

NORTH SLAVE MÉTIS ALLIANCE

PO Box 2301 Yellowknife, NT X1A 2P7



August 7, 2012

Mr. Robin Goad
President and C.E.O.
Fortune Minerals Limited
Corporate Office
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Email: rgoad@fortuneminerals.com

Dear Mr. Goad:

Re: NICO Project - Impact Benefit Agreement

As President of the North Slave Métis Alliance (NSMA) I am writing to you to re-confirm that Fortune Minerals Limited (Fortune) is committed to negotiate an Impact Benefits Agreement (IBA) with the NSMA with respect to Fortune's proposed NICO gold-cobalt-bismuth-copper mine project in the North Slave region of the Northwest Territories.

As you are aware, this proposed mine is on NSMA's traditional lands and will have a direct and multi-faceted impact on the North Slave Métis people. For the record, the NSMA represents the Aboriginal rights-bearing Métis of the Great Slave Lake area, who use and exercise their Aboriginal rights primarily in the area north of Great Slave Lake, NT. In other words, the North Slave Métis people possess constitutionally protected section 35 Aboriginal rights and title to our traditional lands and the resources on our traditional lands, including the right to manage those lands and resources. With that in mind, the NSMA is mandated to ensure that our Aboriginal rights are respected.

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The proposed NICO project is also within the Tłıchq settlement area as established by the Tłıchq land claim and self-government agreement. With respect to the latter, it is important to point out here that section 2.7.1(b)(ii) of the Tłıchq Agreement provides that nothing in that Agreement affects “any Aboriginal rights of any Aboriginal people other than the Tłıchq”. The constitutionally protected Aboriginal rights of the North Slave Métis people are therefore not extinguished or affected in any way by the Tłıchq Agreement. In sum, the North Slave Métis people have an unresolved land claim to the lands in the NICO project area and these lands are subject to the NSMA’s Aboriginal rights and title.

We appreciate that Fortune funded the NSMA to undertake research regarding the North Slave Métis people’s traditional knowledge and land use in and around the project area. We regret that due to capacity issues the final report has not yet been issued to Fortune. I am advised by our Environment Manager, Sheryl Grieve, that the report is now being finalized and should be submitted shortly to Fortune.

The NSMA views the relationship established between itself and Fortune to be one of mutual respect. For this relationship to continue in this fashion, it is time for us to negotiate an IBA (under that or another appropriate name). I note that Fortune, in the recent past, established a “Cooperative Relationship Agreement” with the Tłıchq Government. This agreement has been described as “providing the framework for future communication and capacity for the Tłıchq to complete the EA process”. The NSMA would like to negotiate a similar agreement with Fortune with a view to laying down the foundation for negotiating an IBA.

The NSMA was initially enthusiastic about Fortune’s approach to dealing with the NSMA with respect to its NICO project. I formed the impression that Fortune understood that the NSMA is an affected First Nation (as defined in the *Mackenzie Valley Resource Management Act*) that deserves to be treated no differently than the Tłıchq First Nation. It therefore comes as a surprise and disappointment to me and my Board of Directors that Fortune has not yet taken steps to negotiate an IBA with the NSMA.

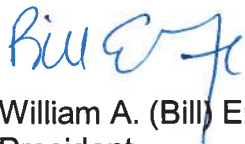
Doubtless you are aware that the NSMA has an IBA with each of the three diamond mine corporations who are operating mines on its traditional territory. A significant part of the traditional lands of the NSMA are shared with the Tłıchq. The diamond mining companies recognize the fact that the Tłıchq and the NSMA have overlapping Aboriginal rights claims in the North Slave area. In addition, the NSMA is currently negotiating an Accommodation Agreement with Avalon Rare Metals Inc. regarding its proposed Nechalacho rare earth element mine at Thor Lake, NT.

The Mackenzie Valley Environmental Impact Review Board recently announced that the public hearing phase of the environmental assessment of Fortune's NICO project will commence on August 27, 2012. We would like to be in a position to be supportive of Fortune's application, but will not be if we do not have Fortune's commitment to address the impacts of its project on the North Slave Métis people, through the negotiation and implementation of an IBA.

In closing, for all the reasons stated in this letter, the NSMA requests that Fortune respect its commitment to negotiate an IBA with the NSMA. In our view, the starting point is establishing a Cooperative Relationship Agreement with a view to laying down the foundation to negotiate an IBA.

I look forward to hearing from you in the near future.

Sincerely,



William A. (Bill) Enge
President

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