



FORTUNE MINERALS LIMITED

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Mr. 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 Commonly Asked Questions During the
Environmental Assessment Scoping Sessions for the Fortune
Minerals Limited NICO Cobalt-Gold-Bismuth-Copper Project**

This letter provides answers to questions and clarifications/comments for several issues that were raised during the Mackenzie Valley Environmental Impact Review Board (MVEIRB) scoping sessions for the NICO Cobalt-Gold-Bismuth-Copper Project (hereafter NICO Project).

The intent is to address matters that were not clear to the participants and that can be answered at this stage in the environmental assessment (EA) process. Several questions posed during the scoping sessions can only be addressed by completing the EA for the NICO Project. Fortune will retain the questions and comments received during the scoping sessions and endeavour to respond to them during the course of the EA process.

Fortune Minerals Limited participated in the scoping sessions that were held on the following dates and locations:

- April 20th – Yellowknife
- April 27th – Whatì
- May 4th – Behchokō
- May 7th - Gamètì

During these sessions, a number of questions concerning various aspects of the project were brought forward to Fortune by the participants and MVEIRB staff. Fortune has reviewed these questions and wishes to provide clarification on a number of issues prior to the preparation of the draft terms of reference by the MVEIRB.

Fortune has consolidated the questions into groups with similar themes under specific headings (e.g. water quality) since the issues are related. The questions from scoping sessions are presented in *italics*. Fortune's response is presented after each comment.

Water

How will streams and lakes be affected by the development?

No fish habitat will be harmed by the development. Water discharged from the mine will be treated and will meet discharge criteria. A monitoring program will be developed with the help of the Tłıchq people that will examine the health of streams and lakes potentially affected by the mine.

With Behchokō downstream of the development, how will the drinking water source for the community be affected and is there a contingency plan for adverse impacts to the drinking water?

Fortune is confident that drinking water quality standards will be maintained in Behchokō. Water discharged from the mine will be treated and will meet discharge criteria. Fortune has added a baseline water quality station at Behchokō that will be monitored now and during operation of the mine to demonstrate water quality. We do not believe a contingency plan is needed with these measures in place.

The Métis have water concerns as well since they own the Old Fort Rae site.

As stated above, Fortune does not believe treated effluent from the mine will make the water unsafe to drink. A monitoring program will be place to check on water quality.

Hislop Lake has great importance to the Tłıchq people and many camps are still located on it. Does water flow from the proposed mine site into Hislop Lake and if so, how will it be affected?

Water from the project location does not flow into Hislop Lake. Treated effluent from the mine will be discharged into the Burke Lake drainage that flows into the Marian River approximately 8 km downstream of Hislop Lake. Fortune will add a water quality station in Hislop Lake to satisfy concerns over water quality in this lake.

Will water flow from the pit, developed on the hilltop, into Hislop Lake?

No. The water from the open pit will flow into the Burke Lake drainage that flows into the Marian River approximately 8 km downstream of Hislop Lake.



Wildlife

Fish affected by mine impacts downstream can swim upstream through rivers and lakes and result in affected fish located upstream of the mine discharges.

Water discharged from the mine will be treated and will meet discharge criteria. Therefore, Fortune is confident that fish that swim through the receiving environment will be safe.

If lakes are going to be drained, will Fortune be moving the fish out of them?

No lakes that contain fish will be drained during construction or operation of the NICO mine.

Animals travel all over. So an animal that has been contaminated can be found/hunted well off site. Animals clean themselves using their tongues. If they walk through contaminated areas, the dirt from their fur and paws will be ingested.

Fortune is conducting a risk assessment to look at the potential for wildlife to be exposed to contaminants from the mine. We will use these results to minimize the risk to wildlife wherever possible.

Mine Design

What is the footprint of the development and is what was shown the whole plan for development? Will it ever be increased?

The total lease area Fortune has requested is approximately 1430 hectares in size. There are no plans to increase the footprint of the mine at this time.

How many pits are planned? Is the one pit shown going to be the only pit developed? If more pits are planned, will the Tłıchq people be consulted again? We do not want to have the situation like what happened at BHP where different pits were developed than those that were originally proposed.

Only one open pit is being proposed for the NICO Project. If more open pits were to be developed at NICO or elsewhere, Fortune would consult with the Tłıchq people prior to development.

Elders should be consulted with regard to the site layout, placement of tailings and mine rock piles, etc. since they know the area, where valued features are located and how the ecosystem interacts. Elders can also provide advice with regard to site design features. There are many cabins and trails in the vicinity of the



development. Elders want to see how these will be affected and observe the trails in the mine site area.

Fortune will soon be contacting the Tłıchq Government about organizing site visits for elders this summer at NICO in order to get their input on mine design and monitoring plans.

Will the mine rock be sitting in water?

No. The mine rock management area will not be under water.

Where will crushing take place?

Crushing will take place at the NICO site near the mill complex.

How will dust from blasting, mine operation and crushing affect vegetation, wildlife and water in the mine area?

Fortune will assess the potential effects of dust on vegetation, wildlife and water in the Developers Assessment Report (DAR). Mitigation techniques to minimize dust generated on site where possible will be discussed in this document.

Burial and archaeological site should be avoided in the site development.

Burial and archaeological sites will be identified through heritage surveys, traditional knowledge studies and consultation with elders. Burial sites will be avoided. Archaeological sites will be avoided or mitigated according to accepted procedures.

Site Monitoring

Tłıchq people need to be involved with the monitoring of the site and the design of the monitoring plan.

Fortune will hire Tłıchq people to perform the monitoring at site whenever possible and assist in the design of the monitoring programs. A site visit for the elders is already being planned to assist in the design of site monitoring plans.

What is the natural level of arsenic at the site?

The natural path of water from the NICO Project site goes from the Grid Ponds, through Nico, Peanut and Burke Lakes to drain into the Marian



River 8 km downstream of Hislop Lake. Levels of natural arsenic at the NICO Project are over 200 µg/L in the Grid Ponds. These levels are greater than the current CCME criterion of 5 µg/L for fresh water aquatic life. Arsenic levels decrease to 2 µg/L when the water reaches the Marian River.

Mine Processing (Use of Chemicals)

Water recycling on site need to be maximized.

Fortune is continuing to examine ways to reduce fresh water use on site. The current plan is that 56% of the water used would be recycled.

What quantity of water and chemicals will be used to extract the metals?

Fresh water use will be approximately 6,100 cubic metres/day in the process plant. This number will change if the processing is completed in a southern location.

How would chemicals stored and used on site be removed back to where they came from?

Most of chemicals used at the mine will be consumed (destroyed) by the process and cannot be reclaimed. Cyanide will be destroyed before the process water goes into the tailings management area.

How much diesel will be used at the site?

The mine plan calls for the storage of approximately 4.1 million litres of diesel on site.

How will the air be affected by chemical use on site?

Fortune expects that chemicals will have a minimal effect on air quality.

The mine will require plans for spills and abilities to respond to emergencies.

Emergency response and spill contingency plans are being prepared as part of the mine management plans.



Mine Closure

Will all the structures be removed from the site?

Upon closure, all of the mine and mill facilities will be properly decommissioned and removed. Until the site water discharges can be demonstrated to meet acceptable criteria for discharge without treatment, the effluent treatment facilities will be maintained and operated as necessary.

Will the tailings area be fenced?

The tailings area will be capped at closure. There will be no benefit to a fence as the tailings will be isolated from the environment.

Will the water and wildlife be safe after closure? Will they return to natural conditions?

Fortune will continue to treat water coming from the site at closure until we are confident that discharge criteria can be met over the long term. Fortune does not expect any effects to wildlife after closure.

The Road

Will the road be a winter or all season road?

The Government of the Northwest Territories is currently proposing to build an all-land winter road between the Behchokǫ area and Gamètì, connecting with Whatì. Although NICO will require use of this road for access, it is a project of the Government. Fortune is contributing information accumulated in its studies to date to aid in the development of this road.

Fortune proposes to construct a mine access road from the NICO project to the Government built road, connected approximately 30 kilometres north of the Whatì road. Fortune will require that its access road and the Government road south from it to be suitable for all season traffic and is proposing to assist the Government to upgrade the new all-land winter road to accommodate all season traffic.

Who will own the road?

The Government of the Northwest Territories and the Tłìchǫ Government are currently in discussions on the ownership of the road.



When will it be built?

The Government of the Northwest Territories is planning on re-aligning the winter road to an all-land route starting in 2010-2011. There is currently no confirmed schedule for the all-weather road upgrade.

Will Fortune contribute to the development of the road and to its maintenance after closure of the mine?

The Government of the Northwest Territories already has a budget in place for the realignment of the winter road to an all-land route. Fortune has stated that it would contribute to the upgrade of the road likely through a partnership with the territorial, federal and Tłıchǫ Governments. Maintenance of the road will be the responsibility of whoever owns the road after closure.

The road will cross streams and generate dust. These will impact plant and animal life.

Fortune will examine means of mitigating dust generation on the road to minimize potential impacts on plant and animal life.

Employment

How many Tłıchǫ people have been hired to date and how many will be hired for the mine development and operation?

During the exploration and environmental baseline assessment of the NICO project between 1996 and 2008, Fortune has employed many Tłıchǫ and Métis people. Fortune is currently reviewing its files for the number and will report it to the MVEIRB when available.

The mine will provide employment and advancement opportunities, as well as training for Tłıchǫ citizens, who will be preferentially hired at this mine.

This development is located much closer to the Tłıchǫ communities than other mines in the NWT. Therefore, workers from Tłıchǫ communities will have much shorter distances to get to work and could possibly even commute from the communities, although we envision shorter work rotations involving overnight stays at the on-site camp. We currently envision total employment at the mine of 225 during operations and up to 600 during construction in the first two years after permits are received. Of



these, we expect that a large majority could be Tłıchq citizens.

Financial

Who are the shareholders of Fortune Minerals and do any Tłıchq chiefs own shares?

Fortune Minerals is a publicly trading company on the Toronto Stock Exchange. Any person can freely purchase shares of Fortune Minerals Limited, including any Tłıchq citizen. Fortune only has records of the major shareholders in the company and none of these are Tłıchq citizens. Fortune has never provided shares to any Tłıchq citizen.

How will the Tłıchq communities benefit from development of the mine?

In addition to the direct employment provided by the mine itself, many business opportunities will be created by the mine as it will require supplies and services which will most logically be obtained from nearby suppliers. As a result, the number of jobs created by the development will be much larger than those employed on site. These could include catering, transportation, accommodations, material supplies, construction, environmental monitoring, etc.

Fortune will be negotiating an Impact and Benefit Agreement (IBA) with the Tłıchq Government which will identify specific benefits to the communities and the Tłıchq people and Government generally.

We trust that these answers and comments provide clarification to many of the issues raised. If there any questions concerning these responses, please contact the undersigned for further information.

Sincerely,



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

