



## **FORTUNE MINERALS LIMITED**

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June 10, 2010

Vern Christensen  
Executive Director  
Mackenzie Valley Environmental Impact Review Board  
200 Scotia Centre  
Box 938, 5102-50th Ave  
Yellowknife, NT  
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Dear Mr. Christensen

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

In its Request for Ruling of May 28<sup>th</sup>, 2010 (Request for Ruling), the Tłıchǵ Government asked that the Mackenzie Valley Environmental Impact Review Board ("Review Board") to make a ruling on the Fortune Mineral Limited ("Fortune") cobalt-gold-bismuth-copper project ("the NICO Project" or "the Project"). The Tłıchǵ Government has asked the Review Board to take the position, "that the Environmental Assessment is premature, and it will therefore be postponed and placed in abeyance until all essential components of the Proposal are included in applications accepted as complete by the WLWB". Fortune is of the view that the Review Board does not need to make a ruling on this matter at this point in time.

The rationale for the Request for Ruling is based primarily on the fact that an application has not yet been filed for construction and operation of an all-weather road between 19 kilometres north of Whatì and Highway 3 and an access road that would connect that road with the Project ("the NICO access road"). This issue was addressed extensively by the Review Board during the process leading up to its issuance of the Terms of Reference for the Environmental Assessment of the NICO Project ("TOR").

Fortune is of the view that the Review Board correctly interpreted its jurisdiction at that time and regards the scope of the TOR as settled. A request to the Review Board to re-

open its TOR process again, 7 months after its issuance of the final TOR and after Fortune has relied on the TOR to do extensive work to comply with its requirements, is neither fair to Fortune nor the appropriate forum or process for raising this concern. If the Review Board were to determine otherwise, Fortune would want to receive adequate notice of the issues to be addressed and the right to make further submissions on the points to be resolved.

Since the TOR was issued on November 30, 2009, nothing has changed with respect to the Project, its scope or potential impacts. Fortune understands that the Government of the Northwest Territories (“GNWT”) has earmarked public moneys for construction of an all-land winter road, and since its 2008 consultations on route alignment, is continuing its efforts to work with the Tłıchq Government on matters related to access and alignment. Fortune is confident that these two governments can reach an amicable resolution to these matters in a practical and timely manner. The upgrade of the all-land winter road route to all-weather status will require further negotiations between all parties involved.

With respect to the NICO access road, Fortune, as requested in the TOR, fully intends to include detailed information on its proposed location, operation and impacts in the Developers Assessment Report (“DAR”). As you are aware, the NICO access road would be located on Tłıchq Lands. At this point in time, Fortune does not have a right of access to those Tłıchq Lands. This is so for a number of reasons. The Tłıchq have told us that a moratorium on development is in place until their land use plan is complete. They have also said that work related to land use planning is progressing, particularly as it relates to the Project and the NICO access road, but that a plan is not yet complete.

One of Fortune’s objectives in submitting the DAR prior to completion of the land use plan is to provide the Tłıchq Government with the most extensive information available on the Project that could be considered during the development of the land use plan. The DAR would provide an assessment of the potential impacts and mitigation strategies associated with development of the Project, the NICO access road and the use of the road route corridor (both winter and all-weather). The DAR will address many of the issues raised in the Request for Ruling including socio-economic and cultural impacts associated with the Project and its use of the roads, impacts on the Bathurst Caribou herd and caribou habitat, and access to Tłıchq Lands.

Without the DAR, the Tłıchq Government may complete its land use plan without factual information on many issues raised in its May 28<sup>th</sup> Request for Ruling.

Fortune understands that the Tłıchq have been intensely busy with, among other things, establishing their new government and all of the processes and procedures associated with





implementing the Tłıchq Agreement. Over the approximately 15 years since Fortune has been in discussion with the Tłıchq about the Project we have tried to be sensitive to the pressures and stresses to which Tłıchq leaders and their people have been subject. We feel that we have enjoyed a spirit of cooperation and mutual respect. A further reason why Fortune has not applied for an “industrial access road” is our inability to meet with the Tłıchq Government. Since April 24<sup>th</sup>, 2008, when the Wek’eezhii Land and Water Board (“WLWB”) ruled that “that Fortune Minerals Ltd. is not eligible to apply for land use permits for activities that are to take place wholly or partially within owned Tłıchq Lands without providing proof of a right of access to those Tłıchq Lands”, Fortune has made numerous attempts to engage the Tłıchq Government in discussions concerning an access agreement, but, without success. Furthermore, Fortune has made numerous attempts to engage the Tłıchq Government concerning the road, to complete Traditional Knowledge studies, to commence negotiation of a Participation Agreement and the Project as a whole with little or no progress being achieved.

Fortune provided the Tłıchq Government with a draft Memorandum of Understanding (“MOU”) for an access agreement for its consideration. On December 3<sup>rd</sup>, 2009, Grand Chief Joe Rabesca responded in a letter stating that the Tłıchq Assembly had authorized a team to enter into negotiations of a MOU with Fortune. This six member working group, subsequently named the K’iagoti working group, had been formed to negotiate this MOU with Fortune. Although we have not been successful in scheduling meetings with this working group to date, Fortune will continue in its efforts to meet with the K’iagoti working group so that a MOU can be successfully negotiated and signed.

It is our view that there are sufficient safeguards built into the Tłıchq Agreement and the *Mackenzie Valley Resource Management Act* to address the concerns expressed in the Request for Ruling. Neither submission of the DAR nor continuation of the EA process to its completion could amount to tacit approval for the NICO access road; neither could these events provide a regulatory mechanism that would enable the Review Board or the WLWB to authorize such a road. Therefore, the possibility that the NICO access road could go ahead without Tłıchq Government approval is highly improbable.

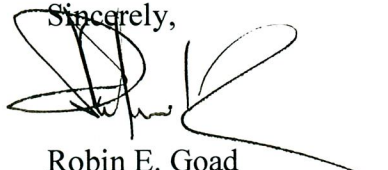
Having said that, Fortune acknowledges the importance of the land use planning process to the decisions facing the Tłıchq Government and the need to carry out discussions related to socio-economic, cultural, wildlife and other impacts on the environment that might arise from the Project. In order to address the concerns expressed by the Tłıchq Government, Fortune will voluntarily defer submission of the DAR until December 2010. During the next six months Fortune would like to engage the Tłıchq Government in discussions related to the issues it has raised in its Request for Ruling. By way of this letter I would



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like to formally invite Grand Chief Rabesca and his Council to meet with me and my team in June to set out a timetable by which we can address matters related to socio-economic and cultural impacts associated with Fortune's use of the proposed road; impacts of the Project on the Bathurst Caribou herd and habitat; terms and conditions related to Fortune's access to the NICO Project; and any other issue of concern to the Tłıchq that is within the ability of the company to address. I am confident that together we can work on developing solutions that will allow the Tłıchq Government to progress with their land use planning process and Fortune to progress the Project through the Environmental Assessment and regulatory permitting process. It is Fortune's sincere hope that the concerns expressed by the Tłıchq Government can be addressed in a timely manner as we believe this Project and the road will provide significant benefits to the Tłıchq people.

In light of the above, and on behalf of Fortune, I respectfully request that the Board find that it does not have to make a ruling in response to the Request for Ruling at this time. Fortune will continue in its efforts to meet with the Tłıchq Government for the purpose of enabling the Tłıchq to make significant progress in their land use planning process, particularly as it affects the Project and enabling Fortune to share the information in its DAR and to progress in the Environmental Assessment process.

Sincerely,  
  
Robin E. Goad  
President and CEO  
Fortune Minerals Limited

Cc Grand Chief Joe Rabesca  
Laura Duncan  
Art Pape

