

# Foran Mining Announces Creation of a Global Carbon Neutral Mining Company and Strategic C\$100 Million Private Placement to Fairfax

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Investment will provide foundation for a sustainable company within the new era for mining and a global move towards electrification

VANCOUVER, May 25, 2021 - [Foran Mining Corp.](#) (TSXV: FOM) (OTCQX: FMCXF) ("Foran" or the "Company") is pleased to announce that it has entered into a letter agreement pursuant to which Fairfax Financial Holdings Limited, through certain subsidiaries (collectively, "Fairfax"), will make a strategic CAD\$100 million investment in the Company in exchange for the issuance by the Company of common shares, non-voting common shares, and warrants.

Fairfax has agreed to subscribe, on a private placement basis, for CAD\$100 million in equity securities of Foran in two tranches (collectively, the "Financing"):

- Tranche 1 - CAD\$50 million gross proceeds, comprised of 27,777,778 voting common shares (the "Common Shares") at a price of CAD\$1.80 per Common Share, along with warrants to purchase an aggregate of 8,000,000 million Common Shares (the "Warrants"). The Warrants have an exercise price of CAD\$2.09 per Common Share and an exercise period of 5 years.
- Tranche 2 - CAD\$50 million gross proceeds, comprised of 27,777,778 non-voting common shares (the "Non-Voting Shares") at CAD\$1.80 per Non-Voting Share, along with 8,000,000 Warrants.

The net proceeds of the Financing will be used to rapidly advance the development of the McIlvenna Bay project and to build a mill for the Hanson Lake district as well as further exploration in the Hanson Lake district, enable further investment in technological and operational research and equipment, and general corporate purposes.

Foran believes the investment by Fairfax represents a significant endorsement of Foran's business model, the quality of its owned McIlvenna Bay deposit and its wider Hanson Lake District, and its vision to build the world's first carbon neutral copper mine. This transaction greatly de-risks the business financially and is expected to bring a multitude of substantive synergistic benefits to Foran shareholders. Foran's resulting cash position of approximately CAD\$120M and strategic partnership with Fairfax will enable significantly accelerated development of the McIlvenna Bay project and its phase 1 centralized mill at the prospective Hanson Lake district. Foran believes that Fairfax, like Foran, values integrity, honesty, doing meaningful work in an energetic way, and is proud to partner with Fairfax in addressing the need for carbon neutral materials extraction, and that Fairfax's investment in a meaningful, responsible, and disciplined manner.

Foran will continue to focus efforts on arranging the remaining debt component of its project financing, which efforts will be strengthened and supported by new access to Fairfax's global network of business partners. Foran will also continue to work with its established banking partners with a focus on exploring potential ESG financial products that could enhance overall efficiency and investment returns for all stakeholders.

Prem Watsa, Chairman and Chief Executive Officer of Fairfax, said: "Fairfax is delighted to partner with Foran and to support its management team, led by Dan Myerson, in the creation of the world's first carbon neutral copper company. We are excited to invest alongside Pierre Lassonde and Darren Morcombe in a company with an excellent base of assets and a solid strategy for development, which we think represents an excellent opportunity for long-term growth and value-creation."

Pierre Lassonde, a key investor in Foran, also commented: "I cannot think of a better partner for any business than Prem Watsa and the Fairfax group. This is a wonderful development for Foran which is rewriting the textbook on how to create value in mining. We look forward to building this new age copper company together."

Dan Myerson, Executive Chairman of Foran said, "This investment and partnership is a pivotal moment in our company's history and one that will shape our future for many years and decades to come, elevating us onto the world-stage. We are

for this profound vote of confidence, in our vision and strategy, the Foran team, our stakeholders and the province of Saskatchewan and country of Canada.

#### About the Investment

Closing of the Financing is subject to the receipt of TSX Venture Exchange approval, the settlement of mutually agreed definitive documentation (including the terms and conditions of the Non-Voting Shares), the receipt of all necessary Foran shareholder approvals, and other customary closing conditions. Further announcements will be made regarding details of development of the mine at the McIlvenna Bay deposit and the expected closing date of each tranche of the Financing. Foran does not receive the right to appoint any members of the board of directors of Foran.

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

#### 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, and we are planning to build the first mine in Canada designed to be carbon neutral from day one. 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 center 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.

McIlvenna Bay is the largest undeveloped VMS deposit in the region. The Company filed a NI 43-101 Technical Report on the McIlvenna Bay Deposit on SEDAR on April 28, 2020.

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

#### CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This news release contains "forward-looking information" (also referred to as "forward looking statements"), which relate to 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", "budgeted", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of these 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 in light of the 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 closing of the Financing (if at all), the use of proceeds of the Financing, the approval of the TSX Venture Exchange relating to the Financing, receipt of any necessary shareholder approval and satisfaction of closing conditions; 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, mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impacts, and future financial or operating performance of the Company, subsidiaries and its projects; estimation of mineral resources and exploration results, opportunities for exploration, development and expansion of the McIlvenna Bay Project, its potential for mineralization; the future price of metals; the realization of mineral reserve estimates, costs and timing of future exploration; timing of the development of new deposits; requirements for additional capital; foreign exchange risk; government regulatory matters relating to mining and exploration operations, environmental risks, reclamation expenses; title disputes or claims; insurance coverage; and other regulatory matters. In addition, these statements involve assumptions made with regard to the Company's ability to develop the McIlvenna Bay Project and to achieve the results outlined in the PFS, and the ability to raise capital to fund construction and development of the McIlvenna Bay Project.

These forward-looking statements and information reflect the Company's current views with respect to future events and are not 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, but are not limited to, the ability to raise capital, the ability to obtain financing, the ability to obtain regulatory approvals relating to the Financing, volatility in the trading price of common shares of the Company, risks relating to the ability of the

Company to obtain required approvals, complete definitive documentation and complete the Financing on the terms and conditions set forth in 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 processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the PFS; success of the Company's projects, including the McIlvenna Bay Project; prices for zinc, copper, gold and silver remaining as estimated; 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, 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 in 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 impact of the COVID-19 coronavirus on the factors relevant to the business of the Corporation, including the effect on supply chain, 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 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 and regulations; legal restrictions relating to mining; risks relating to expropriation; increased competition in the mining industry; availability of equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in the Company's 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 to differ as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements and information.

#### Contact

Please Contact [Foran Mining Corp.](http://www.foranmining.com): Dan Myerson, Executive Chairman, 409 Granville Street, Suite 904, Vancouver, BC, Canada V6C 1T2, [ir@foranmining.com](mailto:ir@foranmining.com). 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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