

For Immediate Release



TSX: FGE
OTCQX: FTPLF

**FORTRESS GLOBAL ENTERPRISES ANNOUNCES PROPOSAL TO AMEND ITS
7.0% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES**

- **ENHANCED COUPON TO 8% FROM 7%**
- **EXTENDED TERM TO 2022 FROM 2019**
- **EARLY CONSENT CASH FEE FOR VOTES RECEIVED ON OR BEFORE SEPTEMBER 24, 2018**

Vancouver, British Columbia, August 28, 2018

Fortress Global Enterprises Inc. ("**Fortress Global**" or the "**Company**") (TSX: FGE) (OTCQX: FTPLF) announced today that it will seek the approval of holders (the "**Debentureholders**") of its 7.0% convertible unsecured subordinated debentures due December 31, 2019 (the "**Debentures**") (TSX: FGE.DB.A) to amend certain terms of the Debentures at a meeting of Debentureholders to be held on October 1, 2018 (the "**Meeting**").

The proposed amendments (the "**Amendments**") to the Debentures will consist of extending the maturity date of the Debentures from December 31, 2019 to December 31, 2022, and increasing the interest rate of the Debentures from 7.0% per annum to 8.0% per annum, effective January 1, 2019 (being the commencement of the next interest rate accrual period).

The board of directors of Fortress Global (the "**Board**") has given consideration to a number of factors and other available alternatives in determining to proceed with the Amendments, and believes that the Amendments would provide a number of benefits to the Debentureholders, including the following:

- **Extended Term** – The maturity date for the amended Debentures will be extended from December 31, 2019 to December 31, 2022, affording Debentureholders a longer period of time during which to receive interest at a favourable rate;
- **Increase in Interest Rate** – In the current low-interest rate environment, the amended debentures will afford the Debentureholders the opportunity to receive a higher rate of interest for an additional three years; and
- **Early Consent Cash Consideration** – Those Debentureholders that consent to the Amendments on or before 5:00 p.m. (Vancouver time) on September 24, 2018 will earn an increase to their return on investment by receiving cash consideration equivalent to 2% of the principal amount of

Debentures held by such Debentureholders, subject to the Amendments being approved at the Meeting.

Additional factors that have been considered by the Board include the following:

- **Fair to Debentureholders** – Acumen Capital Finance Partners Limited has provided the special committee of the Board with an independent opinion (the "**Fairness Opinion**") that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications contained therein, the Amendments are fair, from a financial point of view, to the Debentureholders;
- **Successful Track Record of Payments** – Fortress Global has an unblemished track record of making interest payments on the Debentures and repayment of principal when due in respect of previously issued debentures of Fortress Global, including the repayment in full of the 6.5% convertible unsecured subordinated debentures in the aggregate principal amount of \$40.25 million which matured on December 31, 2016, and the unsecured convertible debenture in the aggregate principal amount of \$25.0 million issued in favour of Fonds de solidarité FTQ which was repaid in February 2017 prior to maturity;
- **Continuity of Financing** – The Amendments provide greater stability to Fortress Global's overall capital structure. The Amendments allow the Company to continue executing on its current business plan, including the advancement of its previously announced Fifth Digester Project and Birch and Hemicellulose Project, without a disruption caused by a new debt issuance or other refinancing; and
- **Reduces Risk of Deploying Cash or Further Dilution** – The Amendments will provide Fortress Global with a cost effective strategy to refinance the Debentures, thereby avoiding the need to allocate existing cash or raise additional capital to repay the Debentures in 2019, at a time when such cash could be better applied to Fortress Global's operating and development activities. Extending the maturity date will also avoid the possibility that Fortress Global will elect to issue common shares to satisfy the repayment of principal when the Debentures are currently scheduled to mature and reduce the risk of issuing common shares to satisfy upcoming interest obligations on the Debentures.

Chadwick Wasilenkoff, Chairman, Chief Executive Officer and President of Fortress Global, commented: "Over the last several months, Fortress Global has made significant operational progress, and created a new Bio-Products Segment with the acquisition of S2G Biochemicals Inc. and its planned xylitol demonstration plant. Extending the maturity of the Debentures would provide Fortress Global with greater financial flexibility and enable us to focus our resources, without disruption, on key strategic, business and operational targets, to the benefit of all Company stakeholders. The Amendments will also provide Debentureholders with a longer period of time to receive, what we believe to be, an attractive yield."

If the Amendments are approved by the Debentureholders, the effective date of the increase in the interest rate will be January 1, 2019 (being the commencement of the next interest rate accrual period), while the other Amendments will be effective earlier on the date that the Company enters into the second supplemental trust indenture providing for such amendments.

Financial Advisor and Soliciting Dealer Manager

Raymond James Ltd. ("**Raymond James**") has acted as exclusive financial advisor to the Company in

connection with the Amendments and shall form and manage the group of soliciting dealers to solicit proxy or voting instructions in favour of the Amendments. The Company will pay customary solicitation fees in respect of the principal amount of Debentures that are voted in favour of the Amendments. No solicitation fees will be paid to the soliciting dealers if the Amendments are not approved by the Debentureholders at the Meeting and implemented. No solicitations will be made in the United States, nor will any solicitation fees be payable in respect of consents by Debentureholders resident in the United States.

Consent Fee

On or about the effective date of the Amendments, the Company will pay a consent fee, in cash, equal to 2% of the principal amount of Debentures held by Debentureholders that delivered and did not withdraw valid proxies voting on the Amendments on or prior to 5:00 p.m. (Vancouver time) on September 24, 2018 (the "**Consent Deadline**"). **Debentureholders that do not vote in favour of the Amendments by this date will not be eligible to receive the consent fee, but will be bound by the Amendments if they become effective.** Payment of the consent fee will be conditional upon, among other things, the Amendments being validly approved by Debentureholders and satisfaction of the other conditions precedent described in a management information circular (the "**Circular**") expected to be made available under the Company's profile on SEDAR at www.sedar.com and mailed to the Debentureholders on or about August 31, 2018.

Board Recommendation

Following an extensive review and analysis of the Amendments and consideration of other available alternatives and based upon the recommendation of the special committee of the Board, advice received from Raymond James and outside legal counsel and receipt by the special committee of the Fairness Opinion, the Board has unanimously determined that the Amendments are in the best interests of the Company.

The Board **UNANIMOUSLY RECOMMENDS** that Debentureholders vote **FOR** the Amendments.

Details About the Amendments

The record date for determining the Debentureholders entitled to receive notice of and vote at the Meeting is August 28, 2018. Further information with respect to the Amendments will be outlined in the Circular. For the Amendments to be approved, holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Debentures voted (either in person at the Meeting or by proxy) must vote **FOR** the Amendments.

Detailed voting instructions will be contained in the Circular and accompanying form of proxy or voting instruction form. The Meeting is scheduled to be held on October 1, 2018 at 3:00 p.m. (Vancouver time) at the offices of Sangra Moller LLP located at 1000 – 925 West Georgia Street, Vancouver, British Columbia.

The Debenture Amendments are subject to the approval of the Toronto Stock Exchange.

Debentureholder Questions

For more information, please contact:
Fortress Global Enterprises Inc.
604-904-2328 or info@fortressge.com

- or -

Debentureholders may contact the Company's information and proxy solicitation agent, Laurel Hill Advisory Group, at:

North American Toll Free Number: 1-877-452-7184

Outside North America: 416-304-0211 (collect)

Email: assistance@laurelhill.com

About Fortress Global

Fortress Global operates its dissolving pulp business at the Fortress Specialty Cellulose Mill located in Canada. Fortress Global also operates in the renewable energy generation sector through the Fortress Specialty Cellulose Mill's cogeneration facility, and plans to establish a demonstration plant for the future production of xylitol and other bioproducts.

Forward-Looking Information

This press release contains certain forward-looking information that reflects the current views and/or expectations of Fortress Global with respect to its performance, business and future events, including, but not limited to, statements regarding the following: the timing for implementing the proposed Amendments; the expected terms of the Amendments; the anticipated benefits of the Amendments to the Company and Debentureholders; and the continued execution of Fortress Global's business plan. 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, but are not limited to, those with respect to general economic and financial conditions, interest rates, exchange rates, equity and debt markets, business competition, changes in government regulations or in tax laws, acts, and the ability of the Company to obtain approval for the Amendments (including approval from the TSX). Investors are cautioned that all forward-looking information involves risks and uncertainties including, without limitation, the following: changes to the Meeting, including anticipated dates; that the Amendments will not be successfully completed for any reason and the risk that, if completed, Fortress Global will not be able to pay the interest and/or repay the principal amount outstanding under the Debentures when due, that the Company or Debentureholders may not realize the anticipated benefits of the Amendments and increases in interest rates; 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 Global does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.