

Issued Capital: 222,077,580

LONDON, ON, July 17, 2015 /CNW/ - [Fortune Minerals Ltd.](#) (TSX: FT) (OTCQX: FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) announces that it has entered into a restructuring agreement with LRC-FRSM LLC ("Lascaux") and its other secured creditors to settle its secured debt obligations. The restructuring is being completed in two stages on terms commercially similar to that reported in the Company's news release, dated July 3, 2015 and is summarized below.

Mr. Robin Goad, President and CEO of Fortune stated, "We regret that the restructuring with our secured creditors has resulted in the loss of the Revenue Silver Mine in Colorado in which we have invested significant effort and funds over the past year. However, upon completion of the restructuring Fortune Minerals will be able to continue to operate with its Canadian assets intact and with manageable debt obligations that may be repaid through the exercise of warrants into Fortune common shares. The Company is positioned to focus on the development of its wholly-owned NICO gold-cobalt-bismuth-copper deposit in Canada's Northwest Territories and its proposed refinery in Saskatchewan."

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As previously announced, Fortune and Fortune Revenue Silver Mines, Inc. ("FRSMI"), the owner of the Revenue Silver Mine (the "RSM") in southwest Colorado and former wholly-owned subsidiary of Fortune, received notice from Lascaux that events of default had occurred under the Amended and Restated Senior Secured Metal Prepay Agreement (the "Prepay Agreement"), dated as of March 25, 2015 that was entered into to refinance the acquisition of the RSM and to fund working capital. The notice stated that all amounts and deliveries owing under the Prepay Agreement were immediately due and payable. FRSMI's obligations under the Prepay Agreement are secured by all of Fortune's assets and guaranteed by the Company and certain of its other subsidiaries, which also received notices of default from Lascaux.

Fortune and Lascaux had entered into discussions with respect to a settlement of the Company's obligations under the Prepay Agreement. Discussions were also held with the Company's other secured creditors who are parties to an intercreditor agreement with Lascaux. The Company reached an understanding with its creditors that was disclosed in the July 3, 2015 news release.

Fortune is pleased to report that it has now executed a restructuring agreement with Lascaux and its other secured creditors to settle its secured debt obligations and release the security on the Company's Canadian assets in two stages. The first stage has now closed and the second stage is expected to close on or before August 7, 2015.

The following are the principal terms of the restructuring agreement:

Stage 1 – Completed on July 17, 2015

- Fortune contributed to the capital of FRSMI all intercompany indebtedness owing by FRSMI to Fortune and transferred all of the shares of FRSMI to Lascaux
- All obligations of Fortune and its Canadian Subsidiaries under the Lascaux short term facility have been released
- FRSMI has paid US\$200,000 to Fortune
- Fortune has agreed to provide certain purchasing, logistics and operations transition services to FRSMI and Lascaux to assist in the operation of the RSM until July 31, 2015

Stage 2 – To be Completed on or before August 7, 2015

- Fortune will issue to Lascaux and the other secured creditors:
 - Unsecured 7-year term debentures in the principal amount of C\$5 million to Lascaux and C\$3.75 million to the other secured creditors. The debentures will bear interest at 5% per annum accruing semi-annually and repayable at maturity
 - 7.5 million Class A warrants and 21 million Class B warrants to Lascaux. Lascaux will receive up to an additional 8,259,476 million Class B warrants which will be exercisable if, and to the extent that, at the maturity of its debenture, Lascaux elects to exercise such warrants instead of being paid all or part of the interest due under its debenture
 - 5 million Class A warrants and 14 million Class B warrants to the other secured creditors
 - Each Class A warrant will entitle the holder to purchase 1 Fortune Common Share at C\$0.15 and will expire on the 5th anniversary of the date of issuance
 - Each Class B warrant will entitle the holder to purchase 1 Fortune Common Share at C\$0.25 and will expire on the 7th anniversary of the date of issuance. The Class B warrants can only be exercised for the purposes of setting off or financing the repayment of an equivalent amount owing under the debenture held by the warrant holder
 - The debentures will be repayable in the event that NICO is sold, directly or indirectly
- FRSMI will pay US\$550,000 to Fortune
- All remaining security in Fortune's and its subsidiaries assets held by Lascaux under the Prepay Agreement and by the other secured creditors will be discharged.

The completion of the second stage of the restructuring agreement is subject to certain conditions including approval of the Toronto Stock Exchange.

About NICO

Fortune's NICO gold-cobalt-bismuth-copper deposit in Canada's Northwest Territories contains significant gold, cobalt and approximately 12% of global bismuth reserves. The project consists of a proposed open pit and underground mine and mill in the Northwest Territories that will produce a bulk concentrate for shipment to the planned Saskatchewan Metals Processing Plant near Saskatoon for further processing to high value metal and chemical products. NICO is positioned to become a reliable, vertically integrated North American producer of battery grade cobalt sulphate, bismuth metals and chemicals, as well as gold and by-product copper. The mine and refinery have already received their respective Environmental Assessment approvals and key permits are in place.

Although the environment for mining finance is extremely challenging, the Company has been actively pursuing off-take agreements for its cobalt and bismuth products to support NICO's financing. Confidentiality Agreements are in place with a number globally recognized firms and discussions are advancing leveraging the positive outlook for cobalt from its demand in the rechargeable battery industry due to growth in the use of portable electronic devices, electric vehicles, and stationary storage cells.

Fortune also owns the Sue-Dianne copper-silver-gold deposit and other exploration projects in the Northwest Territories, and together with POSCO Canada Ltd., maintains a back-in right to repurchase the Arctos anthracite metallurgical coal deposits in British Columbia for a ten year period.

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This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities legislation. This forward-looking information includes statements with respect to, among other things, the proposed restructuring of the Company's debt obligations and the Company's plans to develop NICO. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding the Company's ability to complete the second stage of the restructuring). However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the risks that the Company may not be able to complete the second stage of the restructuring and, in such event, Lascaux and the other secured creditors may elect to seize Fortune's assets pursuant to their respective security interests therein and/or Fortune may not be able to continue operations, and that the Company may not be able to finance and develop NICO on favourable terms or at all. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. 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 the securities laws of any state of the United States 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 pursuant to an exemption from such registration requirements.

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