



FORTUNE MINERALS LIMITED
**TECHNICAL MEETINGS FOR THE NICO GOLD-
COBALT-BISMUTH-COPPER PROJECT, NT**
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Shepard B. and Moloney, P.



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FORWARD-LOOKING INFORMATION

This document contains certain forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, timing and cost for placing the Company's mineral projects into production, costs of production, amount and quality of metal products recoverable from the Company's mineral resources, demand and market outlook for metals and coal and future metal and coal prices. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, uncertainties with respect to the receipt or timing of required permits and regulatory approvals, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal and coal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to metal recoveries and other factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be converted into mineral reserves. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update them or revise it to reflect new events or circumstances, except as required by law.



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NICO PROJECT UPDATE

- Design changes to the NICO Project include:
 - Cancellation of plans to build an airstrip at the Project site;
 - Option to use a Reverse Osmosis/chemical treatment/biological treatment (RO) system for effluent treatment;
 - Construction of co-disposal field cells at the NICO site; and
 - Underground mining period decreased to 8-10 months;
 - Contractor will be used to staff underground operation.
- NICO site is now in care and maintenance awaiting results of permitting process
- Reclamation activities have already been completed on portions of the exploration camp and some drilling access roads



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NICO EXPLORATION CAMP RECLAMATION - 2009





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NICO EXPLORATION CAMP RECLAMATION – 2011 (In progress)





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NICO PROJECT SUMMARY – THE MINE

- 18 year mine life
- Ore reserve of 31 million tonnes
 - 82 million pounds cobalt
 - 907 thousand ounces gold
 - 109 million pounds bismuth
 - 27 million pounds of copper
- Production: 4,650 tonnes/day (1.7 M tonnes /year)
- Open pit and underground mine year 1
- Open pit mine years 2 – 18
- Conventional truck & loader mining
- Will produce 180 tonnes of concentrate/day





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WHAT IS A CONCENTRATE ?

- A concentrate comes from the small silver-coloured parts of the rock that contains the valuable metals:
 - Gold, cobalt, bismuth & copper
- The concentrate is produced by:
 - Crushing & grinding the rock to make very small particles
 - Adding a chemical to separate the metals from the rest of the rock so they can be recovered
 - Only about 5% (1 part in 20) of the rock contains the valuable metals





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MINE ROAD USE

- NICO Project requires trucks to deliver fuel, supplies & people to the mine
- Metal concentrate will be main product being shipped out by truck
- Concentrate shipping will require 5 trucks per day all year
- Incoming trucks & other vehicles will be 3-9 trips per day all year
- The all-weather road is needed because these large shipments are too heavy & too expensive to fly



Hank's Truck Pictures ©



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CONCENTRATE SHIPPING

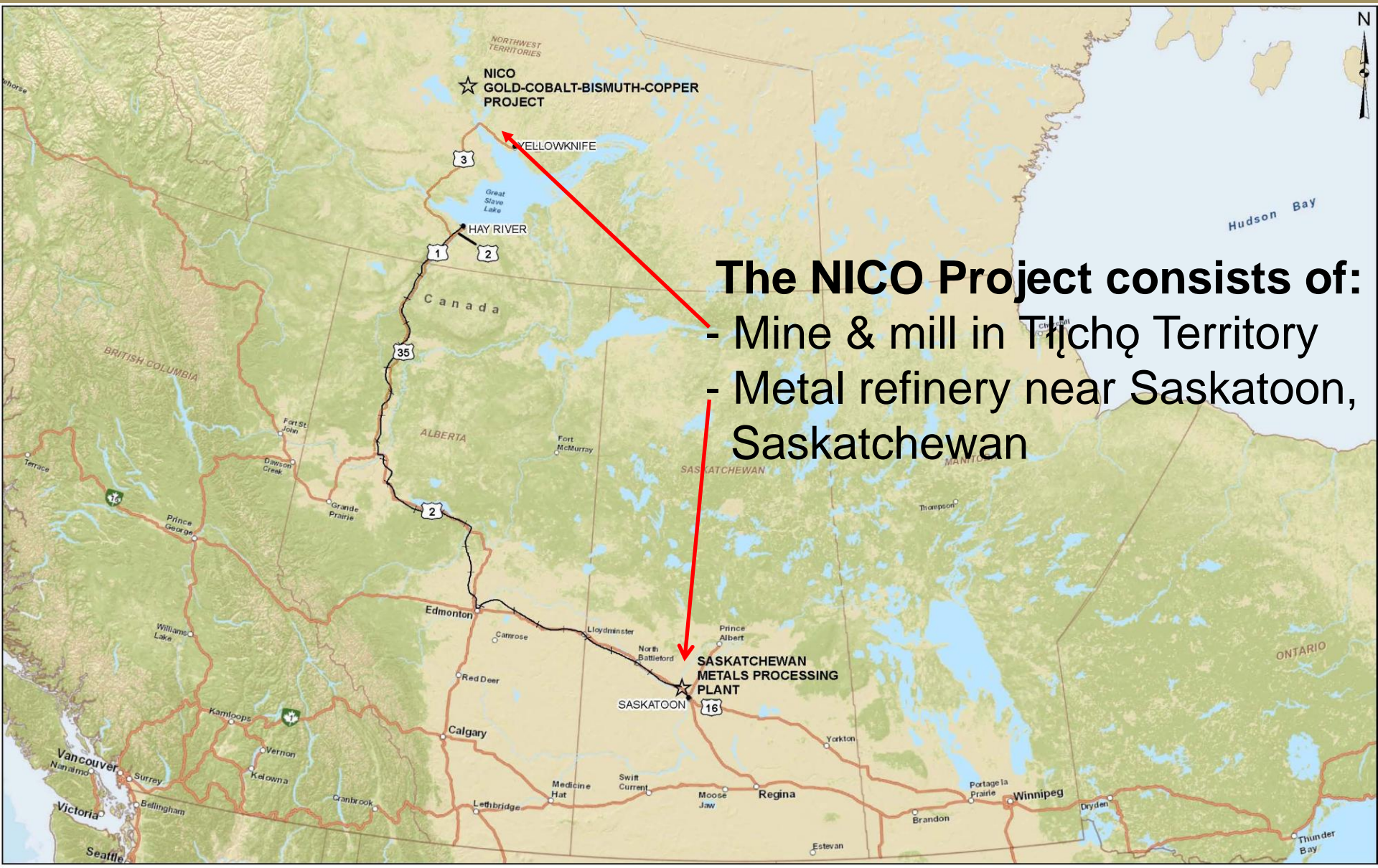
- Refinery in Saskatchewan will process NICO concentrates
- Concentrates will be shipped in bulk bags with a polyethylene liner
- Concentrate bags will be shipped from Hay River to Saskatoon on CN Railway





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The NICO Project consists of:

- Mine & mill in Tłı̨chʔ Territory
- Metal refinery near Saskatoon, Saskatchewan



SASKATOON REFINERY

- Fortune has decided to ship 65,000 tonnes/year of concentrate by truck/rail to a plant that we will construct near Saskatoon, Saskatchewan
- Positive effects for NWT of southern processing of NICO concentrates are:
 - Creates additional employment opportunities for trucking
 - Removes most of the chemical processes from the mine site
 - Removes most of the arsenic from the tailings
 - Eliminates need to ship a lot of chemicals up to the site
 - Results in a very small increase in truck traffic (approximately 5 trucks/day)

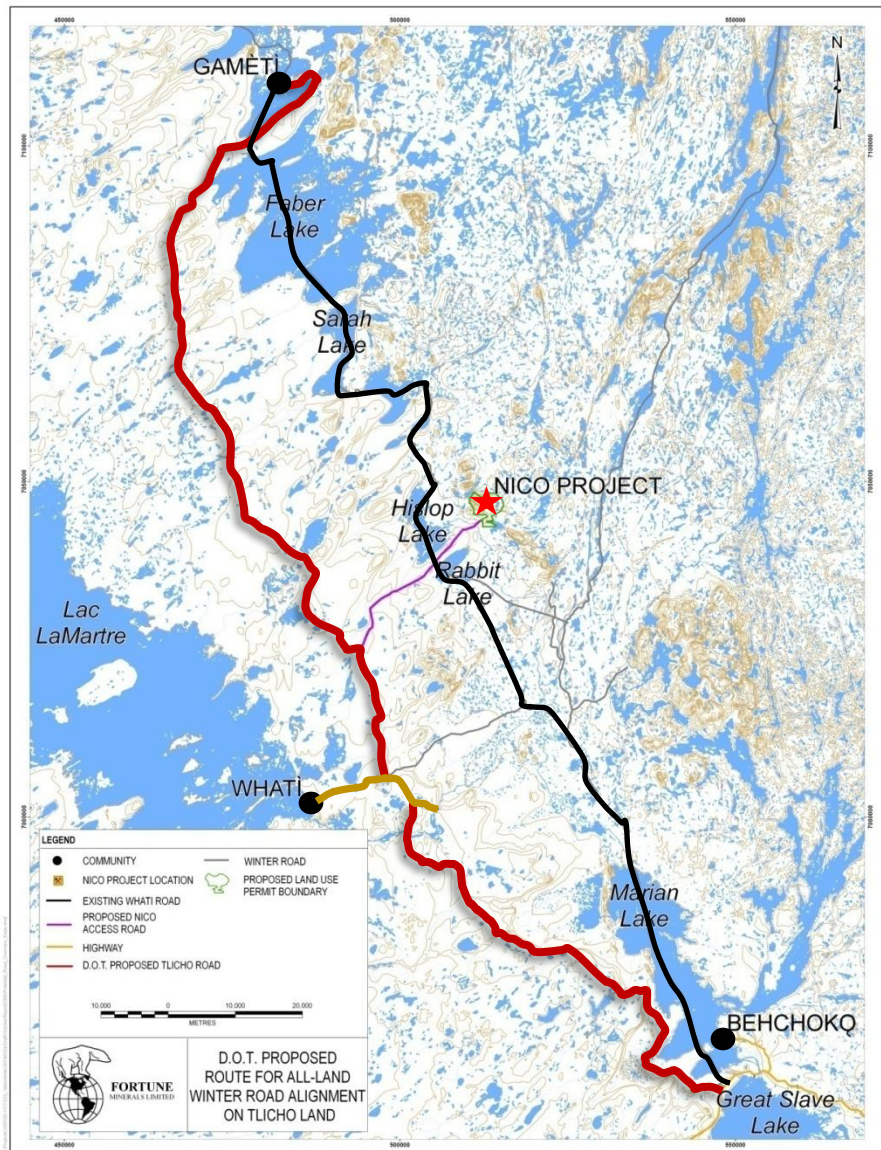


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ROAD ACCESS

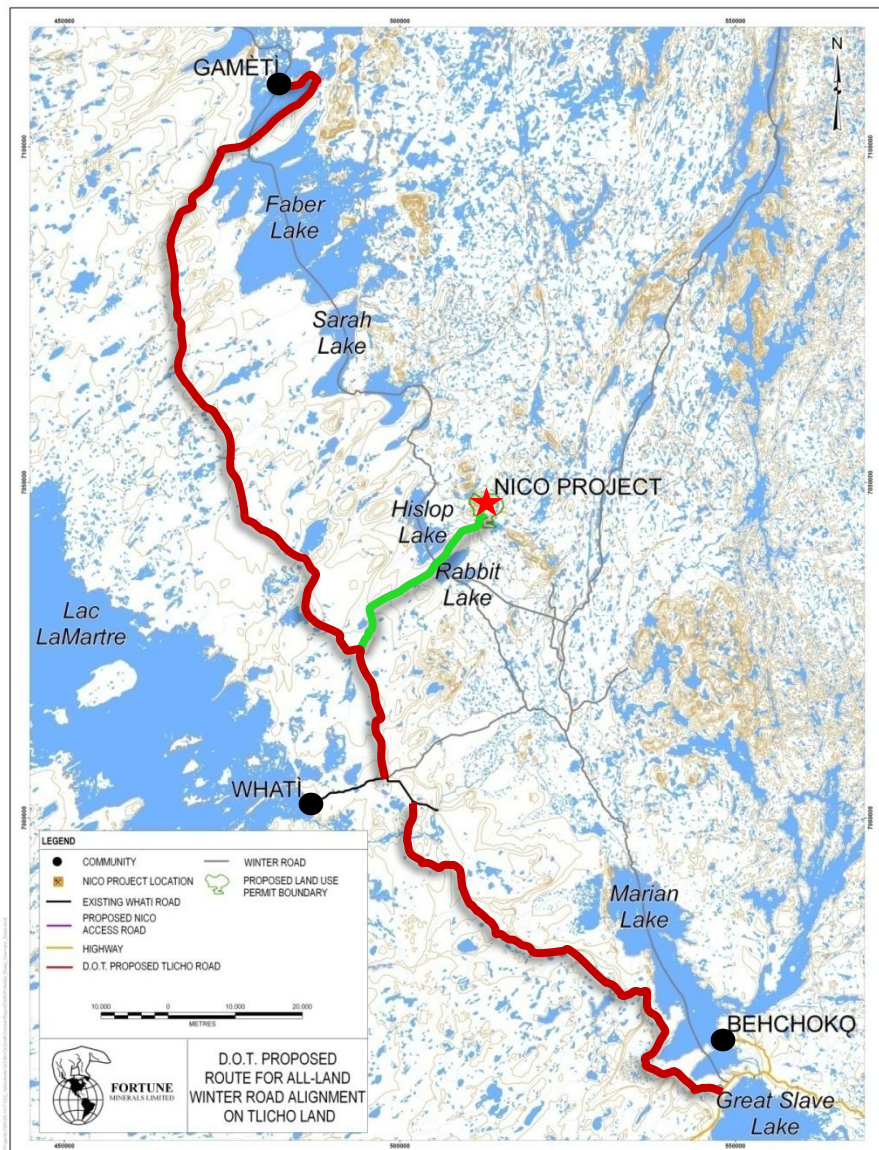
- Existing winter road over Ihdaak'etì (Marian Lake) to Gamètì
- Existing all-weather road between Whatì & Whatì Deè (LaMartre) Falls
- Proposed all-land winter road from Behchokò to Whatì & Gamètì planned as more reliable road for community re-supply
- Fortune will assist Tłìchq & NWT to upgrade the new winter road route between Behchokò & Whatì & the NICO mine to an all-season road





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MINE ACCESS

- 27 km access road will link Tłıchq road to mine
- 4 small stream crossings
- Gōlotì Deè (Marian River) bridge





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CARIBOU

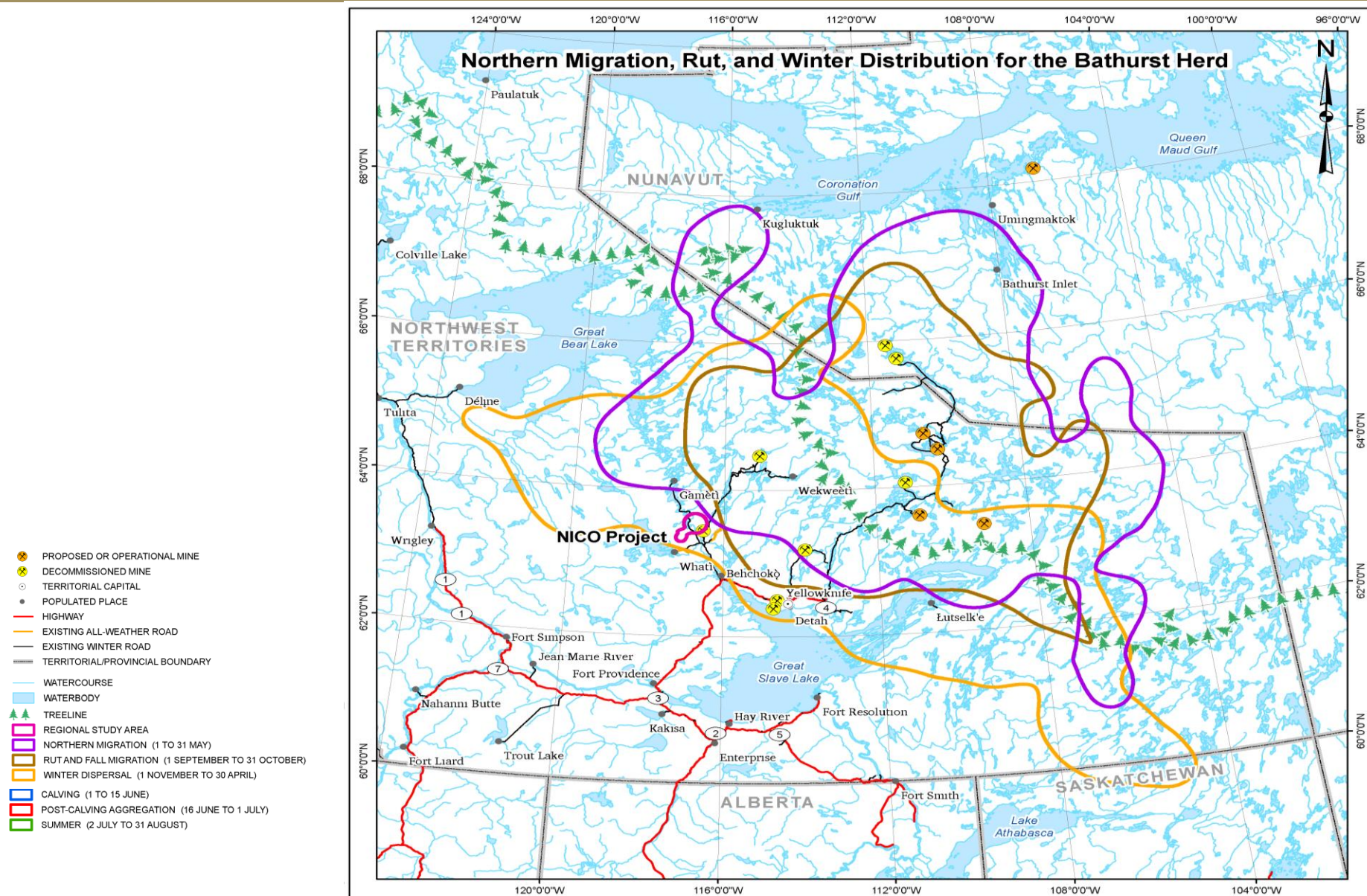
- NICO Project is in the winter range of the Bathurst herd
- Surveys over the last 10 years have observed low numbers of caribou in NICO regional study area
- NPAR will have minimal potential to increase access to caribou
- Fortune expects negligible impacts to caribou because of the location of this mine





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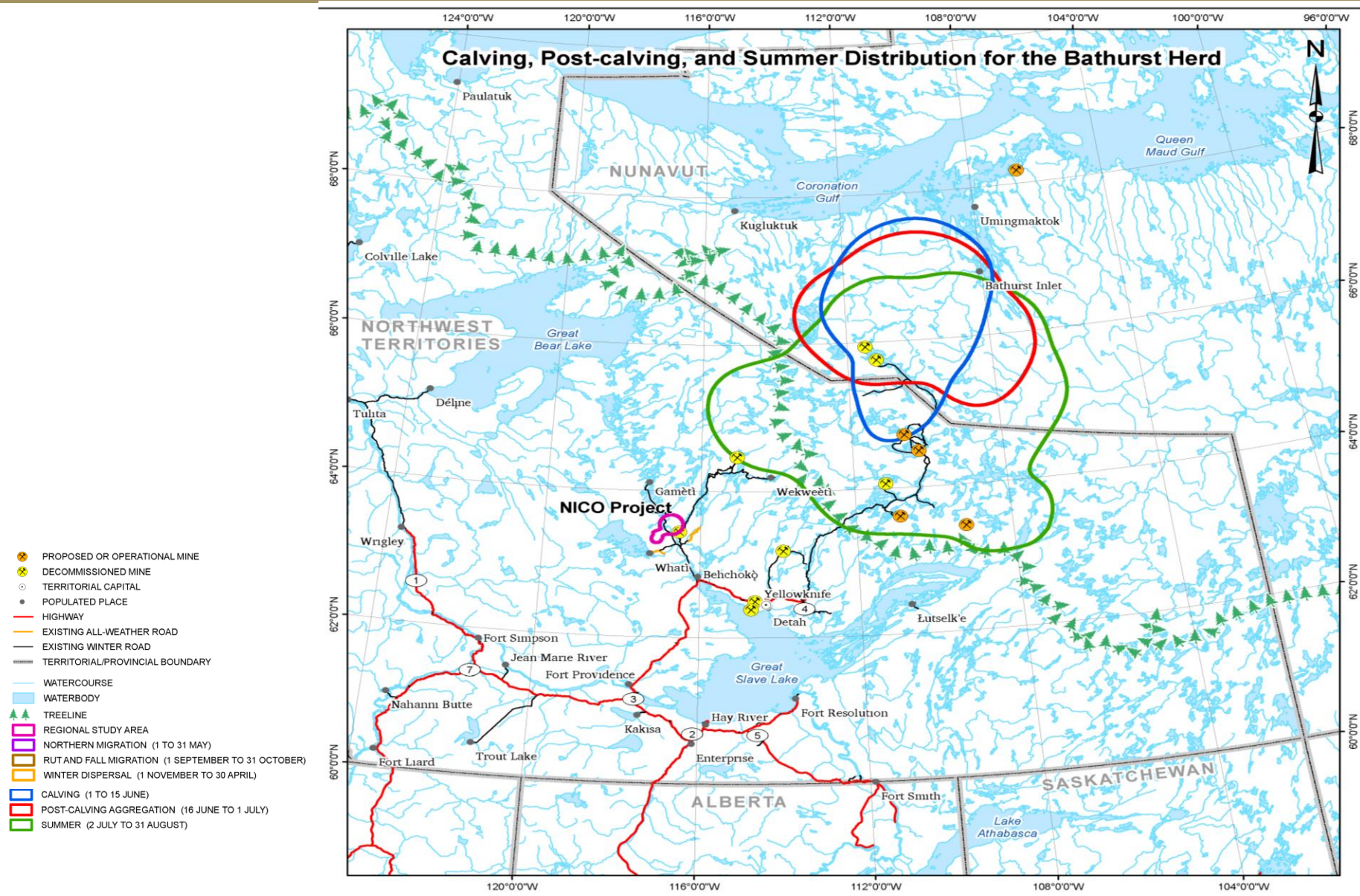
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Effluent Treatment using RO/Chemical /Biological Treatment

- In the DAR, Fortune stated that it was considering the use of a reverse osmosis (RO) system for effluent water treatment instead of the currently proposed Ion Exchange (IX) system.
- Fortune can now confirm it will be using a RO/chemical/biological treatment system combined with chemical and biological treatment for effluent water at the NICO Project.
- The RO system provides the best available technology available for removing contaminants from water and concentrates the contaminants into a brine stream.
- The proposed system depends on chemical precipitation to remove the majority of the metals and then on active biological treatment in a two step process that achieves selenium removal anaerobically and ammonia removal aerobically.
- The brine from the RO system will be treated by chemical precipitation to remove most metals in a stable form.
- After this step, a biological treatment system will remove the selenium and ammonia that are not efficiently removed by the chemical precipitation system.



Effluent Treatment using RO/Chemical Treatment/Biological Treatment

This treatment scenario consists of the following process steps:

- equalization;
- microfiltration for reduction of total suspended solids (TSS);
- reverse osmosis for reduction of constituents of concern (dissolved metals);
- chemical precipitation of the brine for removal of the majority of the metals;
- biological treatment of the brine for removal of selenium and ammonia; and
- filtration for removal of the precipitated metals.



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Constituent	Units	Site Specific Water Quality Objectives	ETF Influent Design Basis	Removal	Estimated Effluent Chemistry	Previous estimates using ion exchange
pH	s.u.	6.2	6.2	-	6.5 to 9	6.5 to 9
Temperature	°C	15	15.0	-	-	-
Alkalinity	mg/L as CaCO ₃	-	22.1	96%	0.807	0.221
Aluminum	mg/L	0.41	5.8	94%	0.377	0.058
Ammonia	mg/L	4.16	15.4	87%	2	1.54
Antimony	mg/L	0.03	0.05	85%	0.008	0.00051
Arsenic	mg/L	0.05	0.72	97%	0.018	0.0072
Barium	mg/L	-	0.21	94%	0.012	0.011
Beryllium	mg/L	-	0.00309	98%	0.000061	0.00015
Boron	mg/L	-	0.59	39%	0.36	0.06
Cadmium	mg/L	0.00015	0.00074	99%	0	0.000037
Calcium	mg/L	-	72.5	-	117	3.6
Chloride	mg/L	353	107	-	107	5.4
Chromium	mg/L	-	0.0066	96%	0.00026	0.00033
Cobalt	mg/L	0.01	0.47	99%	0.0052	0.0047
Copper	mg/L	0.022	0.032	98%	0.0007	0.0016
Iron	mg/L	1.5	9.3	97%	0.24	0.465
Lead	mg/L	0.008	0.015	99%	0.0002	0.00015
Magnesium	mg/L	-	24.7	96%	0.926	1.24
Manganese	mg/L	-	0.28	99%	0.00029	0.0028
Mercury	mg/L	-	0.00016	95%	0.0000076	0.0000016
Molybdenum	mg/L	-	0.11	84%	0.017	0.0055
Nickel	mg/L	-	0.034	96%	0.0012	0.0017
Nitrate	mg/L as NO ₃	133	62	-	62	6.2
Phosphorus	mg/L	-	0.264	83%	0.044	0.026
Potassium	mg/L	-	527	0%	527	52.7
Selenium	mg/L	0.005	0.127	98%	0.003	0.063
Silver	mg/L	-	0.00260	78%	0.00058	0.00026
Sodium	mg/L	-	120	0%	120	12.0
Sulphate	mg/L	500	421	25%	317	21.1
Thallium	mg/L	-	0.0259	99%	0.00038	0.00026
Uranium	mg/L	0.027	0.122	99%	0.0018	0.0061
Vanadium	mg/L	-	0.0047	96%	0.00017	0.00024
Zinc	mg/L	0.11	0.116	97%	0.0035	0.0058

- Table (see poster) represents the estimated worst case effluent chemistry with new treatment system
- Notable change - selenium projected to be below SSWQO values
- Effluent quality criteria are concentration objectives that are applied to end of pipe, whereas SSWQO's are concentration objectives intended to be met in the receiving environment
- A separate set of effluent quality objectives were not developed in favour of conservatively meeting SSWQO values at the end of pipe to minimize potential effects to aquatic life in Peanut Lake.



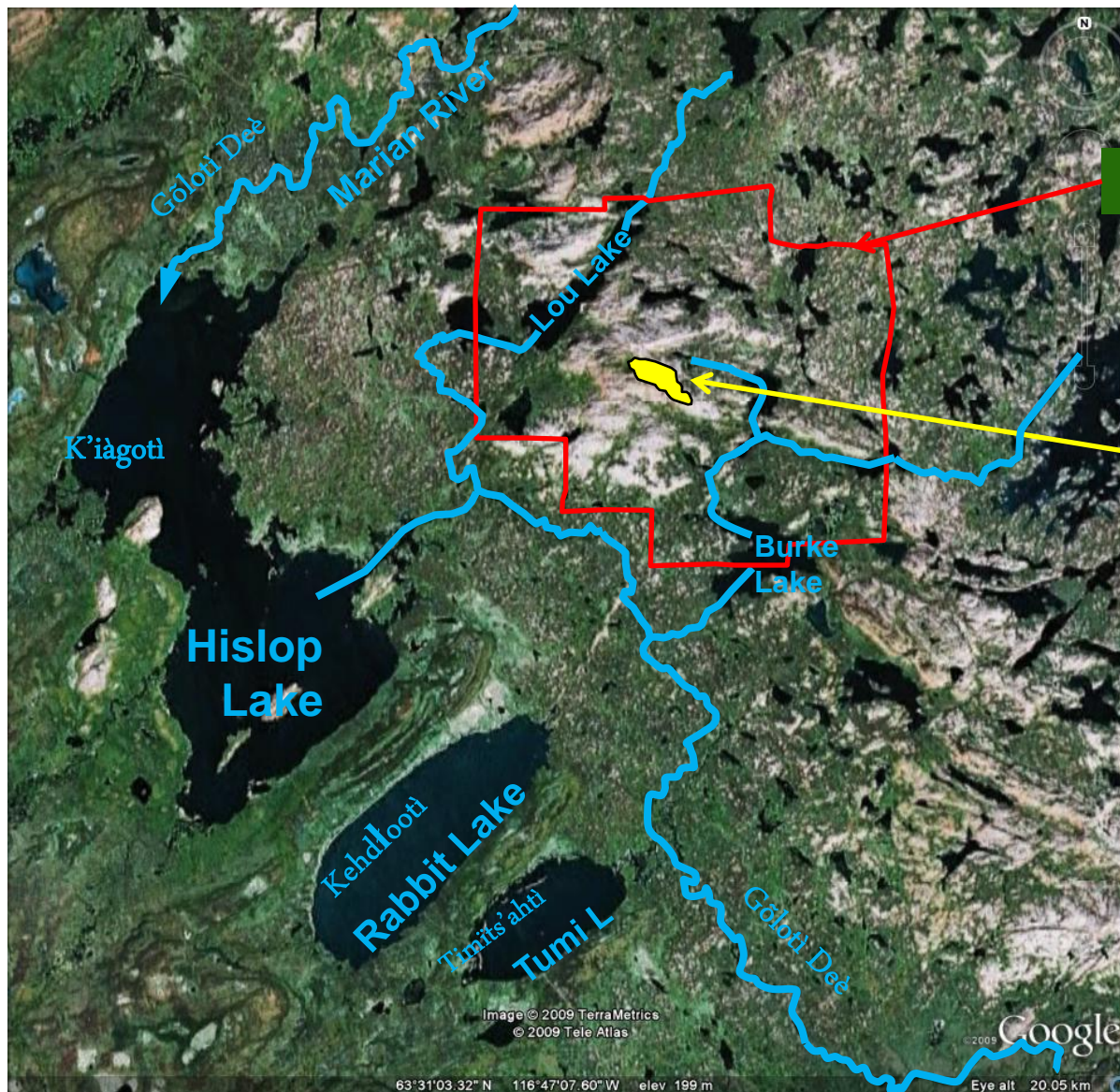
Effluent Treatment using RO/Chemical Treatment/Biological Treatment

- Only selenium concentrations were projected to potentially exceed SSWQO values in the effluent for the IX treatment option carried forward to the DAR
- With the change in treatment option to the RO treatment, all constituent concentrations, including selenium, are projected to be below the receiving water SSWQO value at the end of pipe
- Comparing the two technologies, the IX system would produce an effluent quality that is lower in some metals than the RO option, however it would not meet the SSWQO for selenium
- The RO/chemical treatment/biological treatment option produces an effluent quality that is projected to:
 - meet all limits
 - is more robust to changes in influent water quality than the IX system, and
 - produces secondary waste form that is more stable and compatible for disposal at the site



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NICO Property Boundary

Proposed Mine Pit



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AIRSTRIP

- In the DAR, Fortune discussed the possibility of not constructing the airstrip at the NICO Project site
- Fortune can now confirm that it will not be constructing this airstrip
- Given the limited amount of air traffic the airstrip would support, Fortune concluded that the cost and environmental impacts associated with construction and maintenance of an airstrip were not warranted
- As an alternative, Fortune would invest funds into the development of added infrastructure (if required) at the airport in Whati to accommodate the movement of staff and equipment for the NICO Project
- Removal of the airstrip results in a considerable reduction in the project footprint, reduces the potential for dust generation and eliminates one of the largest sources of noise associated with the development
- Airstrip would have been 1067 m long and 30 m wide with a total disturbance area of 11 hectares



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AIRSTRIP

- Whati could potentially benefit from increased infrastructure and employment opportunities at the airport during the Project
- The legacy of this infrastructure would extend beyond the life of the mine and provide future economic benefits for the community of Whati
- Fortune will not be constructing an airstrip
- Fortune representatives had an informal discussion with staff from the GNWT Department of Transportation (DOT) to discuss:
 - Fortune's potential use of the Whati airport
 - the possibility of a lease site at the Whati airport
- The planning process for a proponent interested in developments on airport lands starts with contacting the GNWT DOT Airport Division's Commercial Development officers to discuss land availability and the lease application process
- Fortune will invite the Tlicho government and the community government of Whati to participate in the discussions



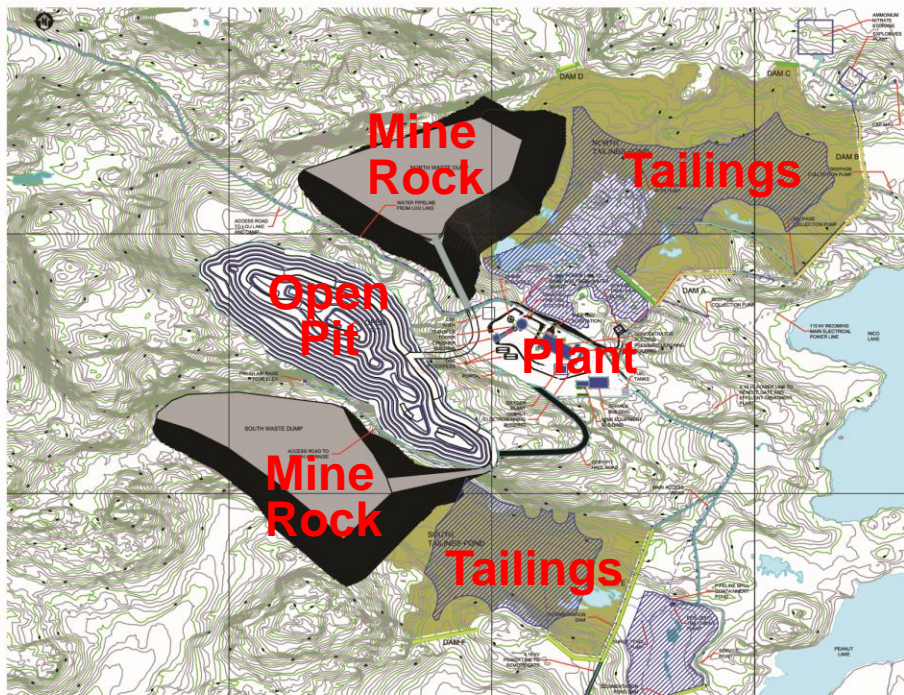
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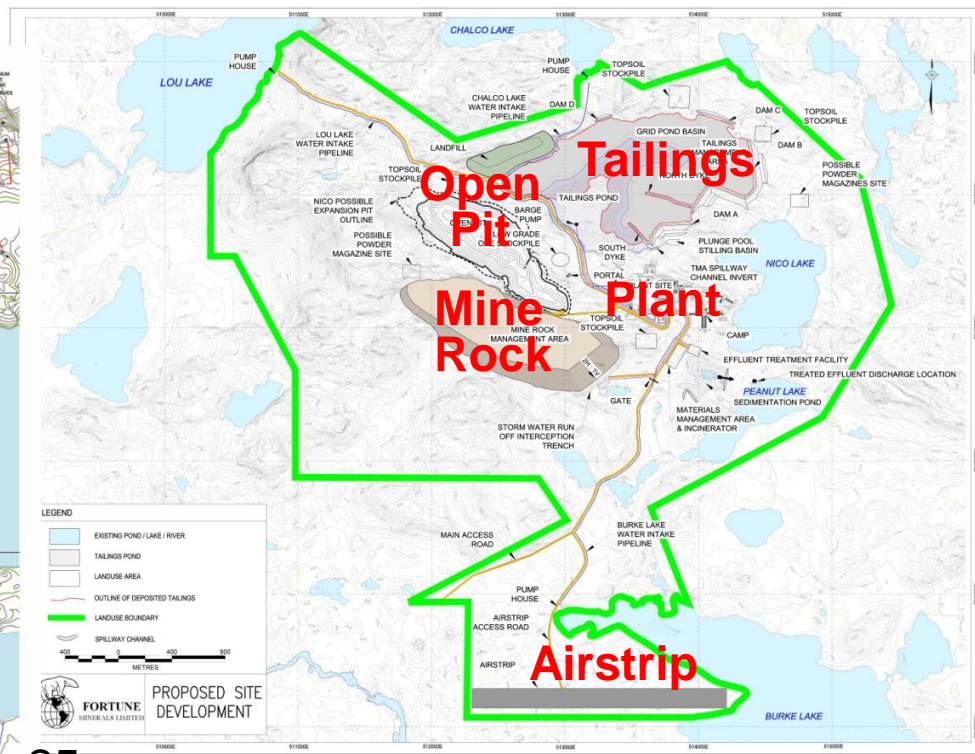
CHANGES TO MINE DESIGN

Fortune has continued to refine the NICO Project design since 2007 with the result that the overall footprint has been reduced substantially

2007



2009

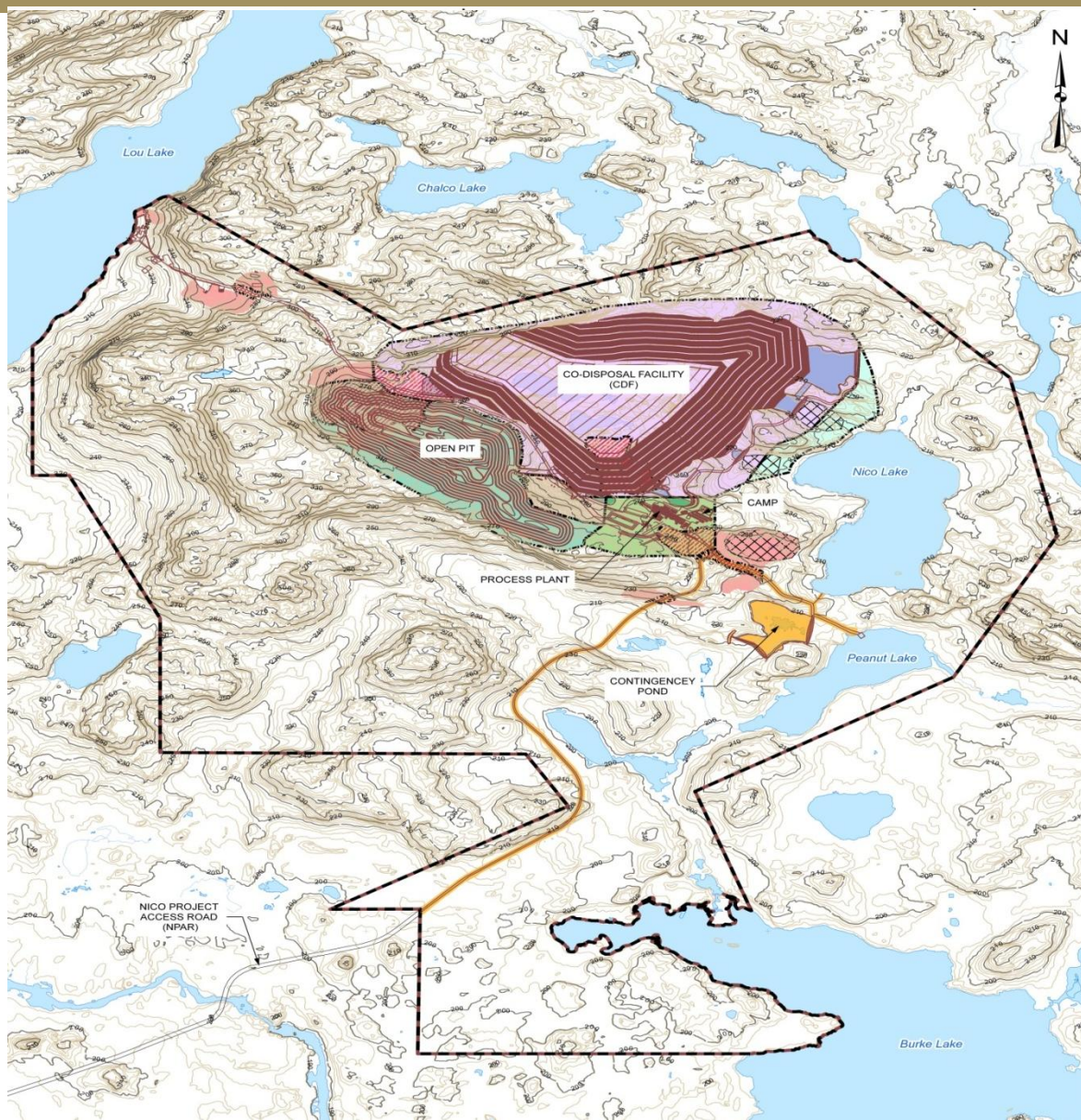




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2012





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WHY CO-DISPOSAL?

- **Consolidated water management:** Allows for water management related to the mine to be concentrated into a single watershed.
- **More efficient water collection (maximizing the rate of consolidation of the tailings):** The coarse mine rock will act as a drainage path for tailings consolidation water.
- **Aesthetics:** CDF was specifically designed to be lower than the surrounding hills making it hidden from Hislop Lake and the Marian River.
- **Improved stability:** Use of mine rock to form the Perimeter Dyke and inclusion of internal rock layers and berms will increase the overall stability of the facility, reducing operational and post closure risk of the facility.
- **Improved water quality:** CDF reduces metal leaching and acid mine drainage potential. Partial filling of the mine rock void space with thickened tailings will reduce infiltration, maintain saturation and reduce the rate of oxygen ingress into the co-disposed mass, thus reducing the rates of infiltration, mass transfer of solutes, sulphide oxidation and acid generation.



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WHY CO-DISPOSAL?

- **Reduced footprint:** About 35.5% of the thickened tailings is anticipated to fill the void space of the mine rock, hence reducing the total volume of the facility and the area of disturbance. Elimination of the Mine Rock Management Area reduces the footprint of the NICO Project by over 200 ha.
- **Dust control:** Co-disposal will significantly reduce wind/water erosion. The surface area of tailings exposed to wind/rainfall will be reduced by placing tailings in cells. The tailings disposal cells will also be covered with mine rock shortly after they are filled.
- **Progressive closure:** Many of the closure operations can be carried out during operations. Fortune will be able to demonstrate if its closure techniques are successful during operations which will allow for adjustments to be made if needed. Progressive reclamation will also reduce the area of tailings and mine rock that are exposed to the environment.



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CO-DISPOSAL FIELD CELLS



- In the DAR, Fortune committed to the construction of field cells (CDC's) using materials comparable to what will be placed in the CDF
- Co-disposed tailings and mine rock field test cells were constructed on July 19, 2011 at the NICO Project site using 1.14 m³ (approximately 1,500 L) totes
- CDC's were built from tailings generated during locked cycle testing and pilot plant operation of material mined during the bulk sampling that took place in 2006 and 2007
- The combined tailings products from the pilot plant represent the best available material that simulates the tailings that will be generated during full-scale operations at the NICO Project



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FIELD CELL CONSTRUCTION

- Built a representative small scale model of the CDF with a mix mine rock and tailings in the right proportions
- The weight of tailings and mine rock used in each cell was measured so the proportions would match the design of the CDF
- The volume of water used to re-suspend the tailings was also measured
- Three CDC's were constructed:
 - FC-11: Mine rock alone, which will serve as a control for the co-disposed field cells;
 - FC-12: Co-disposed mine rock and tailings, intimately blended to ensure good contact between the tailings and the mine rock; and
 - FC-13: Co-disposed mine rock constructed using a layered approach.



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MONITORING



- Water draining through these field cells will be collected on a monthly basis and will be analyzed using the same protocols as the existing tailings, ore and waste rock field cells installed in 2008
- Results will be used to refine design of CDF and water quality modeling predictions for the NICO Project



MINE CLOSURE – Years 1 and 2

- Fortune intends to progressively reclaim the Co-Disposal Facility (CDF) throughout the operating life of the mine.
- Portions of the top surface of the CDF will be re-graded, covered, and reclaimed after they reach their final grade.
- It is expected that about 50% of the total top surface area of about 40 ha will be reclaimed prior to the end of operations. Overall, about 85% area of the CDF will be reclaimed by the end of the operations of the proposed mine.
- Fortune will consider both passive and active re-vegetation strategies. These approaches will be evaluated in re-vegetation trials that Fortune will initiate once the mine starts operating in consultation with the Tlicho people.



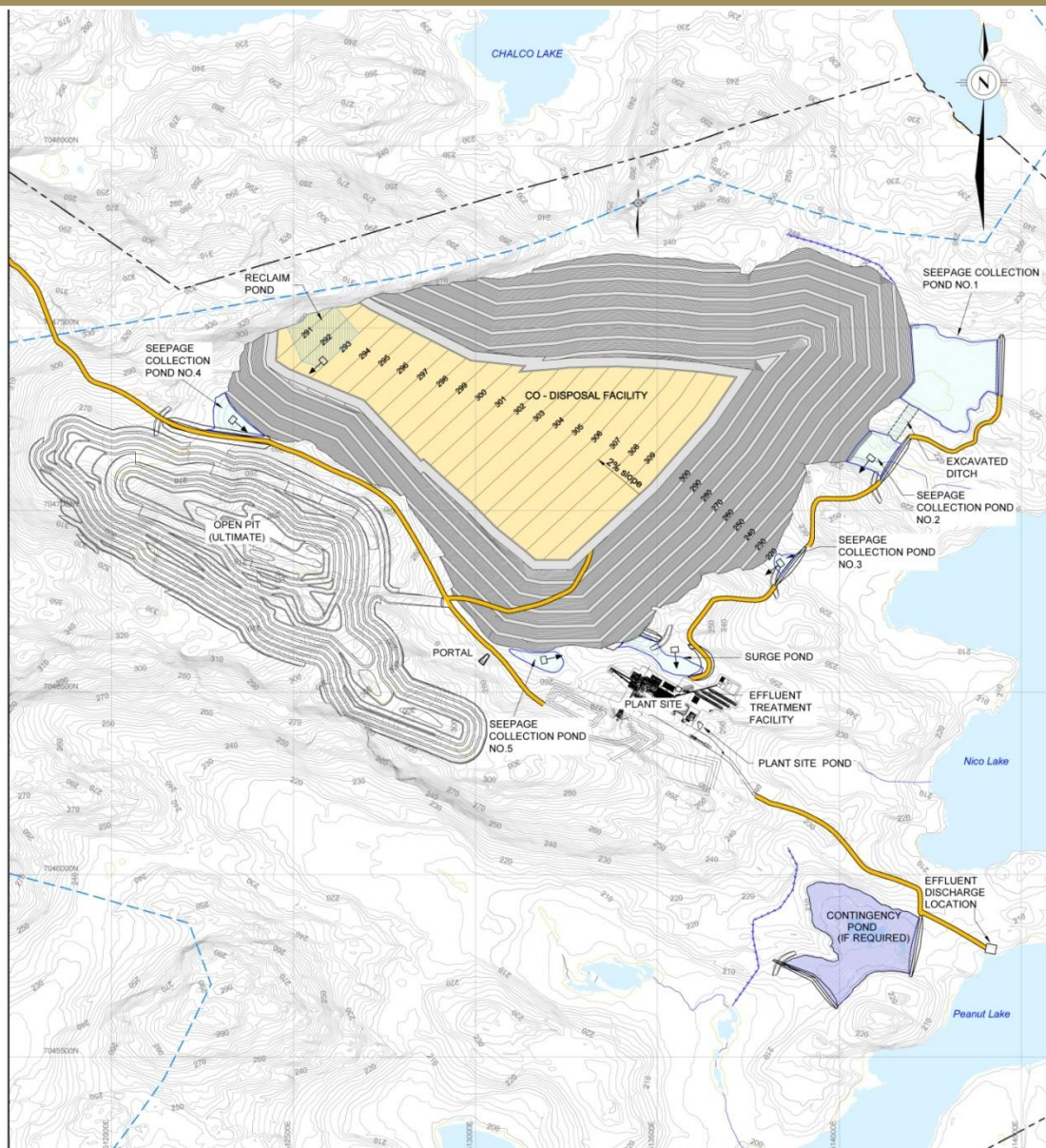
MINE CLOSURE – Years 1 and 2 (continued)

- Open pit will be allowed to flood & have a safety barrier & warning signs. Water draining from surface of CDF will be directed to open pit.
- Only water inputs while the open pit is filling will be seepage from CDF into Nico Lake which will be passed through wetland treatment areas or the ETF (if necessary).
- Treatment wetlands will be built and tested during operations. Bench-scale passive treatment systems currently being tested.
- Underground openings will be closed and buildings will be removed.
- Ground surface will be graded to promote plant growth.



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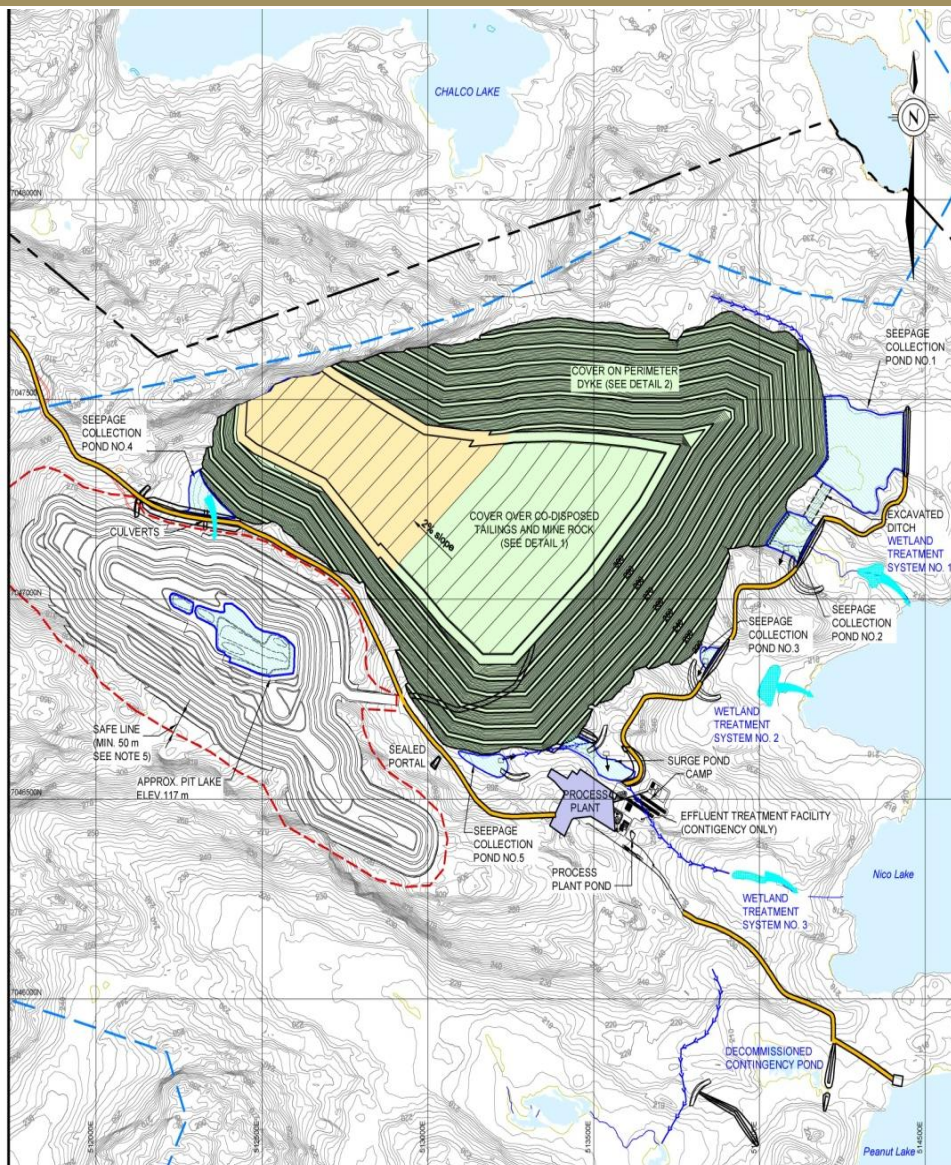
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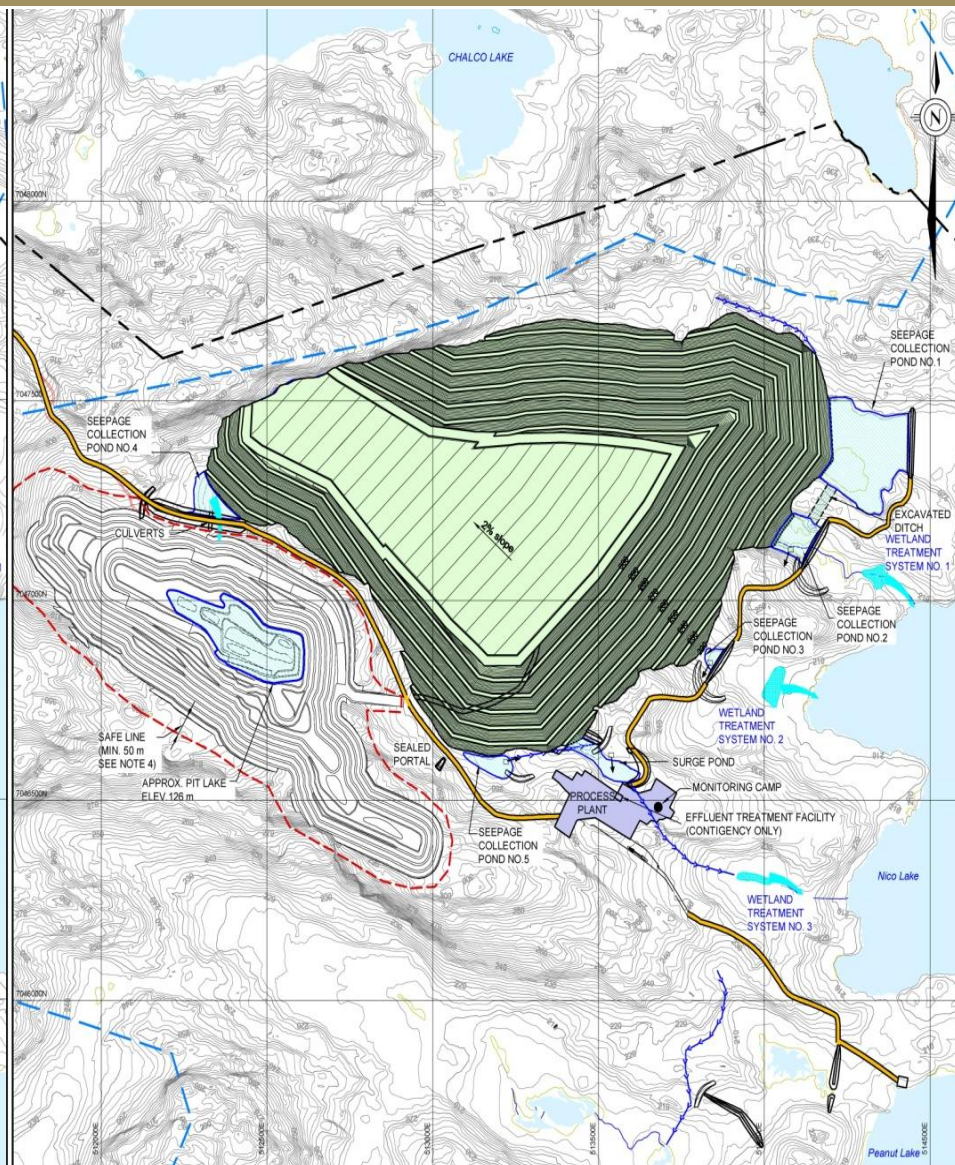


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CLOSURE - YEAR 1



CLOSURE - YEAR 2



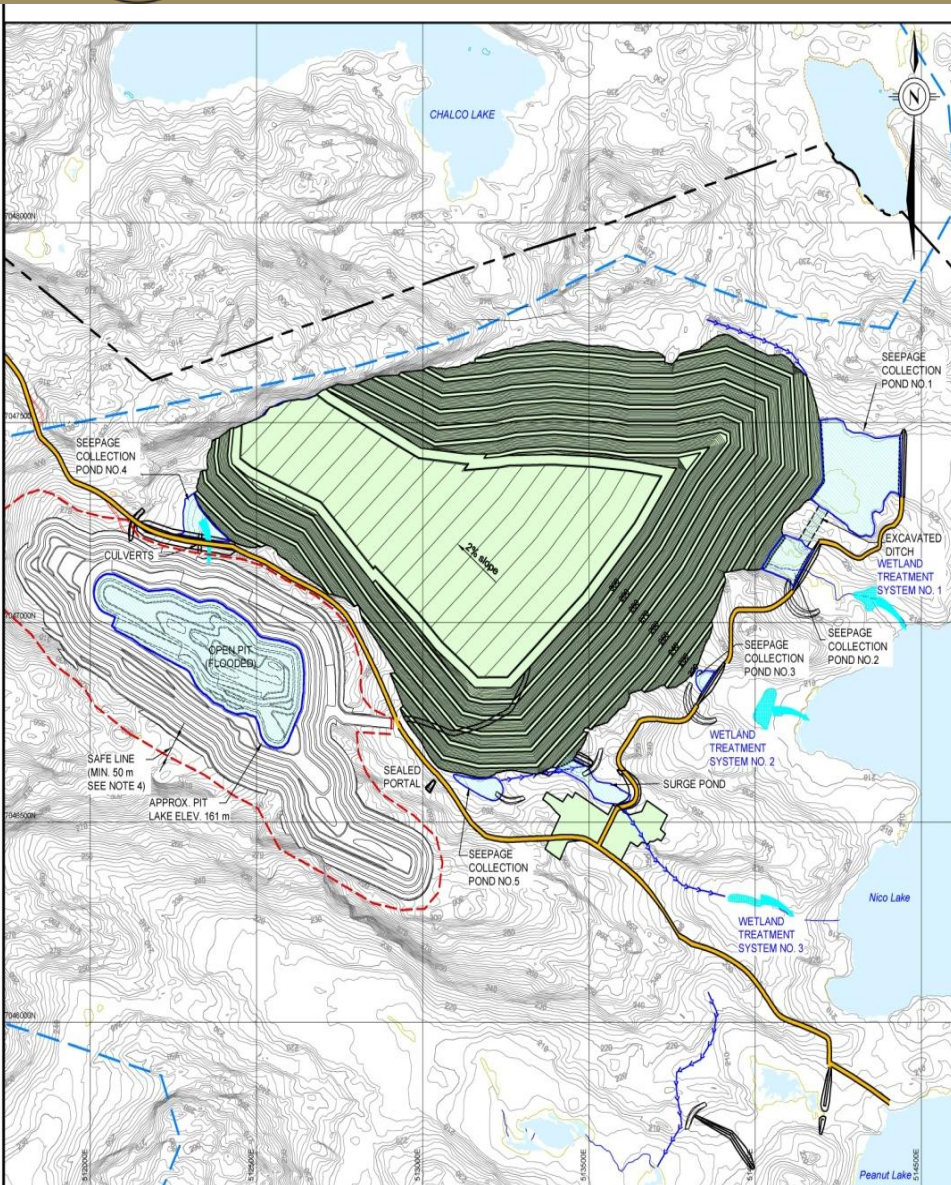
MINE CLOSURE – Years 3 - 120

- Success of re-vegetation efforts will be monitored and adjusted as necessary.
- Open pit will continue to fill until for approximately 120 years post closure. Water quality & other environmental components will be monitored.
- While the open pit is filling, the only water effluent will be the seepage from the CDF which will be passed through wetland treatment areas before flowing into Nico Lake or the ETF (if necessary).
- Water quality assumptions were conservative, as the quantities of metals in the CDF are finite and are expected to be depleted over time as porewater is flushed out. It is therefore expected that concentrations will begin to decrease over time beyond closure.

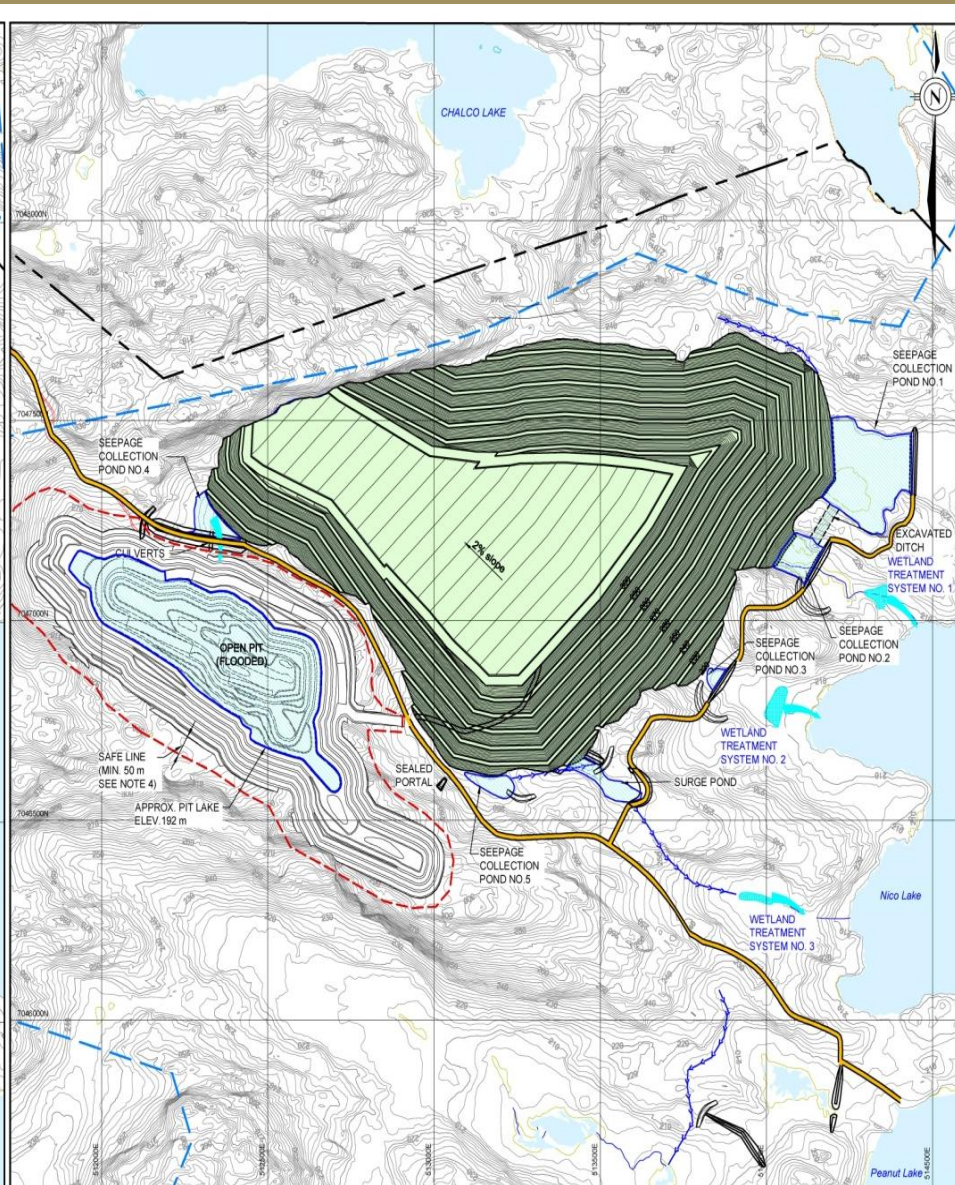


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CLOSURE - YEAR 5



CLOSURE - YEAR 25



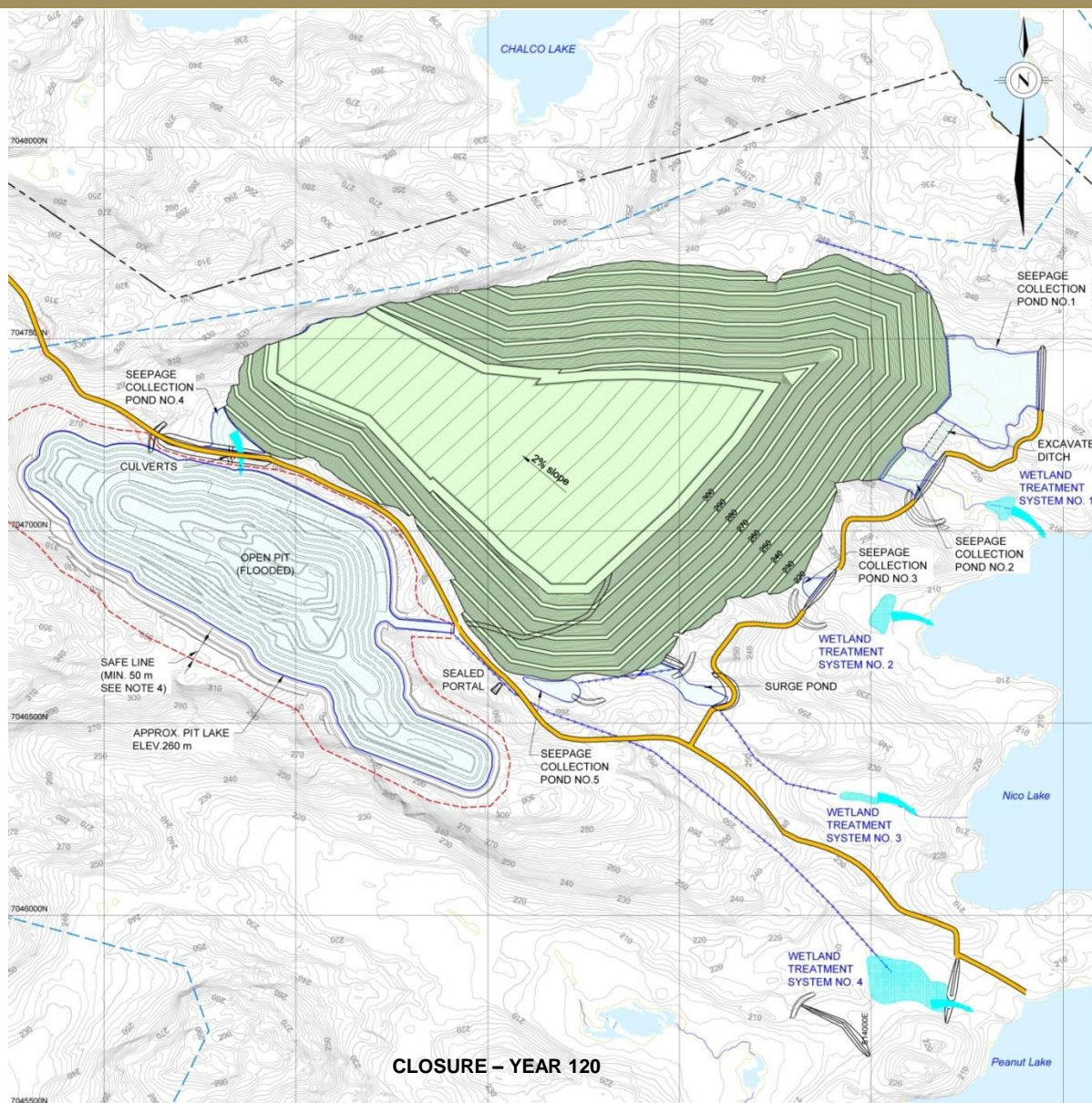
MINE CLOSURE – Year 120

- Water quality monitoring of open pit water will continue to determine if treatment is necessary when overflow occurs.
- If treatment is required, options such as in-pit treatment will be considered.
- Open pit overflow could also be directed to wetland treatment system prior to release into Peanut Lake.
- Preliminary results from testing of a bench scale passive treatment system indicated that concentrations of metals present in a concentrated brine produced from process water generated during pilot plant operations were reduced by an order of magnitude.



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CLOSURE – YEAR 120



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COMMUNITY CONSULTATION

Whati Road Workshop, August 2010



- Fortune committed to continued consultation & engagement with Tlicho Government & people
- NICO Community Relations Co-ordinators hired
- Yellowknife office opened
- Next visits to Gameti, Whati, Wekweeti and Behchoko will occur March 26-30, 2012



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2006



2010



2006



2006



**NICO
SITE
VISITS**



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Wekweeti Elders-2011



Gameti Elders-2011

**NICO
SITE
VISITS**



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Employment Opportunities To Date (Nico Camp 2007-2011)

- 69 employment opportunities
- 52 filled with First Nations (75%)
- \$467,063 funds injected into the community (in wages)
- Surge labour provide by TIC
- \$1.28 M spent on Tlicho businesses

Employment Opportunities Future

(Forecasted)

- Construction employment 400
- 115 at mine site at one time
- 200 overall jobs
- 24 underground (contracted) for 8-10 months
- Camp Wages \$25.9 M
- Contributions to Government \$2.8 M (via EI, CPP, etc)





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OPEN PIT MINE OPERATIONS

Operations Superintendent
Mine Shift Boss
Production Shovel

992 Loader (Crusher and Backup)
Haul Truck
Drill
Dozer/Grader/Water Truck
Blaster
Blaster Helper
Crusher Operators
Dryman

ADMINISTRATION

Mine Manager
Executive Assistant
HR Co-ordinator

Community Liaison Co-ordinator

Safety Coordinator/Mine Rescue
Accounting Clerk

Stores and Logistics Clerk/First Aid

POTENTIAL CONTRACTORS

Camp Manager

Support Team (Cooking & Cleaning)
Security/EMT1

TECHNICAL SERVICES

Geologists
Senior Mining Engineer
Mining Engineer

Planning Engineer
Mine Technologist
Surveyor

PROCESSING PLANT

Concentrator Superintendent
Metallurgist
Plant Shift Foreman
Grinding Operator
Flotation Operator
Tailings Operator
Plant Helper

ANALYTICAL GROUP

Chief Analyst Laboratory

Senior Assay Technician
Assay Technician

Sample Preparation

POWER & MAINTENANCE SERVICES

Maintenance Superintendent
O/P Maintenance Lead Hand
Plant Maintenance Lead Hand

Maintenance Planner
Reliability Engineer
O/P Mechanics
O/P Welders/Tires/Field Tech
Service Truck Attendant
Plant Millwright
Plant Welder
Plant Mechanic
Plant Carpenter
Electricians
Computer Technician
Stationary Engineer

Water Treatment Technician

ENVIRONMENTAL SERVICES

Environmental Superintendent

Regulatory Co-ordinator

Environmental Technologist



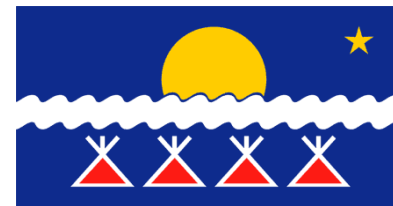
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Supply Chain Opportunities

Current

- 115 suppliers
- 17 direct FN
- 99 Northern
- Balance are Engineering and storage facilities



Future

- Food Services
- Trucking
- Labor and Machine Operators
- Environmental Support
- Waste handling
- Transportation
- Communications
- Reclamation



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Socio-Economic Commitment

Handball Tournament

Behchoko Spring Carnival

Tlicho snowmobile tour to Kugluktuk

School snack program

Youth hockey in the community



Happy Daze Festival

Sponsor Father's day & Aboriginal day

Father's Day Celebration

Canada day Celebration

Sportsplex





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AGREEMENTS

- Fortune Minerals Limited (FML) and the Tlicho Government (TG) have signed a Co-operative Relationship Agreement for the NICO gold-cobalt-bismuth-copper project.
- This agreement establishes the framework and path forward for further negotiations, defines primary liaison officials, and sets the communication protocol for the two parties.
- FML has agreed to fund a Traditional Knowledge (“TK”) Study that will focus on providing traditional knowledge and land use practice information for the environmental review of the NICO project.
- This TK study, which will be carried out by the TG, will contribute to the environmental assessment process.
- The TG and FML have also signed an Environmental Assessment Funding Agreement to support the TG with their review of the NICO Project’s “DAR”.