Stock Exchange: TSX Venture Exchange
Symbol: FMR

FAIRMONT CONSOLIDATES HISTORIC QUARTZITE RESOURCE AT BAIE-COMEAU

- **Historic resource of 12.3 million short tons (11.2 million tonnes) of 99.20% SiO2**
- **"acceptable quality for ferro silicon"**
- **Ferro Silicon sales price recently reported at CAN$100 per tonne**

August 2, 2016 --- Vancouver, BC --- Fairmont Resources Inc. (FMR: TSX-V) ("Fairmont") announces that it has consolidated a historic resource of 12.3 million short tons (11.2 million tonnes) of 99.20% SiO2, 0.41% Al2O3, and 0.36% Fe2O3 (from GM Report 39387, 1982, page 6) by staking. The two additional claims staked which contain the historic resource and are contiguous to the original Baie-Comeau Quartzite claims that Fairmont Resources announced in a press release on January 23, 2015 (http://goo.gl/y1eR9z)

Map 1 Location of Baie-Comeau Quartzite Property
http://fairmontresources.ca/pdf/20160802%20Map%201.pdf

Table 1 – Historic Resource of Baie-Comeau Quartzite Property

	Reserves	Content %		
	Millions of short tons	SiO2	Al2O3	Fe2O3
Pit 1 (level 810)	3.5	99.3	0.39	0.036
Pit 2 (level 840)	3.3	99.3	0.40	0.034
Pit 2 (level 810)	6.1	99.3	0.40	0.034
Geological Reserve	12.3	99.2	0.41	0.036
Conversion to metric tonnes	11.2	99.2	0.41	0.036

The Historic Resource was completed by Amtec Inc., of Ste-Foy, P.Q. on July 15, 1982 for their client Steep Rock Iron Mines Ltd.

The historical "estimated or drilled indicated tonnage" cited above is mentioned for historical purposes only and uses terminology not compliant with current NI 43-101 reporting standards. The reliability of these historical estimates is unknown but considered relevant by Fairmont as it represents significant targets for future exploration. The qualified person has done sufficient work to classify the historical estimate as a current mineral resource but Fairmont is not treating this historical estimate as a current mineral resource. Historical "estimated or drill indicated" is not equivalent to mineral reserves or resources as it is not supported by at least a preliminary feasibility study. In order to verify this as a current estimate, Fairmont will need to conduct additional exploration work in the form of diamond drilling to verify the historic data..

Map 2 Location of Historic Resource on Baie-Comeau Quartzite Property
http://fairmontresources.ca/pdf/20160802%20Map%202.pdf

Test work by Union Carbide Canada demonstrated that the quartzite from Baie-Comeau was acceptable for ferro-silicon production. In report GM 31179, a letter and results from Union Carbide Canada Limited are reported. Quoting from the letter “although the Al2O3 values tend to be on the high side, the quartz is of acceptable quality for ferro-silicon production”

In the recently filed Silicon Ridge Mineral Resource Estimate NI 43-101 Technical Report, dated July 20, 2016 by Rogue Resources, the optimized pit economic parameters included Ferro Silicon Grade quartz sales pricing at CDN$100 per tonne.

Table 2 Test Results from Union Carbide on Baie-Comeau Quartzite Property

		Content %				%
Hole and Intersection		SiO2	Al2O3	Fe2O3	Cao	Loss on Ignition
H1 75-80		99.05	0.12	0.25	0.01	0.3
H2 47-53.5		98.67	0.55	0.2	0.01	0.32
H2 94-100		98.8	0.55	0.16	0.01	0.23
H2 134-187		98.88	0.47	0.16	0.01	0.23
H2 189-190		98.87	0.56	0.14	0.01	0.17
H2 419-420		99.1	0.4	0.11	0.04	0.1
H2 947.5-950		99.07	0.37	0.13	0.06	0.12
H2 965-970		98.76	0.6	0.19	0.07	0.13
H4 125-150		99.05	0.4	0.12	0.06	0.12
H4 355-360		98.84	0.59	0.14	0.03	0.15

In GM30063, Watts, Griffis and McOuat Limited (‘WGM’) issued a report to Universal Minerals Corporation on the Baie-Comeau Silica Deposit, dated June 3, 1970. This is an earlier report based on less drilling and testing than the Amtec report of 1982. This earlier report calculated an ore reserved based upon a theoretical open pit with reserves of 3,500,000 tons grading approximately 98.5% Sio2, with waste rock of 100,000 tons and an estimated average overburden thickness of 1.5 feet. This report also stated that “Potential reserves on the property are many times this figure and could amount into the hundreds of millions of tons” and that “it is recommended that a decision be made to bring the property into production, providing other factors beyond the scope of this report are favourable”.

The Company advises a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves as such the Company is not treating the historical estimate as current mineral resources or mineral reserves. The resource calculation was part of a Feasibility Report on the Baie-Comeau Silica Deposit of Universal Minerals Corporation, by Surveyer, Nenniger and Chenevery Inc., within the section Report To Universal Minerals Corporation on The Baie-Comeau Silica Deposit, Completed by Watt, Griffis and McOuat Limited date June 3rd, 1970. The historic estimate was based on five diamond drill holes total 3,309 feet and two trenches. The resource was not prepared under current CIM definitions of mineral resources.

Within GM30063 results and conclusions of test work using a 3 stage magnetic separator to increase the SiO2 purity. In the first stage of magnetic separation – free iron and iron bearing particles were liberated. In the second stage biotite and muscovite were separated. And in the third stage muscovite and stained silica particle with inclusions were separated. There was nearly a 7% loss of ore through this process, but the iron within the silica was reduced to 0.02% Fe2O3 with the recommended feed rate.

In GM30063 crushing and grinding testing was completed with Nordberg Manufacturing. Positive crushing and results at a rate of 50 tons per hour were achieved.

Testing by Lakefield Laboratories, also in GM30063, being able to increase silica grade to 99.16% SiO2 from 98.36% SiO2 head grade in test one, and 99.20% SiO2 from a head grade of 98.78% SiO2.

The work completed by Surveyer, Nenniger & Chenevert Consulting Engineers of Montreal, Quebec in GM 30063 added that "One of the prime advantages of the deposit is its nearby location to the Baie-Comeau all year round deep sea harbor, giving easy access to the Canadian and United States East Coast markets. The central portion of the deposit is located only 10 miles from the harbor."

In GM20143 titled Baie-Comeau Quartzite Deposits Geological Report, received by Natural Resources Quebec on June 20, 1967, the author Laurier Juteau, Eng, states that "the quartzite is too massive and homogenous to reflect structure. Some irregular jointing is present, but no pattern was determined." Juteau also states in the report "it is impractical to calculate the available tonnage which could exceed any anticipated requirements of local markets which may develop. The exposures are extensive and have heights ranging to 500 feet, which would assist any quarrying operations."

In GM10368, in the Geological Report of Quartzite Deposit Baie-Comeau PQ by C.P. Robertson dated August 31, 1960 early test work demonstrated high grade SiO2 results. In an one set of results, a total of 112 surface samples of approximately 50 lbs each were blasted at five-foot intervals and the average assay of these was 99.0% SiO2, 0.77% Al2O3 and 0.22% Fe2O3. An additional 21 samples of approximately 10 lbs each were collected and analyzed as two composite samples which returned an average grade of 99.0% SiO2, and 0.58% Al2O3. From diamond drill holes, eleven 10-foot samples were selected of typical quartzite with an average grade of 98.64% SiO2, 0.58% Al2O3 and 0.16% Fe2O3. From this work it was concluded that the average grade of quartzite that could be produced was in above 98.5% SiO2.

Table 3 General Specifications for Different Uses Of Silica

(Source – Sidex (www.sidex.ca) Exploring for silica in Quebec)
http://fairmontresources.ca/pdf/20160802%20Table%203.pdf

The historical "estimated or drilled indicated tonnage" and metallurgical, market studies, and other test work cited above is mentioned for historical purposes only and uses terminology not compliant with current NI 43-101 reporting standards. The reliability of these historical estimates is unknown

but considered relevant by Fairmont as it represents significant targets for future exploration. The qualified person has done sufficient work to classify the historical estimate as a current mineral resource but Fairmont is not treating this historical estimate as a current mineral resource. Historical "estimated or drill indicated" is not equivalent to mineral reserves or resources as it is not supported by at least a preliminary feasibility study. In order to verify this as a current estimate, Fairmont will need to conduct additional exploration work in the form of diamond drilling to verify the historic data.

All of the GM reports referenced to in this release are available: http://sigeom.mines.gouv.qc.ca/

Granitos de Badajoz (GRABASA)

Fairmont Resources is still in discussions with funding groups in the UK, Canada and USA with respect to the acquisition of Grabasa. Fairmont will provide an update on funding when agreements are in place.

Roger Ouellet, P. Geo, a Qualified Person as defined by NI 43-101, has reviewed and approved the technical information in this press release.

About Ferrosilicon

Ferrosilicon (FeSi) is used to remove oxygen from the steel and as alloying element to improve the final quality of the steel. Silicon increases namely strength and wear resistance, elasticity (spring steels), scale resistance (heat resistant steels), and lowers electrical conductivity and magnetostriction (electrical steels). Special FeSi like low Al, High Purity and low C ferrosilicon are used in the production of special steel qualities for transformers/motors, ball bearings and shock absorbers, tire cord steel and in stainless steel.

About Fairmont

Fairmont Resources Inc. is a rapidly growing industrial mineral and dimensional stone company trading on the Toronto Venture Exchange symbol FMR.

Fairmont's Quebec properties cover numerous occurrences of high-grade titaniferous magnetite with vanadium, with the Buttercup property having a permit to quarry dense aggregate. Where these occurrences have been tested they have displayed exceptional uniformity with respect to grade. Fairmont also controls three quartz/quartzite properties, with the Forestville property having independent end user testing confirming the suitability of quartzite from Forestville for Ferro Silicon production. Fairmont is also in the process of acquiring the assets of Granitos de Badajoz (GRABASA) in Spain which includes 23 quarries and a 40,000 square metre granite finishing facility that has produced finished granite installed across Europe.

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Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Fairmont cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Fairmont's control. Such factors include, among other things: risks and uncertainties relating to Fairmont's exploration program of its mineral properties and Fairmont's limited operating history. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Fairmont undertakes no obligation to publicly update or revise forward-looking information. Except as required under applicable securities legislation, Fairmont undertakes no obligation to publicly update or revise forward-looking information.