



## **FORTUNE MINERALS LIMITED**

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May 13, 2009

Alan Ehrlich  
Senior Environmental Assessment Officer  
Mackenzie Valley Environmental Impact Review Board  
200 Scotia Centre  
Box 938, 5102-50th Ave  
Yellowknife, NT  
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Dear Mr. Ehrlich

**Re: Response to Mackenzie Valley Environmental Impact Review Board Request for Clarification Regarding the Fortune Minerals Limited Cobalt-Gold-Bismuth-Copper Project**

Fortune Minerals Limited (Fortune) has reviewed the five questions listed in the Mackenzie Valley Environmental Impact Review Board (MVEIRB) May 1<sup>st</sup> request for clarification letter. Our responses reflect the status of the proposed all-land winter route re-alignment and the all-weather road initiatives as we understand them at this time. Please note that on April 28<sup>th</sup>, 2009, the Tłıchǫ government sent a letter to the Honorable Michael McLeod, Minister of Transportation for the Government of the Northwest Territories (GNWT) stating their support for the study to realign the existing public Tlıcho winter road to an overland alignment. Fortune will continue to update the board as new information on the status of the road becomes available.

The questions from MVEIRB are presented verbatim in italics. Fortune's response is presented after each comment.

- 1. Can the NICO project be constructed, operated and closed as proposed without an all-weather road?*

The NICO project can be constructed without an all-weather road. The operation would be impacted with significantly increased capital and operating costs in the absence of year-round road access. The road will be used for fuel and reagent deliveries, the transportation of employees and the transportation of metal off-site. A seasonal overland route would have less of an impact on project economics if the southern hydrometallurgical facility is built, but would still negatively impact project capital and operating costs for storage of requisite supplies and metals during periods with no road access. The impacts

on capital and operating costs would be particularly difficult during periods of low metal prices given the variability of the market for these products.

2. *Can the NICO project be constructed, operated and closed as proposed with a seasonal over-land road?*

Again, as above, the road will have an impact on the capital and operating costs of the project. A seasonal over-land road may be possible, but will have detrimental impacts to both capital and operating costs for the storage of reagents and metals, and from increased transportation of people and materials that may affect the viability of the project.

3. *Can the NICO project be constructed, operated and closed as proposed if no new road is proposed by the GNWT?*

No. The NICO project was never intended to be a 100% fly-in, fly-out project. The economics of a metal mine differ greatly from the diamond mines currently in operation in the Northwest Territories. The margins for our products are typically lower. We need to be re-supplied more frequently for the process technologies we plan to employ, and there would be a need for significantly greater capital and working capital to inventory our products for a significant part of the year. All of this would jeopardize the viability of the project. It would also negate many of the socio-economic attributes of our project given its proximity to nearby Tłıchǫ communities for sourcing local labour and services.

4. *If the Department of Transportation were to build an over-land seasonal road. Does Fortune Minerals Limited intend to help upgrade it to an all-season road?*


Yes. Fortune Minerals has already contributed its own engineering and environmental studies for a portion of the proposed road, which cost several hundred thousand dollars. The Company intends to also share in future costs to construct this road. The upgrading will likely be progressive over a period of time. Initial upgrades will concentrate on areas to make the road usable, with the upgrading continuing to eventually get the entire road up to GNWT Department of Transportation all-weather road standards.

5. *Has Fortune Minerals Limited made any progress in determining its preferred alternative with respect to off-site or on-site processing (as described in Section 7.0 of the Project Description Summary)? If not, by what date will Fortune Minerals Limited make this decision?*



Progress is being made on an alternate facility. To date, approximately 20 sites in southern Canada have been identified and reviewed and we are currently narrowing this list to specific sites that have already been proposed. Plans are to focus on 2 to 3 sites in detail to ensure the viability of this option. A firm decision on the possible off-site location of the hydrometallurgical section of the NICO processing plant will be made in June 2009.

Sincerely,



Rick Schryer, Ph.D.  
Director of Regulatory and Environmental Affairs  
Fortune Minerals Limited

