



Stock Exchange: TSX Venture Exchange

Symbol: FMR

### **Fairmont Resources Announces Proposed Debt Conversion**

**Vancouver, British Columbia--(Newsfile Corp. – June 28, 2018) - Fairmont Resources Inc. (TSXV: FMR) ("Fairmont" or the "Company")** is pleased to announce it has entered into debt conversion agreements (collectively, the "**Debt Agreements**") with 8 creditors (collectively, the "**Creditors**") of the Company. Pursuant to the Debt Agreements, the Company proposes to settle up to \$552,723 of debt by issuing 11,054,452 common shares ("**Common Shares**") at a deemed price of \$0.05 per Common Share (the "**Debt Conversion**"). All Common Shares issued pursuant to the Debt Conversion are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation. The Debt Conversion is subject to receipt of all required regulatory approvals including the approval of the TSX Venture Exchange.

Certain Creditors are considered a "related party" to the Corporation under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Debt Conversion between the Corporation and such Creditors are "related party transactions" under MI 61-101. However, these transactions are exempt from the formal valuation and majority of the minority shareholder approval set out in MI 61-101 since, at the time the transaction was agreed to: (i) the securities of the Corporation were not listed or quoted on one of the exchanges or markets specifically identified in MI 61-101; (ii) neither the fair market value of the securities to be distributed in the Debt Conversion nor the consideration to be received for those securities, insofar as the transactions involves interested parties, exceeded \$2,500,000; and (iii) the Corporation has one or more independent directors and, at least two thirds of said independent directors approved the transaction, as required pursuant to sections 5.5 and 5.7 of MI 61-101.

#### **About Fairmont Resources Inc.**

Fairmont Resources Inc. is an industrial mineral company trading on the TSX Venture Exchange under the symbol "FMR".

#### **On behalf of the Board of Directors,**

Michael Lerner  
President, CEO and Director  
Fairmont Resources Inc.  
Tel: 416-710-4906  
[mlerner10@gmail.com](mailto:mlerner10@gmail.com)  
[www.fairmontresources.ca](http://www.fairmontresources.ca)

## **Forward-Looking Statements**

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the completion of the Debt Conversion. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: conditions imposed by the TSXV, changes in tax laws, general economic and business conditions; and changes in the regulatory regulation. The Company cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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