

# Fortune Minerals Negotiates Agreement in Principle to Extend the Term of Its 2015 Debentures

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New United States Inflation Reduction Act includes measures to positively impact North American critical minerals supply chains

[Fortune Minerals Ltd.](#) (TSX: FT) (OTCQB: FTMDF) ("Fortune" or the "Company") ([www.fortuneminerals.com](http://www.fortuneminerals.com)) is pleased to announce that it has reached an agreement in principle with the holders of its debentures issued in 2015 (the "2015 Debentures") to extend their maturity from August 12, 2022 to November 30, 2022. The extension of the maturity date of the 2015 Debentures remains subject to finalizing and executing definitive documentation between the Company and the holders of the 2015 Debentures (the "Extension Documents").

The amended and restated debentures (the "Amended Debentures") will have an aggregate principal amount of \$12,363,518, being the total principal amount and all accrued interest on the 2015 Debentures as at August 12, 2022, and will bear interest at a rate of 10% per annum for the extension period between August 12, 2022 and November 30, 2022. The Amended Debentures will be secured by all of the assets of the Company (including the NICO cobalt-gold-bismuth-copper project ("NICO Project"). Other than the foregoing, the material terms and conditions of the Amended Debentures are expected to remain substantially consistent with the terms of the 2015 Debentures. As additional consideration for the extension of the maturity date, the Company has agreed to pay to the holders of the Amended Debentures an extension fee, which shall be satisfied by the issuance of 3,500,000 common shares of the Company at a deemed price of \$0.10 per share upon execution of the Extension Documents. The issuance of the shares remains subject to final approval of the Toronto Stock Exchange and will be subject to a four-month hold period from the date of issuance.

Fortune is also pleased to report that the new Inflation Reduction Act, which the U.S. Senate recently passed, is expected to positively impact the North American critical minerals industry, particularly for the metals used in lithium-ion batteries powering electric vehicles. The Act revamps the electric vehicle Federal tax credit of US\$7,500, extending the tax credit through 2032, removing the unit-sales cap of 200,000 per OEM, and introducing a mandate for qualified cars being assembled in North America to include escalating levels of critical minerals sourced from the U.S. or countries with a free-trade agreement with the U.S. Specifically, the bill requires that the "percentage of the value" of the applicable battery critical minerals be extracted or processed in the U.S. or a U.S. free-trade partner or recycled in North America, be:

- 40% for a vehicle placed in service before 1 January 2024;
- 50% for a vehicle placed in the service during calendar year 2024;
- 60% for a vehicle placed in service during calendar year 2025;
- 70% for a vehicle placed in service during calendar year 2026; and
- 80% for a vehicle placed in service after 31 December 2026.

The bill places similar restrictions on the percentage of value of the components but leading up to a 100% requirement for vehicles placed in service after 31 December 2028.

As previously announced, Fortune has engaged Haywood Securities Inc. ("Haywood") to act as its financial advisor to support its near-term financing objectives (see news release, dated May 16, 2022). Haywood is assisting Fortune with seeking the funds needed to repay the Amended Debentures and complete the purchase of the planned NICO Project refinery site in Lamont County, Alberta. Haywood is also assisting Fortune in its efforts to finance the other activities required to advance development of the NICO Project towards a construction decision, including detailed engineering for an updated feasibility study to support project finance, completion of the remaining permits, and to secure additional capital for general corporate purposes.

The 100%-owned NICO Project is a Canadian, vertically integrated, critical minerals development project and one of the few cobalt assets in the world that can be developed in a timeframe needed to meet today's cathode chemistries for rechargeable batteries used in the transition to electric vehicles. The NICO Project Mineral Reserves also contain more than one million ounces of gold, 12% of global bismuth reserves, and copper as a minor by-product.

Fortune has filed its consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the period ended June 30, 2022 on SEDAR ([www.sedar.com](http://www.sedar.com)) and will be available soon through the Company's website ([www.fortuneminerals.com](http://www.fortuneminerals.com)).

For more detailed information about the NICO Mineral Reserves and certain technical information in this news release, please refer to the Technical Report on the NICO Project, entitled "Technical Report on the Feasibility Study for the NICO-Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada", dated April 2, 2014 and prepared by Micon International Limited which has been filed on SEDAR and is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

The disclosure of scientific and technical information contained in this news release has been approved by Robin Goad, M.Sc., P.Geo., President and Chief Executive Officer of Fortune, who is a "Qualified Person" under National Instrument 43-101.

#### About Fortune Minerals:

Fortune is a Canadian mining company focused on developing the NICO cobalt-gold-bismuth-copper Critical Minerals project in the Northwest Territories and Alberta. Fortune also owns the satellite Sue-Dianne copper-silver-gold deposit located 25 km north of the NICO Deposit and is a potential future source of incremental mill feed to extend the life of the NICO mill and concentrator.

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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 issuance of the Amended Debentures, impacts of the Inflation Reduction Act, and the Company's plans to develop the NICO Project, including the successful development and construction of the planned NICO cobalt-gold-bismuth-copper mine and concentrator. 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 secure the necessary financing to repay the Amended Debentures; the Company's ability to complete construction of a NICO Project refinery; the Company's ability to arrange the necessary financing to continue operations and develop the NICO Project; the receipt of all necessary regulatory approvals for the Extension Shares and the construction and operation of the NICO Project, including the planned NICO cobalt-gold-bismuth-copper mine and concentrator and the timing thereof; growth in the demand for cobalt; the time required to construct the NICO Project; and the economic environment in which the Company will operate in the future, including the price of gold, cobalt and other by-product metals, anticipated costs and the volumes of metals to be produced at the NICO Project). 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 COVID-19 pandemic or global geopolitical situations may interfere with the Company's ability to continue development of the NICO Project; the Company may not be able to secure financing to repay the Amended Debentures; the Company may not be able to finance and develop NICO on favourable terms or at all; uncertainties with respect to the receipt or timing of required permits, approvals and agreements for the development of the NICO Project, including the related

hydrometallurgical refinery, the construction of the NICO Project may take longer than anticipated, the Company may not be able to secure offtake agreements for the metals to be produced at the NICO Project, the Sue-Dianne Property may not be developed to the point where it can provide mill feed to the NICO Project, the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general, the market for products that use cobalt or bismuth may not grow to the extent anticipated, the future supply of cobalt and bismuth may not be as limited as anticipated, the risk of decreases in the market prices of cobalt, bismuth and other metals to be produced by the NICO Project, discrepancies between actual and estimated Mineral Resources or between actual and estimated metallurgical recoveries, uncertainties associated with estimating Mineral Resources and Reserves and the risk that even if such Mineral Resources prove accurate the risk that such Mineral Resources may not be converted into Mineral Reserves once economic conditions are applied, the Company's production of cobalt, bismuth and other metals may be less than anticipated and other operational and development risks, market risks and regulatory risks. 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.

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