SASKATCHEWAN METALS PROCESSING PLANT
AQUIFER – WATER USAGE

WATER USAGE FROM THE DALMENY AQUIFER

Water production from well at the SMPP site

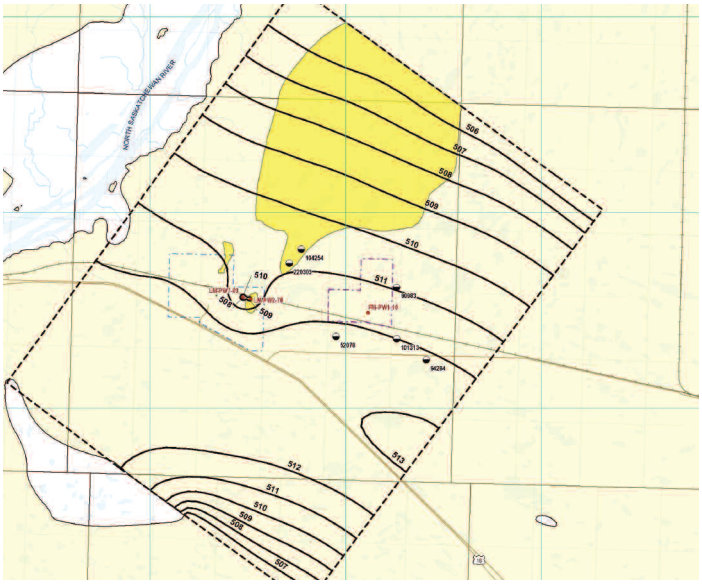
The Dalmeny Aquifer is the only groundwater source in the vicinity of the site that has the potential to supply the water required for the Saskatchewan Metals Processing Plant ("SMPP"), estimated at 131 imperial gallons per minute ("IGPM"). Fortune Minerals recognizes that the Dalmeny Aquifer is an important groundwater resource in the area, as are all shallow aquifers used for water supply, and the facility has been designed accordingly. Pumping tests and subsequent groundwater flow modelling of the proposed well field indicate that the aquifer can meet the SMPP water demand without significant impact to other users of this resource.

Following the installation of five monitoring wells and a production well, pumping tests were conducted to evaluate the characteristics of the well and the Dalmeny Aquifer. The production well was pumped at 203 IGPM and the water levels in wells were monitored. The theoretical long-term yield for the production well was 121 IGPM. This is an estimate of how much the well can sustainably produce for a 20-year period. Since more than this was required, two to three wells were recommended and further evaluated. It is noted that in 2013, following review, optimization and changing some of the plant processes, the water requirement for the SMPP was reduced by approximately 35% from 204 IGPM to 131 IGPM, during the assessment process. Assessment of Fortune Mineral's effect on other users of Dalmeny Aquifer was based on the 204 IGPM production rate.

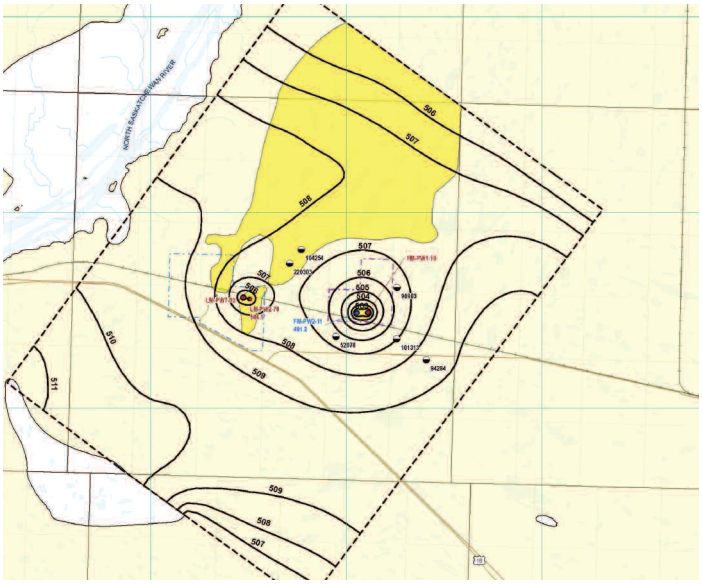
A conservative 3D groundwater flow model was used to assess potential impacts due to water production from the Dalmeny Aquifer by Fortune Minerals, at 204 IGPM, and major users in the area. The assessment is considered conservative because it had Langham at its full allocation and Fortune Minerals producing over 50% more than is required. A summary of the assessment is as follows:

1. Unconfined conditions (water level in the aquifer is below the top of the aquifer) are present at Langham and in the aquifer before production of water by the SMPP.

2. After eighteen years of continuous pumping from the Dalmeny Aquifer by the SMPP, the maximum simulated drawdown was 5.7 m at the closest third party well; note that the water level is still above the top of the aquifer at this location. Unconfined conditions remained within the SMPP site boundary and in the vicinity of the pumped wells, during operations.



Simulated Water Levels before SMPP



Simulated Water Levels in 2029

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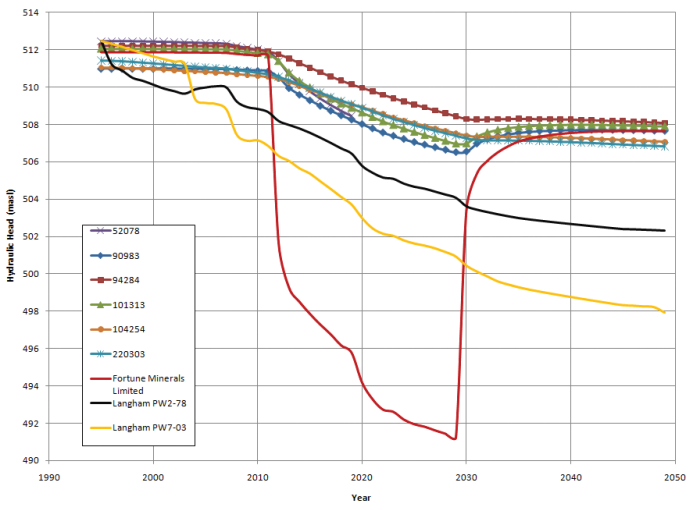
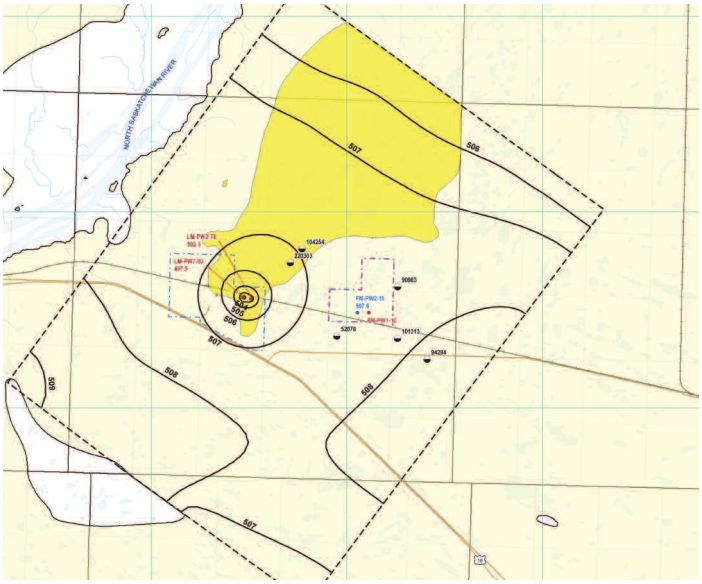
3. Recovery at the SMPP is muted and expansion of unconfined conditions in the aquifer continues after the SMPP has stopped, due to on-going water production by other local users.



Simulated Drawdown with Time



Simulated Water Levels in 2049

Assessment of water production from the Dalmeny Aquifer by Fortune Minerals shows that this is viable source of water and that impact to other users is expected to be minimal at a production rate of 204 IGPM which is above the water use needs of the facility. With a 35% reduction in this rate, the potential effect of ground-water production by the SMPP will be even further reduced. Nevertheless, Fortune Minerals will monitor water levels with time in this aquifer to assess and mitigate potential impacts to other users before they occur.

This document contains forward-looking information. This forward-looking information includes statements with respect to, among other things, the proposed development of the NICO project and the SMPP, the permitting process for the NICO project and the SMPP, the anticipated capital and maintenance costs of the SMPP, the anticipated production from the SMPP, the number of employees expected to be employed at the SMPP and the wages expected to be paid to such employees, the possibility that the SMPP may be able to source materials from other projects, the anticipated impact of the SMPP on the environment and the measures expected to be taken by the Company to mitigate such impact. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding the Company's ability to arrange necessary financing for the NICO project and the SMPP, obtain all necessary permits for the NICO project and the SMPP and negotiate an Impact and Benefit Agreement with the Tłı̨cho Government and assumptions regarding the capital and maintenance costs of the SMPP, the production from the SMPP, the number of employees to be employed at the SMPP and the wages expected to be paid to such employees and the impact of the SMPP on the environment. However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the risk that the Company may not be able to arrange the necessary financing to construct and operate the NICO mine or the SMPP, uncertainties with respect to the receipt or timing of required permits for the development of the NICO project or the SMPP, the risk that the Company may not be able to negotiate an Impact and Benefit Agreement with the Tłı̨cho Government, the possibility of delays in the commencement of production from the NICO project or construction of the SMPP, the risk of capital or maintenance cost overruns, the risk that the Company may not be able to source materials for the SMPP from other projects, the risk that the environmental impact of the SMPP may be greater than anticipated and other factors. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law. The disclosure of scientific and technical information contained in this document has been approved by Robin Goad, M.Sc., P.Geo., President and CEO of the Company, who is a "qualified person" under National Instrument 43-101.

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