

Foran Announces Closing of C\$200 Million Private Placement

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VANCOUVER, BC, Dec. 12, 2023 /CNW/ - Foran Mining Corporation (TSX: FOM) (OTCQX: FMCXF) ("**Foran**" or the "**Company**") is pleased to announce the successful completion of its previously announced C\$200 million financing which consisted of: (a) a brokered private placement (the "**Brokered Offering**") comprised of the sale of (i) 36,594,000 common shares of the Company (the "**Common Shares**") at an issue price of C\$4.10 per Common Share, for gross proceeds of C\$150,035,400; and (ii) 1,563,000 Common Shares with each such Common Share to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) (the "**FT Shares**") at an issue price of C\$6.40 per FT Share, for gross proceeds of C\$10,003,200, and (b) a non-brokered private placement (the "**Non-Brokered Offering**", and together with the Brokered Offering, the "**Offerings**") consisting of the sale of 9,756,000 Common Shares at an issue price of C\$4.10 per Common Share, for gross proceeds of C\$39,999,600. The aggregate gross proceeds of the Offerings were \$200,038,200.

The net proceeds of the Offerings will be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

The Company will use an amount equal to the gross proceeds from the sale of the FT Shares, pursuant to the provisions in the *Income Tax Act* (Canada), to incur eligible "Canadian exploration expenses" that qualify as "flow-through critical mineral mining expenditures" as both terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") related to the Company's mineral projects located in Saskatchewan, on or before December 31, 2024, and to renounce all the Qualifying Expenditures in favour of the subscribers of the FT Shares with an effective date not later than December 31, 2023.

The Brokered Offering was co-led by BMO Capital Markets who acted as sole bookrunner together with Eight Capital and National Bank Financial Inc. as co-lead agents, acting on behalf of a syndicate of agents which included PI Financial Corp., CIBC World Markets Inc., Cormark Securities Inc., Scotia Capital Inc. and Stifel Nicolaus Canada Inc. (collectively, the "**Agents**").

The securities being offered have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable U.S. state securities laws or in compliance with an exemption therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

The securities issued pursuant to the Offerings shall be subject to a four-month plus one day hold period from the date hereof in accordance with applicable Canadian securities laws. The Offerings remain subject to the final approval of the Toronto Stock Exchange.

Related Party Transaction

An entity controlled by Fairfax Financial Holdings Limited ("**Fairfax**"), an insider to the Company, participated in the Offerings, acquiring an aggregate of 2,439,000 Common Shares. The insider participation in the Offering constitutes a "related party transaction" within the meaning of Multilateral

Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), for which the Company was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) thereof, as neither the fair market value of the securities issued to the insider under the Offerings nor the consideration paid by the insider exceeded 25% of the Company's market capitalization, in each case as determined under MI 61.101. The Company did not file a material change report 21 days before closing of the Offerings as the details of the insider participation were not known at that time.

Early Warning Disclosure

Immediately prior to the acquisition of the Common Shares pursuant to the Brokered Offering, Fairfax beneficially owned 43,777,778 Common Shares, representing 17.0% of the Common Shares, and 27,777,778 non-voting shares of the Company (the "**Non-Voting Shares**", together with the Common Shares, the "**Shares**") representing 100% of the Non-Voting Shares and, together with the Common Shares owned by Fairfax, 25.1% of the issued and outstanding Shares (in each case, on both a non-diluted and partially diluted basis). As a result of the acquisition of the Common Shares, Fairfax beneficially owns 46,216,778 Common Shares, representing 15.2% 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, 22.3% of the issued and outstanding Shares (in each case, on both a non-diluted and partially diluted basis).

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 acquisition by Fairfax of Common Shares as part of the Brokered Offering and the completion of the Brokered Offering decreased Fairfax's beneficial ownership of the Common Shares by greater than 2% as compared to the early warning report filed by Fairfax in connection with its earlier exercise of warrants to acquire Common Shares. The Common Shares acquired in connection with the Brokered Offering 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 Brokered Offering 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 Brokered Offering will be available under the Company's profile on the SEDAR website at www.sedar.com.

Ontario Teachers' Plan Transaction Update

Following the closing of the Offerings, the Company does not intend to proceed with the non-binding proposed transaction with Ontario Teachers' Pension Plan Board that was previously announced by

the Company in its press release on August 8, 2022.

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 and its 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.sedarplus.ca.

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

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 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: risk factors relating to the inability of the Company to apply the use of proceeds from the Offerings as anticipated; the use of the gross proceeds of the sale of the FT Shares to incur eligible "Canadian exploration expenses" that qualify

as "flow-through critical mineral mining expenditures"; the renouncement of the Qualifying Expenditures in favour of the subscribers of the FT Shares; risks related to obtaining permits and other regulatory approvals with respect to the Company's mineral properties; the status and progression of credit facility discussions; unlocking the untapped value of the Company's properties; delivery of superior or any investment returns; scale, scope and location of future exploration and drilling activities; the potential for the Company's land package to be transformational, the focus of the Company's future drill programs; the incorporation of geotechnical and hydrogeological information into the overall project design; 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; de-risking McIlvenna Bay; delivering on the Company's Net Positive Business strategy; 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; the 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; the impact of global climate change and natural disasters; inadequate infrastructure; relationships with local communities; reputational damage; the Company's reliance on financial instruments; 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 March 23, 2023 and other securities filings with Canadian securities regulators available at www.sedarplus.ca.

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.

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

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