

February 17, 2012

Distribution List EA0809-004 Fortune Minerals Ltd. NICO Project:

Re: Technical Meetings, Summary of Undertakings and Commitments

During the February 7-9, 2012 Technical Meetings in Yellowknife, NT, Fortune Minerals Ltd. (Fortune) committed to providing responses to 13 undertakings and the Government of the Northwest Territories (GNWT) committed to providing a response to one undertaking (No. 10). The list of undertakings below has been edited from the transcripts to more accurately reflect the content of the discussion surrounding the development and has been reviewed by the developer.

Recognizing that parties require the information from these undertakings in order to prepare technical reports, all responses should be submitted to the Review Board's public registry by February 23, 2012.

The following information is required in the form of undertakings:

1. Fortune is to provide a model and summary of the waste streams generated from the reverse osmosis effluent treatment facility, including all water quality, sediment quality and biotic effects. The information provided should include a discussion about where the waste streams travel, how they will be treated, final performance predictions, and downstream effects. Fortune should also include a discussion about the processing of the brine, management of the post-processed brine, water flow, and how it will be handling the precipitates from the brine process;
2. Fortune is to indicate if it has any Eco-toxicological information with respect to the flotation agents used in the milling process, including the anticipated rates of removal and concentrations expected in the effluent;
3. Fortune is to indicate the significance of potential adverse environmental effects on overall abundance and distribution of the Bathurst caribou populations including each of the five primary pathways for incremental and cumulative effects on abundance and distribution of the Bathurst caribou population and related effects to people (physical footprint, sensory effects, change in energetic costs from disturbance and displacement, improved access for harvesting, effects on population size and distribution);

4. Fortune is to calculate the level of disturbance and create a disturbance map showing the predicted level of habitat disturbance, including buffer zones, that the proposed NICO Project may have on the boreal caribou ranges (as identified in the *Recovery Strategy for the Woodland Caribou, Boreal Population, in Canada* - 2011). This should include the proposed mine footprint, the existing winter road, the proposed over-land road route and other cumulative effects as a function of existing boreal caribou habitat disturbance;
5. Fortune is to provide a more detailed assessment of the direct and indirect impacts of the NICO Project on SARA listed upland breeding birds (i.e. common nighthawk, olive-sided fly catcher, and rusty blackbird) and upland breeding bird habitat based on their distribution in the regional study area and the proposed mine footprint;
6. Fortune is to submit a description of the types of covers that have been utilized on existing co-disposal facilities, including the materials used, the depths of the covers (layers) and the nature of their performance (criteria);
7. Fortune is to provide the technical and economic feasibility information used when it made the determination that an all-season road was the only appropriate haul system for the NICO Project;
8. Fortune is to identify the range of shift rotations possible for the NICO project, as well as the pros and cons associated with those rotations;
9. Fortune is to provide a list of references for the case studies it used to estimate the in-migration levels into the smaller communities (e.g. Whatì) as a result of the NICO Project;
10. The GNWT is to provide a summary of available survey and statistical information presented during the technical sessions regarding Northern Aboriginal engagement in the NWT mining workforce, including a regional breakdown of the information where possible;
11. Fortune is to identify some existing proxy or case studies about communities that have previously had only seasonal access and provide a summary of the effects of new all-season roads on those communities;
12. Fortune is to indicate at what commodity prices the viability of the NICO Project would become in question, including an analysis of the cutoff line for metal prices where the NICO Project might experience a potential temporary shutdown or closure;
13. Fortune is to identify whether it has included any questions relating to the loss of use or areas of avoidance by harvesters in their traditional knowledge study, including any questions about the psychosocial impacts associated with perceived contamination in the vicinity of the proposed mine site as a result of the NICO Project; and
14. Fortune is to review and report on its proposed NO_x treatment methods for emission sources.

For information purposes, Fortune also confirmed the following commitments for the NICO Project during the Technical Meeting discussions. Fortune commits to:

1. Develop an Incinerator Management Plan and comply with the new Environment Canada Regulations (Canada-wide Standards for dioxins/furans and mercury and the *Technical Document for Batch Waste Incineration*);
2. Provide a memo to follow-up on discussions between itself and Natural Resources Canada regarding the classification of rock types using calcium neutralization potential, acid generation potential, and total sulphur content calculations;
3. Conduct stack testing while burning sewage sludge;
4. Develop an Air Quality Monitoring and Management Plan in cooperation with Environment Canada;
5. Work with the Tlicho Government and the Wek'èezhìi Renewable Resources Board to jointly develop a monitoring plan for the access road routes;
6. Review the traditional knowledge monitoring program as put forward by the Wek'èezhìi Renewable Resources Board in 2010 for a TK monitoring program that complements its science monitoring program and discuss further with the Tlicho Government;
7. Further discuss habitat suitability modelling with the Yellowknives Dene First Nation;
8. Conduct post-closure caribou monitoring;
9. Re-examine caribou assessment endpoints and refine management plans using Tlicho based values on the Tlicho traditional knowledge study is complete;
10. Carry out additional zooplankton and phytoplankton baseline sampling as a 2011 spring/summer/fall program which will allow for the inclusion of the results into the Aquatic Effects Monitoring Program. Fortune will provide an outline of its proposed sampling plan for Parties' review and comment prior to final sampling design;
11. Further discuss the determination of site water quality objectives and significance of water quality impacts in relation to the Tlicho Agreement with the Tlicho Government;
12. No longer needing to construct a contingency pond as part of the NICO Project;
13. Develop a formal surveillance program for mine operations;
14. Active treatment of water from the open pit after operations if wetland treatment results are not acceptable;
15. Design a co-disposal facility performance monitoring program using instrumentation and on-going monitoring (e.g. lysimeters);

16. Work with the Tlicho Government to collect their objectives and input on the re-vegetation of the co-disposal facility;
17. Ensure sufficient funds are in place to guarantee acceptable water quality based on all foreseeable eventualities after mine closure;
18. Revisit and update the closure plan every 5 years throughout operations;
19. Involve the Tlicho people in determining how it can best support employees through flexibility in shifts;
20. Work with the Tlicho Government in both the collection and joint analysis of employability information and on the implications of the NICO Project in terms of Tlicho employment and in-migration;
21. Try to hire as many Tlicho people as possible and feasible. Minimum targets are 50 to 60 percent of all operational jobs for Northerners, with 30 to 50 percent of those jobs for Aboriginal residents; and 60 to 80 percent of contract positions for Northerners, with 30 to 50 percent of those jobs for Aboriginal residents. Tlicho citizens would have first priority;
22. Work with the Tlicho people in order to increase the actual percentage of Tlicho people that work at this project;
23. Help provide training to Tlicho citizens who may not yet be qualified for jobs;
24. Flexible hiring policies for Tlicho citizens based on capability to do a job and not necessarily based on education;
25. Work with the Tlicho Government in terms of determining taxation, benefits, impacts on social services, and the financial analysis in relation to the Tlicho Government revenues from the NICO Project and in-migration (Tlicho Government Information Request 18);
26. Identify Aboriginal people in its workforce who have both the aptitude and the interest to move forward and provide them with the support they need;
27. Provide a copy of the First Nations First Policy, information about membership with the Canadian Counsel for Aboriginal Business, and information on progressive Aboriginal relationship (PAR) certification to the Tlicho Government;
28. Discuss and negotiate various agreements with the Tlicho Government;
29. Meet with the GNWT finance department to go over some of the financial and economic numbers that underscore its model. This will allow for a better estimate of the net fiscal position of the potential operations to the GNWT;
30. Discuss with the Tlicho Government the potential impacts - direct, indirect, and cumulative - on Treaty or Aboriginal rights or on the rights protected under the Tlicho land claim; and
31. Incorporate traditional knowledge into monitoring programs at the NICO Project;

If you have any questions, please contact me by phone or email.

Regards,

Original signed by

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