

Fairmont Resources Inc. Signs Agreement with Prophecy Development Corp. for Buttercup Property

Vancouver, British Columbia--(Newsfile Corp. - July 21, 2017) - **Fairmont Resources Inc. (TSXV: FMR) ("Fairmont" or the "Company")** has entered into a binding letter agreement (the "**Letter Agreement**") with Prophecy Development Corp. ("**Prophecy**") to acquire the fully-permitted Buttercup Iron-Titanium-Vanadium (Fe-Ti-V) project in Quebec, Canada (the "**Buttercup Project**").

Fairmont sees this as a positive transaction in the current market conditions and plans to focus its attention on its quartzite properties in Quebec, as well as look at other opportunities with near term production potential.

Proposed Transaction Summary

Under the terms of the Letter Agreement, Prophecy will acquire the mining claims which constitute the Buttercup Project by paying to Fairmont:

1. At closing, the equivalent of \$1,000,000, up to half of which (i.e. \$500,000), may at Prophecy's sole discretion, be paid in Prophecy Common shares, calculated based on the 5-day volume-weighted average trading price of such shares as of the closing date; and
2. On the 1-year anniversary date of the closing date, a further \$500,000, up to half of which (i.e. \$250,000), may at Prophecy's sole discretion, be paid in Prophecy Common shares, calculated based on the 5-day volume-weighted average price of such shares as of the 1-year anniversary date of the closing date.

The parties agreed to enter into a definitive agreement before November 1, 2017. Prior to entering into the definitive agreement, Prophecy will carry out its due diligence of the Buttercup project, which will include carrying out exploration activities on the project. Prophecy will be entitled to a break fee in an amount equal to the lesser of \$200,000 or 200% of its costs and expenses related to its exploration activities on the Buttercup project if Fairmont receives superior offer that Prophecy choose not to match.

The transaction is subject to customary conditions, due diligence by Prophecy and acceptance of the TSX Venture Exchange.

On behalf of the Board of Directors,

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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 ability to complete the proposed private placement financing, limited operating history and the need to comply with environmental and governmental regulations. 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.

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