



FORTUNE MINERALS LIMITED

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July 10, 2012

Richard Edjericon
Chairperson
Mackenzie Valley Review Board
200 Scotia Centre
Box 938, 5102-50th Ave
Yellowknife, NT
X1A 2N7

Dear Mr. Edjericon

Re: Response to Notice of Postponement of the Public Hearings for the NICO Project

Late on July 6, 2012, Fortune Minerals Limited ("Fortune") received notice from the Mackenzie Valley Review Board (Board) that the public hearings for the NICO Cobalt-Gold-Bismuth-Copper Project (Project) were postponed and that the new *tentative* dates were October 15-19, 2012. No prior notification was given that the public hearing dates announced in the June 13th Notice of Public Hearing were being reviewed. The primary reason given to Fortune for this delay was the lack of an available venue in Behchoko for the original public hearings dates of August 1 and 2, 2012. Fortune would like the board to consider the following information before it makes a final decision on the dates for the public hearings.

Alternative Locations and Timing

Fortune is disappointed that the Board chose not to include Fortune in any discussions of alternative dates for the public hearings once they realized the original dates were in question. The public hearings are of critical importance to the success of the NICO Project and Fortune would have been more than willing to work with the Board and the Tlicho Government on examining alternatives once a problem had been identified. For example, Fortune would be willing to charter buses to transport people from Behchoko to Yellowknife for the public hearings to ensure participation of this community in the public hearing process. The original public hearing dates in Behchoko were scheduled for two consecutive days. Fortune would not object if the dates for Behchoko were not on consecutive days. Fortune believes there are alternatives to the almost 3 month delay the board is proposing for the public hearings and would like to point out its frustration on how this has been handled by the board.

Project Timeline and Economic Impacts

In its June 08, 2012 letter to the Board, Fortune stated that a delay in the dates for the public hearings "would have a material adverse effect on the project

development schedule. A delay of the public hearings until the late fall could delay project construction by up to a year.” This situation has not changed. In order for Fortune to start work at NICO in 2013, it will be necessary to move materials up to the NICO site during the next winter road season. The delay in the dates for the public hearing not only has a serious effect Fortune’s project development timeline but also on employment and contract opportunities that could be offered to Tlicho people (and others) and business operators. Fortune has already been approached by several individuals and small business owners asking for a chance to work at the NICO Project. The loss of economic benefits to the region cannot be overlooked by the board.

Updated Commitments and Responses to Recommendations

In anticipation of the public hearings, Fortune completed the board request to update its commitments table and respond to the recommendations made by the Parties in their Technical Reports. This information was submitted to the Board on July 5th, 2012. The commitments made by Fortune are extensive and cover the major issues brought forward by the Parties. In addition, several new commitments were made in the responses to the recommendations that addressed concerns brought forward by the Parties. Fortune also submitted an updated receiving water quality modeling report that demonstrates that even with a high level of conservatism, modeled average concentrations of all water quality parameters are below site specific water quality objectives or CCME guideline values in the Marian River. Fortune believes it has provided the Board and the Parties with all of the necessary information needed to proceed with the public hearings as originally scheduled.

Fortune requests that this proposed postponement in the dates for the NICO Project public hearings be reconsidered by the Board. Fortune is willing to meet and work with the Board staff at any time to explore alternatives and find a solution that is agreeable to all Parties.

Sincerely,

Fortune Minerals Limited

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

