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Foran Mining Provides Update on Strategic C\$100 Million Private Placement by Fairfax

VANCOUVER, British Columbia, July 8, 2021 – Foran Mining Corp. (TSX-V: FOM; OTCQX: FMCXF) (“Foran” or the “Company”) is pleased to announce that it has executed definitive subscription agreements (the “**Agreements**”) pursuant to which certain entities controlled by Fairfax Financial Holdings Limited (collectively, “**Fairfax**”) will complete the strategic C\$100 million investment in the Company (the “**Financing**”), as announced on May 25, 2021, in an effort to create a global carbon neutral mining company and advance McIlvenna Bay as Canada’s first carbon neutral copper mine.

The Financing will consist of a single tranche rather than two separate tranches as earlier announced. Pursuant to the Agreements, Fairfax has agreed to subscribe, on a private placement basis, for C\$100 million in equity securities of Foran comprised of units, as follows:

- C\$50 million gross proceeds comprised of 27,777,778 units (each, a “**Common Share Unit**”) at a price of C\$1.80 per Common Share Unit consisting of one common share and 0.288 of a common share purchase warrant (each, a “**Warrant**”), each whole Warrant exercisable at a price of C\$2.09 for a period of five years from the issuance; and
- C\$50 million gross proceeds comprised of 27,777,778 units (each, a “**Non-Voting Unit**”), at a price of C\$1.80 per Non-Voting Unit consisting of one non-voting common share and 0.288 of a Warrant, each whole Warrant exercisable at a price of C\$2.09 for a period of five years from the issuance. Each non-voting common share may be converted at any time by any holder of such non-voting common share other than Fairfax and its affiliates, except in the circumstances of a change of control of Foran, in which case such conversion right may be exercised by Fairfax.

Foran will hold its 2021 Annual and Special Meeting of Shareholders at Suite 904, 409 Granville Street, Vancouver, British Columbia on August 4, 2021 at 9:00 am (Pacific Daylight Time) (the “**Meeting**”). At the Meeting, shareholders of Foran will be asked to approve certain items of special business consisting of (i) the creation of the non-voting common shares, and (ii) the approval of Fairfax as a “Control Person”, as such term is defined in the policies of the TSX Venture Exchange, in the event it may control more than 20% of the issued and outstanding common shares in the future upon exercise of the non-voting common shares. Upon conclusion of the Financing, Fairfax will beneficially own 13.3% of the issued and outstanding common shares on a non-diluted basis, 23.5% of the issued and outstanding common shares on a partially diluted basis (assuming conversion of the non-voting shares by Fairfax only) and 28.4% of the issued and outstanding common shares on a partially diluted basis (assuming conversion of the Warrants and in the event of conversion of the non-voting common shares by Fairfax). The Company has entered into voting support agreements with directors, senior officers and strategic investors representing approximately 22.8% of the outstanding common shares to vote in favour of the special business at the Meeting.



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Further details of the Meeting will be disclosed in an information circular (the “**Information Circular**”) to be posted under the Company’s profile on www.sedar.com on or before July 14, 2021. In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, shareholders, employees and other stakeholders, Meeting participants are encouraged NOT to participate in person. Participants are encouraged to vote on the matters BEFORE the Meeting by proxy and to join the Meeting by teleconference using the dial-in details to be provided in the Information Circular.

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

Closing of the Financing is subject to the receipt of TSX Venture Exchange approval, the receipt of all necessary Foran shareholder approvals and other customary closing conditions. Fairfax will not be granted the right to appoint any members of the Board of Directors of Foran or any preferential right to participate in future financings.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts 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 committed to supporting a greener future, empowering communities, and creating circular economies which create value for all our stakeholders, while also safeguarding the environment. Our goal is to build the first mine in Canada designed to be carbon neutral from day one of production. 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 centre 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 for the PFS on the McIlvenna Bay Deposit on SEDAR on April 28, 2020. Foran’s copper-zinc VMS Bigstone



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Deposit is expected to serve as additional feed for the mill at McIlvenna Bay. The Company filed a NI 43-101 Technical Report for the Bigstone Deposit's first resource estimate on January 21, 2021.

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

For Additional Information Please Contact Foran Mining Corporation:

Dan Myerson
Executive Chairman
409 Granville Street, Suite 904
Vancouver, BC, Canada, V6C 1T2
ir@foranmining.com

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This news release contains "forward-looking information" (also referred to as "forward looking statements"), which relate to future 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", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such 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 by and 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: about 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, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, future financial or operating performance of the Company, subsidiaries and its projects; estimation of mineral resources, exploration results, opportunities for exploration, development and expansion of the McIlvenna Bay Project, its potential mineralization; the future price of metals; the realization of mineral reserve estimates, costs and timing of future exploration, the timing of the development of new deposits; requirements for additional capital; foreign exchange risk; government regulation of mining and exploration operations, environmental risks, reclamation expenses; title disputes or claims; insurance coverage; and 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.



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These forward-looking statements and information 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. These assumptions include: risks 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, and complete the Financing on the terms announced; 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 mined and 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; currency 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 inputs, 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 or implied by 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 effects of the COVID-19 coronavirus on the factors relevant to the business of the Corporation, including the effect on supply chains, labour 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 business of 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 laws and regulations; legal restrictions relating to mining; risks relating to expropriation; increased competition in the mining industry for equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at 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 not to be as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements or information.



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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.