

**For Immediate Release**



## **FORTRESS PAPER PROVIDES OPERATIONAL UPDATE ON ITS LANDQART MILL**

VANCOUVER, British Columbia, November 2, 2017 – Fortress Paper Ltd. ("**Fortress Paper**" or the "**Company**") (**TSX:FTP**) (**OTCQX:FTPLF**) announces that its wholly-owned subsidiary, Landqart AG, has received notices from one of its significant international customers cancelling that portion of purchase orders which were scheduled for production and delivery by the Landqart Mill in the fourth quarter of 2017 and in fiscal 2018. The cancelled purchase orders represent approximately 16% of the budgeted order book at the Landqart Mill for fiscal 2017 and 30% for fiscal 2018. Despite other suppliers experiencing similar cancellations, Landqart continues to have dialogue with the customer to potentially reinstate all or a portion of the cancelled orders over an extended period of time within fiscal 2018. There are no assurances that any reinstatement will be forthcoming.

Management is seeking to fill the production void caused by the cancellations and is deploying various strategies, including: (a) pulling forward existing purchase orders, (b) seeking new orders from existing and new customers, and (c) requesting special one-time supplemental orders from existing customers for immediate production. It is expected that revenues will be negatively impacted in the fourth quarter of 2017 as the decline in anticipated production volume is unlikely to be replaced in its entirety in the short term. Given the relatively long sales cycle for banknote papers, the reduced banknote production in the fourth quarter will also have an impact on revenues and results in the first quarter of 2018. Management is working diligently to replenish the majority of the order book in a timely manner. However, there is no assurance that such efforts will be successful, in which case the Landqart Mill may be required to take market downtime on certain aspects of its operations. Other strategies are also being evaluated in order to mitigate the financial impact and potential legal remedies are being assessed.

### **About Fortress Paper**

Fortress Paper operates internationally in two distinct business segments: dissolving pulp and security paper products. The Company operates its dissolving pulp business at the Fortress Specialty Cellulose Mill, which has expanded into the renewable energy generation sector with the construction of a cogeneration facility. The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers.

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This press release contains certain forward-looking information that reflects the current views and/or expectations of Fortress Paper with respect to its performance, business and future events, including statements regarding expectations surrounding the operational and/or financial impact of the order cancellation at the Landqart Mill and

efforts to resolve same. The reader is cautioned that forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Forward-looking information is based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the operational and/or financial losses resulting from the order cancellation at the Landqart Mill may or may not be mitigated and may be materially different from management expectations; and the availability of additional purchase orders, financing or other remedies to offset the impact. Investors are cautioned that all forward-looking information involves risks and uncertainties including, without limitation: that there may be potential disruptions or reductions to the operations at the Landqart Mill as a result of the order cancellation; that any claims that may be brought against customers may be unsuccessful or fail to cover all losses incurred; that additional purchase orders will not be available; that finished goods inventory relating to the cancelled order will not be saleable; that financing options to mitigate the impact of the order cancellation may not be available on terms satisfactory to the Company or at all; and other risk factors listed from time to time in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on statements comprising forward-looking information, which are qualified in their entirety by this cautionary statement. Fortress Paper does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.