

NICO COBALT-GOLD-BISMUTH-COPPER PROJECT

Wekweètì Scoping Session, Nov 2-3, 2009



Project Description



FORTUNE
MINERALS LIMITED

Jim Mucklow – Manager, Environment & Community Affairs
Rick Schryer – Director, Regulatory & Environmental Affairs

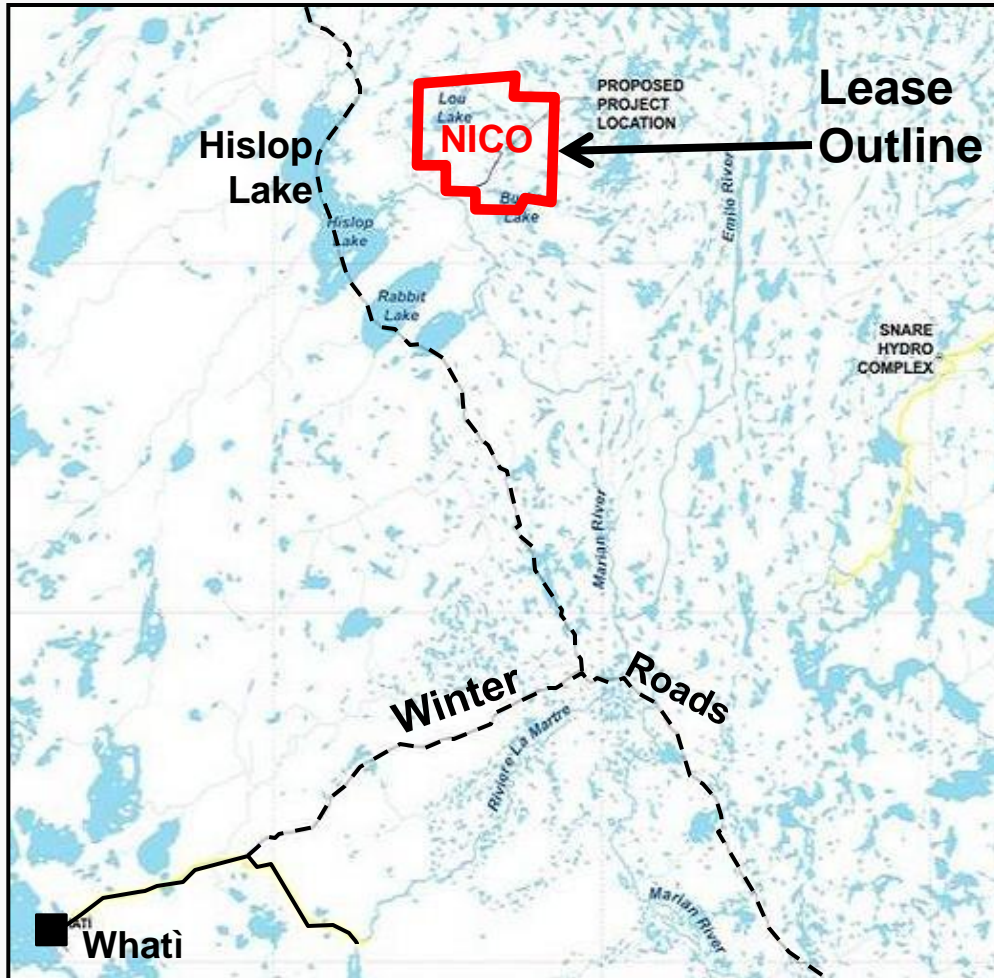


Project Location





NICO Lease and Winter Roads

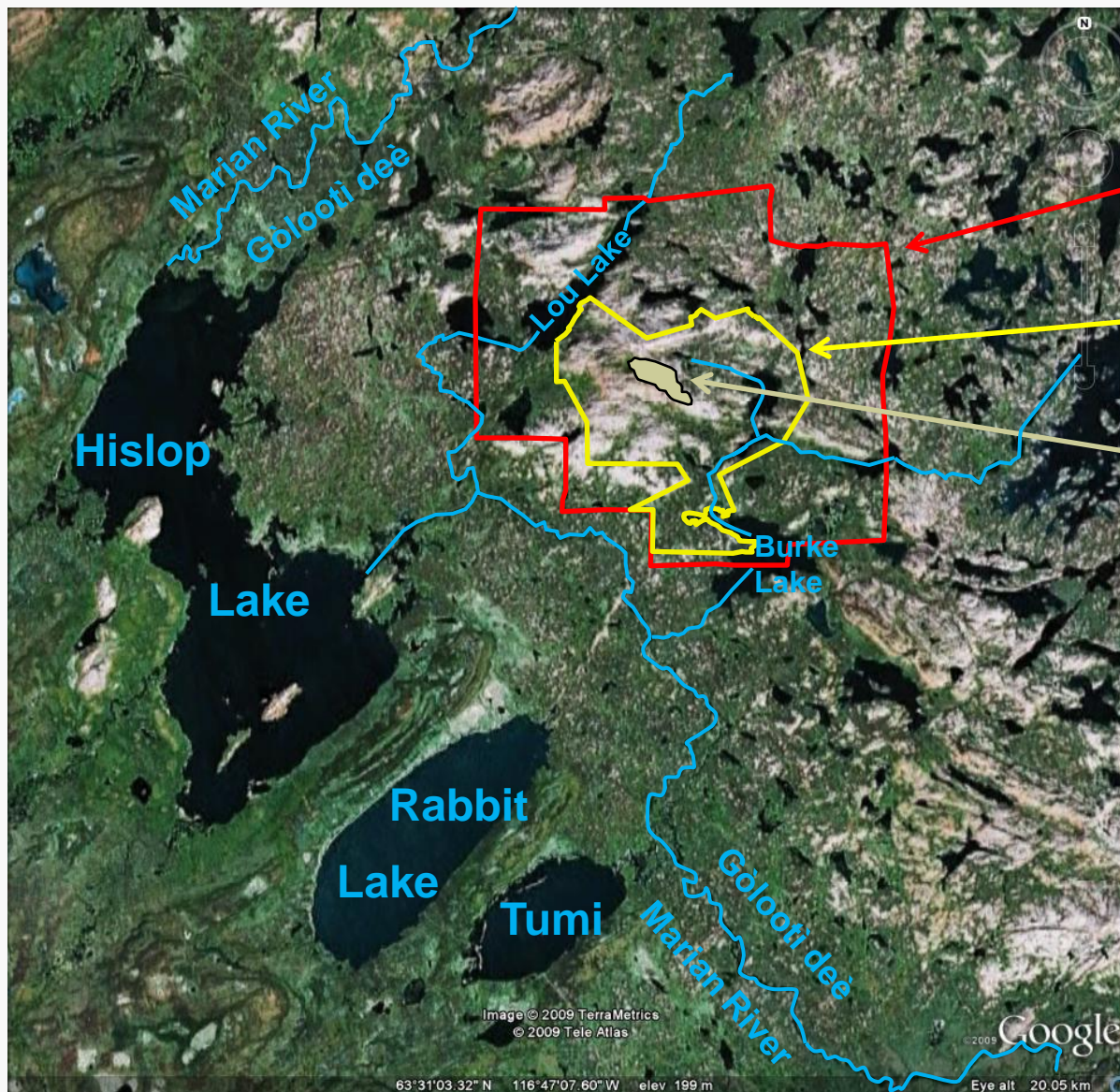


- ❖ NICO mining leases total 5,140 Hectares
- ❖ 100% owned by Fortune
- ❖ Only NICO to be permitted
- ❖ Current winter road access
- ❖ Existing & planned roads will allow development



FORTUNE MINERALS LIMITED

www.fortuneminerals.com



NICO Claim Boundary

**Proposed
Lease Area**

Proposed Mine Pit



NICO PROJECT PERMITTING STATUS

- ❖ The NICO project requires two key things to be permitted:
 - Mine site
 - All-weather access road (applications not submitted at this time)
- ❖ Updated applications have been submitted to the Wek'èezhì Land and Water Board and the Tłıchq Government
- ❖ NICO Project is now in Environmental Assessment phase with the Mackenzie Valley Environmental Impact Review Board
- ❖ Terms of reference for EA being finalized
- ❖ Production targeted for 2012
- ❖ **Support of the Tłıchq people will be required in order for the Project to proceed to production**



NICO PROJECT SUMMARY – THE MINE

- ❖ 15 year mine life
- ❖ Ore reserve of 21.8 million tonnes
 - ❖ 61 million pounds cobalt
 - ❖ 760 thousand ounces gold
 - ❖ 77 million pounds bismuth
- ❖ Potential for additional resources to extend mine life
- ❖ Production: 4,650 tonnes/day (1.7 million tonnes/year)
- ❖ Open pit and underground mine years 1 & 2
- ❖ Open pit mine years 3 – 15
- ❖ Conventional truck & shovel mining





COBALT - What is it Used For?

- ❖ Cobalt is a metal
- ❖ Use in high strength steel alloys, and cutting tools
- ❖ Magnets
- ❖ Rechargeable batteries (computers, cell phones, tools, toys, hybrid-electric vehicles)
- ❖ Vitamin B12





BISMUTH – What is it Used For?

- ❖ Bismuth is a metal
- ❖ Non-toxic replacement for lead in solder (plumbing & electronics), ceramic glazes, ammunition
- ❖ Cosmetics, chemicals, ointments, medicines (Pepto-Bismol), and lubricants
- ❖ Electronics and flame retardants (cooling computer chips more effectively)
- ❖ Free cutting steel

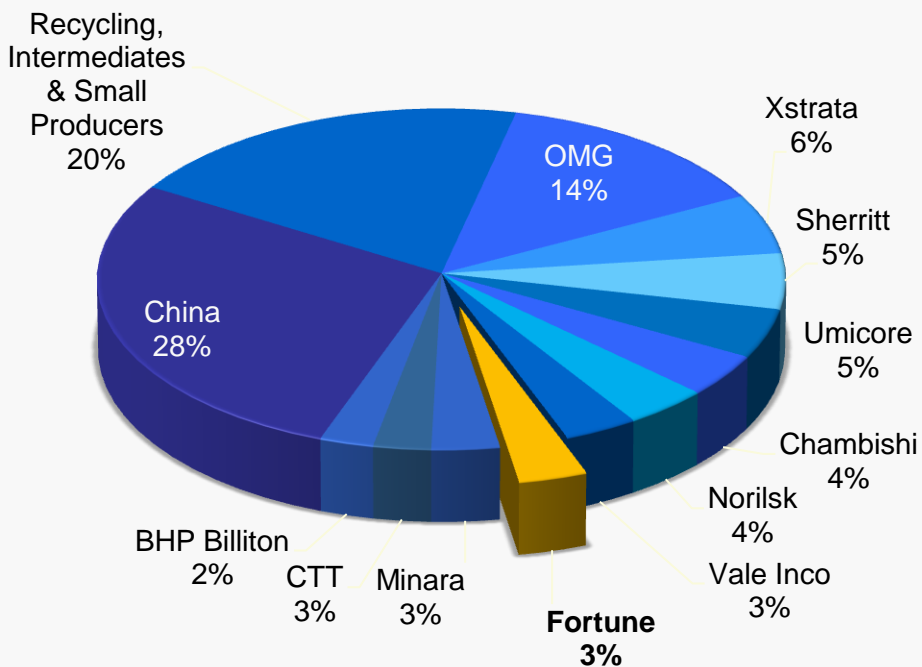




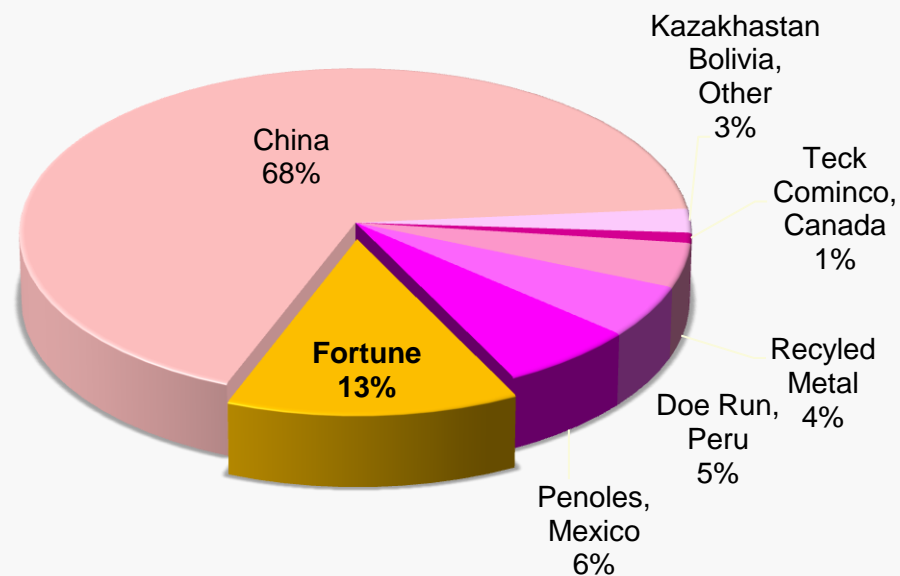
FORTUNE MINERALS LIMITED

www.fortuneminerals.com

Average Forecast NICO Cobalt Production vs. Major 2008 Producers



Average Forecast NICO Bismuth Production vs. 2008 World Production



Fortune will be a major cobalt producer & the largest bismuth producer in the world



NICO PROJECT – UNDERGROUND TEST MINING



- ❖ Feasibility study completed in 2007
- ❖ Underground test mining programs completed in 2006-2007
- ❖ Mining conditions, grades & ore location confirmed
- ❖ Sample collected for pilot plant testing
- ❖ Results show that the project will work
- ❖ Underground access largely complete which will speed up mine development



NICO EXPLORATION PROGRAM-CURRENT STATUS

- Underground bulk sample program completed in 2007
- Renewal of Land Use Permit for exploration phase of project issued in March 2009 to accomplish:
 - Condemnation/ geotechnical drilling in areas of future site development in 2009 or 2010
 - Care and maintenance of site during permitting period
 - Baseline environmental studies including: water quality; sediment quality; aquatic insects; heritage survey; and, wildlife survey





NICO PROPOSED MINE SITE COMPONENTS

- ❖ Open pit & underground operations
- ❖ Mill and processing facilities
- ❖ Tailings & rock management areas
- ❖ Camp site (600 construction, 150 mining)
- ❖ Waste management facilities
- ❖ Water and sewage treatment plants
- ❖ Roads within the mine site
- ❖ Diesel generators for power
- ❖ Airstrip
- ❖ An access road





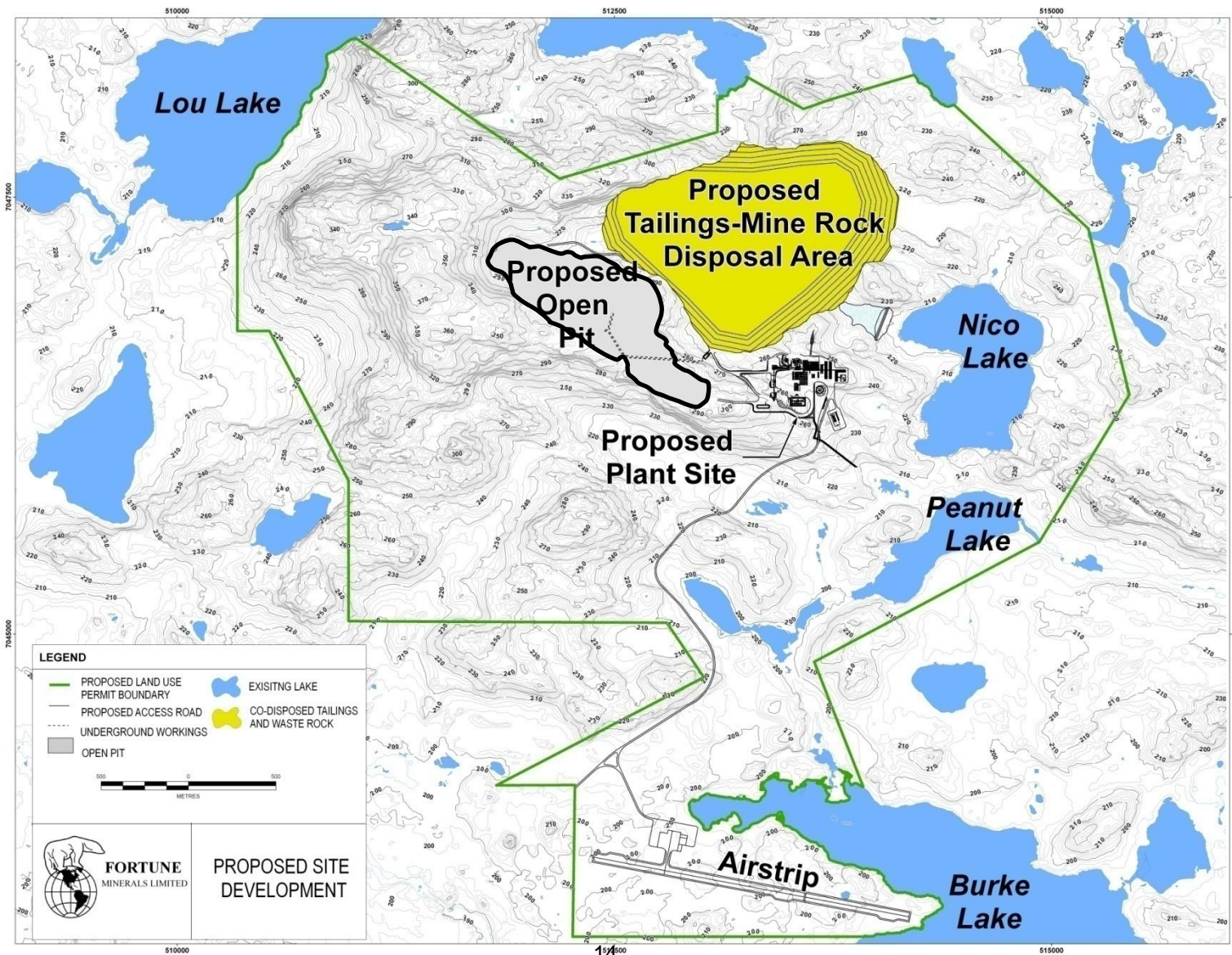
SOUTHERN HYDRO-METALLURGICAL PLANT

- ❖ Due to high electrical power requirements, Fortune has decided to ship 80,000 tonnes/year of concentrate to a plant in southern Canada
- ❖ Creates additional employment opportunities for trucking
- ❖ Removes most of the chemical processes from the mine site
- ❖ Removes most of the arsenic from the rock to this southern location
- ❖ Eliminates need to ship a lot of chemicals up to the site
- ❖ Results in a very small increase in truck traffic (approximately 2 trucks per day)



FORTUNE MINERALS LIMITED

www.fortuneminerals.com





FORTUNE MINERALS LIMITED

www.fortuneminerals.com

NICO PROJECT SITE AIRSTRIP



- ❖ Airstrip will provide alternate access for emergencies and transporting people and equipment
- ❖ Proposed to be near Burke Lake on flat ground close to mine
- ❖ 6,000 feet long and 175 feet wide



FORTUNE MINERALS LIMITED

www.fortuneminerals.com

NICO PROJECT - EMPLOYMENT

- ❖ Local employment for Behchokq, Whatì, Gametì, Wekweètì & Yellowknife
- ❖ 225 people expected to be hired for the mining at NICO
- ❖ Camp to have rooms for 150 people
- ❖ 600 people during construction with larger temporary camp
- ❖ Work rotations proposed to be 4, 5 or 7 day periods
- ❖ Buses to transport employees between mine and local communities
- ❖ Buses will require the all-weather road to the mine
- ❖ Airstrip at Burke Lake for emergency and charter transport
- ❖ Training for specific jobs will be provided, to be laid out in the IBA
- ❖ Fortune would like to start IBA negotiations in the near future



FORTUNE MINERALS LIMITED

www.fortuneminerals.com

TŁICHQ BUSINESS OPPORTUNITIES

MAJOR TŁICHQ SUPPLIERS TO FORTUNE INCLUDE:

- ❖ KeTe Whii Procon
- ❖ Tłichq Power
- ❖ Tłichq Explosives
- ❖ Tłichq Air
- ❖ Behcho Ko Development Corp
- ❖ Tłichq Landtran
- ❖ Tłichq Logistics
- ❖ Other business opportunities exist



NICO MINE CLOSURE

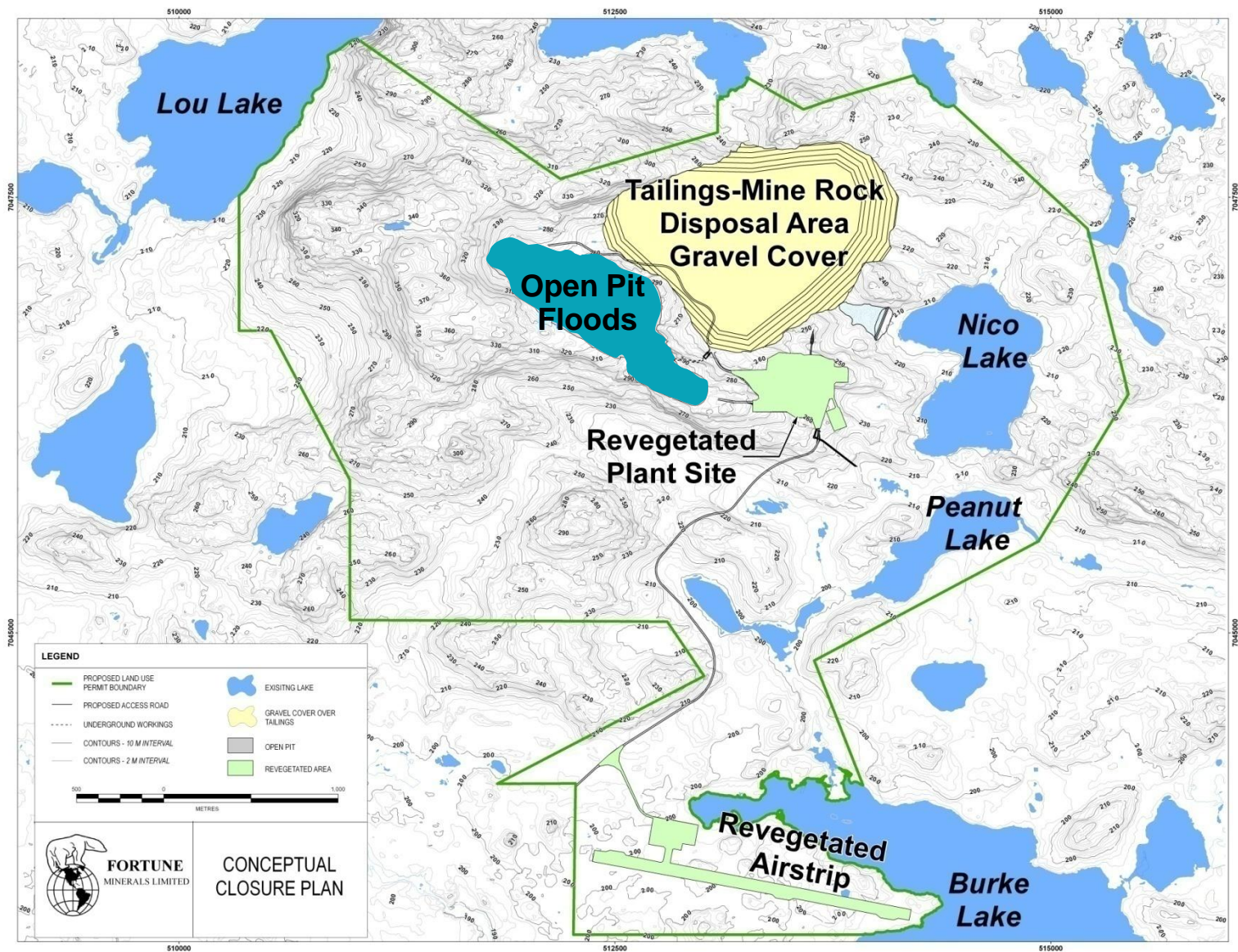
- ❖ Closure of tailings and mine rock area with a thick cover that will control wind/water erosion
- ❖ Open pit will have a safety barrier and warning signs
- ❖ Underground openings will be closed
- ❖ Buildings will be removed
- ❖ Ground surface will be graded to promote plant growth
- ❖ Water quality and other environmental components will be monitored





FORTUNE MINERALS LIMITED

www.fortuneminerals.com



NICO COBALT-GOLD-BISMUTH-COPPER PROJECT

Wekweètì Scoping Session, Nov 2-3, 2009



NICO Access Road

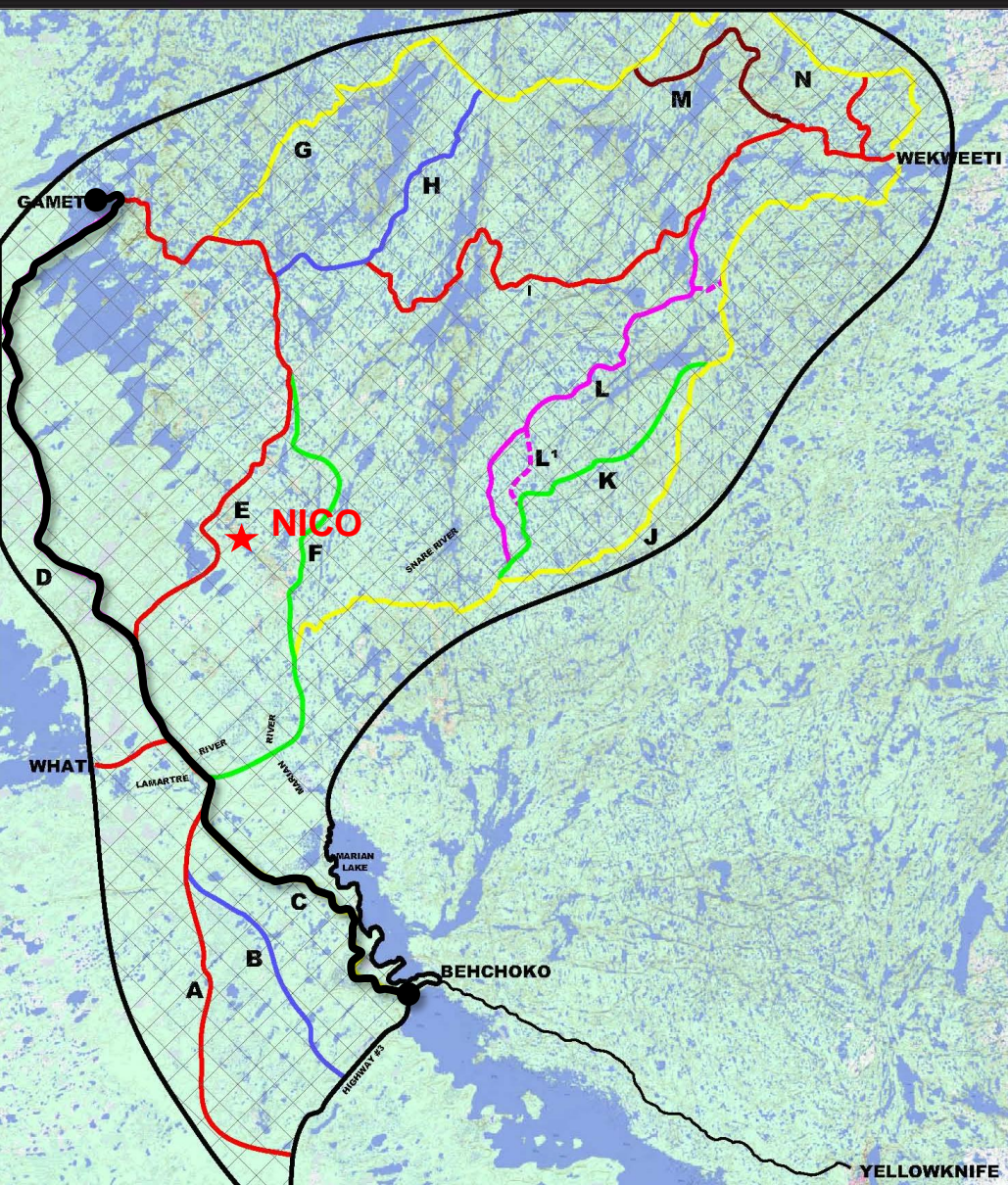


FORTUNE
MINERALS LIMITED



FORTUNE MINERALS LIMITED

www.fortuneminerals.com



TŁİCHQ / GNWT ALL-LAND WINTER ROAD

- ❖ Behchokq to Whati and Gameti
- ❖ All-land winter road proposed by GNWT
- ❖ GNWT has studied the route and presented findings to the Tłıchq Government
- ❖ Fortune is a third-party in Tłıchq/ GNWT governments consultation process
- ❖ Exact route to be finalized but general road corridor has been selected
- ❖ Improve access and quality of life and economic growth in Tłıchq territory
- ❖ **NICO project requires this all-season road**



ALL-WEATHER ACCESS ROAD INITIATIVE



- ❖ Fortune is cooperating with the NWT and Tłıchǫ Governments in planning for a public road from Behchokǫ to Gametì
- ❖ Fortune would like to participate in the upgrading of the re-aligned all-land winter road to an all season road, at least as far as the NICO access road
- ❖ **Fortune must negotiate an access agreement with the Tłıchǫ Government in order to build the access road**

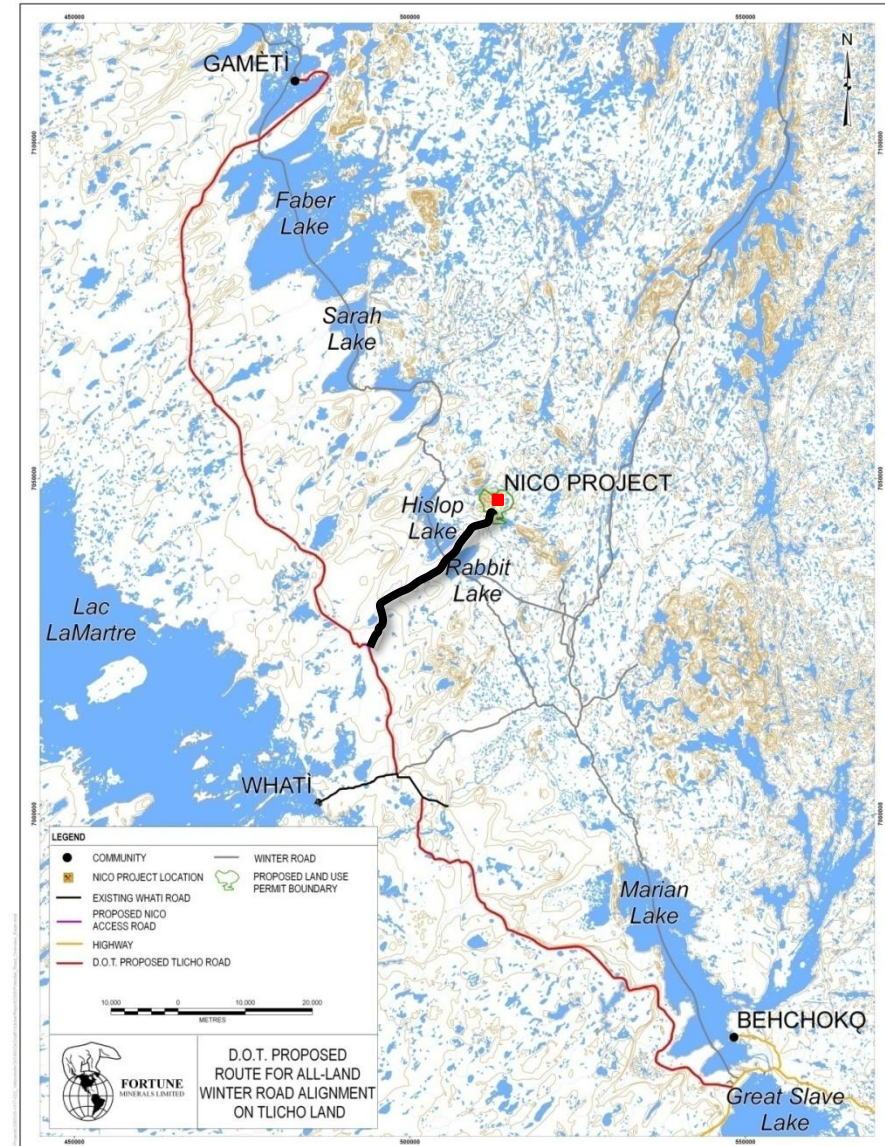


FORTUNE MINERALS LIMITED

www.fortuneminerals.com

NICO ACCESS ROAD

- ❖ Fortune proposes a 27 km access road linking to the road to Gameti
- ❖ 4 minor water crossings and 1 major (Marian River)
- ❖ Fortune proposes to participate in the upgrading of the all-land winter road to an all-season road from Highway 3 to the NICO access road





NICO ACCESS ROAD BRIDGE OVER MARIAN RIVER

- ❖ Three options for crossing the Marian River were considered.
- ❖ A bridge across a narrow section of the Marian River is proposed.
- ❖ It will be founded on the exposed bedrock
- ❖ The bridge will be built of pre-fabricated steel girders.



NICO COBALT-GOLD-BISMUTH-COPPER PROJECT

Wekweètì Scoping Session, Nov 2-3, 2009



Other Information



FORTUNE
MINERALS LIMITED



NICO EXPLORATION PROGRAM LAND USE PERMIT

- ❖ Fortune's Land Use Permit for exploration of the NICO project was renewed in March 2009 to allow for:
 - Care and maintenance of the site
 - Drilling in areas of future site development to prove no ore is present
 - More baseline environmental work (water & sediment sampling, heritage and wildlife surveys)
 - Need to measure the effects of the recent forest fire on local lakes and streams
- ❖ Drilling is proposed for this winter 2010
- ❖ Tłıchǫ people have been active participants in this work



FORTUNE MINERALS LIMITED

www.fortuneminerals.com

LA MARTRE RIVER HYDROELECTRICITY

- ❖ Fortune supports efforts by Tłıchq Power & NTPC to develop hydro-electric power on the La Martre River
- ❖ Business opportunity for Tłıchq
- ❖ Promote local economic growth
- ❖ NICO could purchase the excess power generated
- ❖ Reliable source of clean, low-cost power for Whatì and NICO



NICO COBALT-GOLD-BISMUTH-COPPER PROJECT

Wekweètì Scoping Session, Nov 2-3, 2009



FORTUNE
MINERALS LIMITED

MASÌ CHO – THANK YOU