-year mine life producing an average of 65 million pounds of copper equivalent annually. The Company filed a NI 43-101 Technical Report for the McIlvenna Bay Feasibility Study on April 14, 2022. The Company filed a NI 43-101 Technical Report for the Bigstone Deposit resource estimate on February 11,

2022. Investors are encouraged to consult the full text of these technical reports which may be found on the Company's profile on [www.sedar.com](http://www.sedar.com).

Foran trades on the TSX.V under the symbol "FOM" and on the OTCQX under the symbol "FMCXF".

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

Fairfax Financial Holdings Limited is a corporation continued under the *Canada Business Corporations Act* and is a holding company which, through its subsidiaries, is primarily engaged in property and casualty insurance and reinsurance and the associated investment management.

### **Forward Looking Statements**

#### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This news release contains certain forward-looking information and forward-looking statements, as defined under applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or to the future performance of Foran Mining Corporation (the "Company") and reflect management's expectations and assumptions as of the date hereof or as of the date of such forward looking statement.

All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "potentially", "intends", "likely", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this news release speak only as of the date of this news release or as of the date specified in such statement.

Inherent in forward-looking statements are known and unknown risks, estimates, assumptions, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this news release. These factors include management's belief or expectations relating to the following and, in certain cases, management's response with regard to the following: The long-term investment horizon of shareholders; The growth of the Company from developer to producer; The certainty of funding; The future of the Company; The continued support of Fairfax; De-risking McIlvenna Bay; Delivering on the Company's Net Positive Business strategy; The use of proceeds resulting from Fairfax's exercise of the Warrants; Ownership and reliance on the Company's mineral projects; The Company's history of losses and potential inability to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; The Company's statements about the expected life of mine, productive capacity and other technical estimates on its projects, and the Company's reliance on technical experts with respect thereto; The Company's exposure to risks related to mineral resources exploration and development; Impact of the COVID-19 Pandemic, Infectious Diseases and Other Health Crises on the Company; Global financial volatility and its impact on the Company; The impact of the Russia-Ukraine conflict; Government, securities, and stock exchange regulation and policy; Legal proceedings which may have a material adverse impact on the Company's operations and financial condition; Capital market conditions and their effect on the securities of the Company; Insurance and uninsurable risks; Environmental, health and safety regulation and policy; Mining

hazards and risks; Title rights to the Company's projects; Indigenous peoples' title and other legal claims; Mineral resource and mineral reserve estimates; Uncertainties and risks relating to the Feasibility Studies; Fluctuations in commodity prices, including metals; Competition; Expertise and proficiency of management; Limited operating history; The availability of future financing; Dilutive effects; Impacts of global climate change and natural disasters; Inadequate infrastructure; Relationships with local communities; Reputational damage; Risks arising from the Company's reliance on financial instruments; Risks arising from future acquisitions; Management conflicts of interest; Security breaches of the Company's information systems; and the additional risks identified in our Annual Information Form dated June 8, 2022 and other securities filings with Canadian securities regulators available at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this news release 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. 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. Readers are cautioned against undue reliance on forward-looking statements and should note that the assumptions and risk factors discussed above do not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in the Company's securities filings and this news release. All forward-looking statements herein are qualified by this cautionary statement. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.