

Fortune Minerals to propose poison pill changes

2009-05-13 09:11 ET - News Release

Mr. Robin Goad reports

FORTUNE PROPOSES AMENDMENTS TO SHAREHOLDER RIGHTS PLAN

Fortune Minerals Ltd. is proposing certain amendments to the shareholder rights plan, to be placed before its shareholders for approval at the annual and special meeting of shareholders to be held on May 20, 2009. As described in the management information circular mailed to shareholders in connection with the meeting, the 2009 plan is being proposed to replace a similar plan adopted by the directors of Fortune in November, 2008, which lapsed on May 3, 2009.

The objectives of the 2009 plan are to ensure, to the extent possible, that all shareholders of the company are treated equally and fairly in connection with any takeover bid for the company. The 2009 plan would discourage discriminatory, coercive or unfair takeovers of the company and would give the company's board of directors time if, in the circumstances, the board determines it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited takeover bid is made for all or a portion of the outstanding common shares of the company.

Fortune is proposing the amendments in response to comments received from RiskMetrics Group, a leading independent proxy voting advisory and corporate governance services firm, and in order to ensure that the 2009 plan conforms to RiskMetrics' current guidelines for shareholder rights plans. Fortune understands that in light of the proposed amendments RiskMetrics will be recommending to its clients who hold shares of Fortune that they vote in favour of the 2009 plan.

The only material change to the 2009 plan resulting from the comments received from RiskMetrics is that the definition of the term exempt acquisition (for example, acquisitions of voting shares or convertible securities that are deemed not to trigger the ability of shareholders to exercise rights under the 2009 plan) has been amended such that it includes, among other things, acquisitions of voting shares and/or convertible securities under a prospectus of the company provided that the acquiring person does not thereby become the beneficial owner of a greater percentage of voting shares than the percentage of voting shares beneficially owned by such person immediately prior to the prospectus distribution and by way of a private placement, provided that, among other things, the acquiring person does not thereby become the beneficial owner of voting shares equal in number to 20 per cent or more of the voting shares outstanding immediately after the private placement. References to rights offerings have also been deleted from the definition of exempt acquisition as they are dealt with elsewhere under the 2009 plan.