



August 29, 2012

VIA EMAIL

Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
Box 938, 5102-50th Ave
Yellowknife, NT
X1A 2N7

Dear Mr. Hubert,

**Re: Record of Meeting Minutes between the Government of the Northwest Territories and Fortune Minerals Ltd.
EA0809-004 NICO Project, Fortune Minerals Ltd.**

Please find attached to this letter a record of minutes between officials from the Government of the Northwest Territories and Fortune Minerals Ltd. who met on August 28, 2012. The record has been agreed-to and signed by both parties, both of whom request its publication on the Mackenzie Valley Environmental Impact Review Board public registry for the NICO Project.

Please contact me at Shafic_Khoury@gov.nt.ca or (867) 920-6335 if you may require any further details.

Sincerely,

A handwritten signature in black ink that reads "Shafic Khouri". The signature is written in a cursive style.

Shafic Khouri
Environmental Assessment and Regulatory Analyst
Environmental Assessment and Monitoring Section
Land and Water Division
Department of Environment and Natural Resources
Government of the Northwest Territories

cc Pat Maloney, Fortune Minerals Ltd.

Fortune and GNWT Meeting Record of Minutes

August 28 2012

Present

Pat Moloney	Fortune Minerals
Bill Shepard	Fortune Minerals
Ross Mitchell	Environmental Review Management
Brittany Shuwera	GNWT, Industry, Tourism and Investment
Amy Lizotte	GNWT, Industry, Tourism and Investment
Dianna Beck	GNWT, Industry, Tourism and Investment
Michael Ball	GNWT, Department of Finance

Developer Commitments

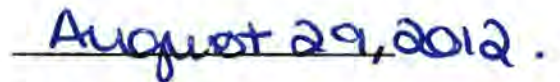
1. Fortune confirmed that total NICO project expenditures (including capital equipment) for the construction phase is estimated to be between \$225 – \$270 million
 - Fortune confirmed there will be no further capital expenditures during operations and reclamation phase so the estimates given in IR response #9 for these phases are accurate
2. Fortune's best estimate for NWT procurement in the closure and reclamation phase is 30 million, approximately 86% of total procurement for that phase.
3. Fortune confirmed that a procurement liaison will be based full time in the NWT.
4. Fortune will continue in outreach efforts to enable full and fair opportunities for all NWT businesses for the life of mine. For example, Fortune will host initial business workshops in Yellowknife, and continue to have community workshops (such as the Learning Together Conference) in the communities affected by project. These activities will be open to all NWT businesses. During these seminars and workshops, all NWT businesses will be able to register on Fortune's procurement database.
 - Fortune will endeavour to secure as many ever green (life of mine) contracts as feasible; any additional contract needs will be mostly communicated through Fortune's NWT procurement database.
5. While Canadian Council for Aboriginal Business (CCAB) membership is a preference within Fortune's list of vendors, Fortune will still give full and fair opportunity to NWT businesses according to the priority list.
 - Fortune will consider sponsoring CCAB membership for NWT aboriginal business to help build capacity.
6. Fortune commits to formalize socio economic measures in the closure and reclamation plan as per commitment numbers 16.17 and 16.20.
7. Fortune will publically distribute the socio economic monitoring results including to the GNWT and the affected communities.

8. Fortune confirmed that if there is no all-weather road there are no alternative travel arrangements for employees as the project is dependent on the construction of an all-weather road.
9. Fortune has described onboarding plans, the development of an operational model, HR strategy and Women's Employment Plan, within the DAR. It is Fortune's intent to co-develop these plans in further detail with the Tlicho government through a participative process
10. Fortune confirms that any socio economic agreement with the GNWT would be conditional upon agreements between Fortune and the Tlicho Government.
11. Fortune provided NICO's specific contracting policy.
12. Fortune updated its Supply Chain Management Policy to reflect NWT preference in the purchasing objectives (see attachment).

Signature



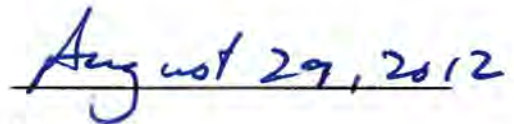
Dianna Beck, Industry, Tourism Investment



Date



Fortune Minerals



Date



FORTUNE MINERALS LIMITED

Manual:	Supply Chain Management	SPP No.	SCM 2.1.0
Section Name:	Supply Chain Management Purchasing Policy	Section Number:	1
Issue to:	All Manual Holders	Page:	1 of 4
Issued by:	Supply Chain Management Department	Issue Date:	

Policy Name: AD-SCM-P 2.1.0 Supply Chain Management Purchasing Policy

1.0 Revision History

Version	Date	Author	Sections Changed
1.0	February, 22 2012	Sherry Tunks	Policy Created
2.0	February, 24 2012	Sherry Tunks	Revised Policy
3.0	February, 28 2012	Sherry Tunks	Modified Policy
4.0	June 29, 2012	Sherry Tunks	Modified Policy
5.0	August 26, 2012	Bill Shepard	Add Definition

2.0 Overview

The purpose of this Supply Chain Management Purchasing Policy is to establish a standard for purchasing goods and services on behalf of Fortune Minerals Limited (Fortune). The goal is to communicate clear expectations and guidelines for our employees when sourcing goods and services from the approved supply base. Fortune purchasing employees will be expected to follow the purchasing processes and procedures outlined in the Supply Chain Purchasing Manual when performing their duties. It is our commitment to develop and grow capacity in the communities Fortune operates in by being fair, equitable, and a transparent company when conducting business transactions. Fortune will provide a Supplier Handbook to all approved vendors to enable their participation in Fortune's purchasing process.

3.0 Scope

This policy is applicable to all Fortune employees and designated third parties charged with purchasing supplies, raw materials, capital equipment, and services as required by Fortune.

4.0 General Definitions

Aboriginal Persons

- First Nation, Inuit and Metis Persons

Aboriginal Businesses -

- If the business is a sole proprietorship, it must be wholly owned by an Aboriginal person
- If the business is a corporation, it must have at least 51% of the equity (including any common or voting shares) owned by one or more Aboriginal Businesses or Aboriginal people.



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- If the business is a partnership or joint venture, it must have at least 51% of the ownership rights (including any voting rights) directly held by one or more Aboriginal businesses or Aboriginal people
- As determined by Fortune in its sole discretion from time to time, any other business with a substantial amount of ownership rights held by one or more Aboriginal Business or Aboriginal people. When an Aboriginal Business has six or more full-time employees at the date of submitting the bid, at least a third of the employees are Aboriginal People, and this ratio must be maintained for the life of the contract.

Northern Business

- A company that conducts its business operations and maintains a presence in the Northwest Territories. Preferably in the communities Fortune operates in.

Tender or Request for Tender (RFT)

- a formal and detailed invitation for the supply of products or services
- Fortune will use an RFT combined with a Statement of Work when a project can be thoroughly detailed and a formal written offer is sought

Quote or Request for Proposal (RFP)

- a formal notification to suppliers inviting them to enter into a bidding process for a project that has not yet been thoroughly detailed
- Fortune will use an RFP when interested in reviewing alternative approaches

Statement of Work (SOW)

- A formal document that captures and defines the work activities, deliverables and a timeline a vendor will execute against in performance of specified work

Sole Source/ Direct Award or No-bid Contract

- Only one source has the capability to perform the service;
- There is only one source, generally a manufacturer with ownership rights; or
- Only one source has capacity to perform the required service date / level

Set-Aside Award

- When a contract exists with a supplier that allows a percentage of the work to be awarded to Aboriginal companies as directed by Fortune

Capability

- the ability to perform work as specified in the SOW, RFP, RFQ and/or Tender or RFT
- Capacity will be assessed as having the ability to meet a specified delivery date, proven technical expertise, financial and commercial solvency, quality assurance procedures as well as the capability to do the work at a comparable price.

Approved Vendors

- Described as being vendors or suppliers who have gone through Fortune's Vendor selection process



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5.0 Policy

Fortune is committed to obeying ALL laws and regulations. While striving to be fair and equitable during all business transactions, Fortune will be biased towards Aboriginal businesses as we are dedicated towards increasing Aboriginal capacity in the community which Fortune operates. In turn, we will conduct business in a transparent manner due to our bias towards the Aboriginal communities.

If an Aboriginal business is not found for a particular service, preference will be given to businesses that have policies and strategies directed towards capacity building of Aboriginal communities. Memberships with organizations such as the Canadian Council for Aboriginal Business (CCAB) will be given preferred vendor status.

Fortune will recognize the traditional people of the project areas when sourcing goods or services.

6.0 Purchasing Objectives

Competition & Best Value

- Products and / or services are acquired wherever possible by competition. An awarded contract must always be the most cost-effective way of getting the work done in the opinion of Fortune.

Fairness

- Prospective qualified contractors have fair access to contract business

Integrity

- We will deal with contractors in an ethical manner and in an atmosphere of mutual trust

Legality

- Contracts between Fortune, contractors and business individuals are legally sound and enforceable

Consistency

- The same standards apply across Fortune for the award and management of contracts

Control

- Approval, payment and reporting mechanisms are in place to keep track of Fortune's contract expenditures

Building Capacity



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- Developing opportunities for Aboriginal people and businesses to compete competitively on Fortune contracts for goods and services

7.0 Purchasing Processes

Overall Supply Chain Purchasing Process

Please refer to drawing #AD-SCM-2.0.0 – Purchasing Process Map

8.0 Enforcement of Policy

Please note that it is an employee's responsibility to know and follow the policies and procedures outlined herein. Any violation or breach of the applicable policy and procedures may result in disciplinary action up to and including termination of employment with the Company. This includes an employee obligation to report any act or practice by another employee that is a violation of the Company's policies and procedures.

Questions concerning this Policy # **AD-SCM-P 2.1.0** should be directed to Fortune Supply Chain Management.

Effective date: _____ revision date (if applicable): _____


Fortune Minerals Limited



FORTUNE MINERALS LIMITED

Manual:	Supply Chain Management	SPP No.	SCM 2.1.1
Section Name:	Supply Chain Management Purchasing Policy – NICO Specific	Section Number:	1
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Issued by:	Supply Chain Management Department	Issue Date:	

Policy Name: AD-SCM-P 2.1.1 Supply Chain Management Purchasing Policy – NICO Specific

1.0 Revision History

Version	Date	Author	Sections Changed
1.0	February, 22 2012	Sherry Tunks	Policy Created
2.0	May 18, 2012	Sherry Tunks	Modified Policy
3.0	June 29, 2012	Sherry Tunks	Modified Policy

2.0 Overview

The purpose of this Supply Chain Management Purchasing Policy is to establish a standard for purchasing and contracting goods and services on behalf of the company. The goal is to communicate clear expectations and guidelines for our employees when sourcing goods and services from the approved supply base. Fortune purchasing employees will be expected to follow the purchasing processes and procedures outlined in the Supply Chain Purchasing Manual when performing their duties. It is our commitment to develop and grow capacity in the communities Fortune operates in by being fair, equitable and a transparent company when conducting business transactions.

3.0 Scope

This policy is applicable to all Fortune employees charged with purchasing supplies, raw materials, capital equipment, and services as required by Fortune. The purpose of this policy is for specific purchasing activities for the NICO Project and it is to be used as an addendum to the corporate Supply Chain Management Purchasing Policy AD-SCM 2.1.0.

4.0 Definitions

Please refer to the SCM Purchasing Policy #AD-SCM P 2.1.0 for definitions.

5.0 Policy

Please refer to AD-SCM 1.1.0 for the policy.



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6.0 Purchasing Objectives

In conjunction with the Supply Chain Management Purchasing Policy AD-SCM 2.1.0 the Purchasing Objectives identified in AD-SCM 2.1.0 Section 6.0 will be applied when working to increasing Aboriginal / First Nation participation in relation to the NICO Project.

Our objectives for sourcing vendors will be identified in our Vendor Selection Policy, please refer to section AD-SCM 2.2.0 and AD-SCM 2.2.1.

As such, Fortune is committed to increasing Aboriginal / First Nation participation to include:

1. Tli Cho Nation
2. Yellowknife Dene First Nation
3. North Slave Metis Alliance
4. All other Northwest Territories Aboriginal groups

In addition to Fortune's efforts to support Aboriginal capacity, Fortune's ultimate goal is to maintain a supply base consisting of Northwest Territories businesses.

7.0 Supplier Evaluation

All potential suppliers will be evaluated using our Supplier Evaluation Criteria where Fortune has defined items as being necessary to building capacity in the communities around the NICO project site.

8.0 Purchasing Processes

Overall Supply Chain Purchasing Process will follow the methodology presented in the corporate Supply Chain Purchasing Policy AD-SCM 2.1.0, Section 7.0

9.0 Enforcement of Policy

Please refer to AD-SCM 2.1.0 for the enforcement of the policy.

Questions concerning this Policy # **AD-SCM-P 2.1.1** should be directed to Fortune Supply Chain Management.

Effective date: _____ revision date (if applicable): _____



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Fortune Minerals Limited