

SASKATCHEWAN METALS PROCESSING PLANT MONITORING

MANAGEMENT PLANS

Several monitoring plans will be developed and implemented as part of the operational standards for the facility. These will be developed in cooperation with the Saskatchewan Ministry of Environment and will be available for review by the Community Monitoring Program (“CMP”). Fortune Minerals has already drafted several of these plans for the NICO Mine in the Northwest Territories. The Company will update management plans annually. The procedures in each plan will be amended as required to reflect the addition of new process and activities at the proposed Saskatchewan Metals Processing Plant (“SMPP”). The management plans will include:

- Process Residue Storage Facility Management Plan
- Closure and Progressive Reclamation Plan
- Site Water Management Plan
- Waste Management Plan
- Air Quality Management Plan
- Hazardous Materials Handling Plan
- Spill Contingency Management Plan
- Emergency Response Plan (“ERP”)
 - A preliminary ERP has been created for the proposed SMPP and will be finalized during the construction permitting process. This plan identifies the following procedures that the company is planning to implement at the SMPP facility. It covers protocols to deal with natural incidents, severe weather, human caused incidents, and vehicle incidents.
 - The preliminary ERP is intended to provide general guidance for emergency response and spill contingency planning at the SMPP site, during the construction and operational phases of the project. This plan will be finalized and updated with consultation with the CMP and provincial regulators to incorporate requirements addressed during the environmental assessment review and conditions outlined within the operating license.

COMMUNITY MONITORING PROGRAM

Fortune Minerals has been closely monitoring the concerns brought forward by the public in relation to the proposed SMPP. We acknowledge there are concerns towards how the project would be operated and ultimately closed. In order to address these concerns, Fortune made a proposal to the RM of Corman Park in December 2013 that would establish a community monitoring program. Ministerial approval states that this program must be in place prior to the onset of construction activities.

This Community Monitoring Program would be funded by Fortune but 100% controlled by the members of the committee. The objective of the CMP would be for this group to hire its own experts to review the proposed monitoring plans prior to operation of the facility and then monitor the performance of the facility during operations and into closure. Fortune would have no role in the hiring of the consultants used by the CMP or influence on the report and recommendations they make. The consultants would report to the CMP and make recommendations to Fortune and the Saskatchewan Environmental Protection Branch whose role it is to enforce operational and monitoring requirements for this facility. Our vision is that the CMP would be comprised of three members, one from Langham, one from Dalmeny and one member nominated by the RM although this is subject to negotiation with all parties. The CMP would be compensated for their time on the committee. There would be regularly scheduled meetings to update the members of changes to the facility or to provide the latest monitoring data (e.g. well depths to monitor water levels in the aquifer).

This approach has been used successfully for the uranium mines in the north of the province and for the diamond mines in the Northwest Territories. It will provide the RM Council and its citizens with an independent review of the project that is not biased by third parties.

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ENVIRONMENTAL MONITORING PLAN

Fortune Minerals will be required to conduct a significant amount of environmental monitoring each year, in compliance with their Approval to Operate, which defines required monitoring for the site. The results of monitoring conducted throughout the year will need to be compiled in an Annual Environmental Report, submitted to Saskatchewan Ministry of Environment (“MOE”). As part of the reporting, a summary of and discussion on any potential impacts to the environment surrounding the facility and Process Residue Storage Facility (“PRSF”) area that have occurred during the operation of the SMPP will be required. A summary of the action Fortune proposes to take as a result of any potential impacts will also need to be submitted to MOE.

SURFACE WATER

Baseline surface water sampling points have been established around the proposed facility. Continued monitoring will be completed during both spring and fall at four locations within the immediate vicinity of the facility while annual monitoring is proposed for the remainder of baseline locations surrounding the SMPP. All water samples (surface and groundwater) will be analyzed for routine chemical testing, trace metals (total and dissolved), and cyanide.

GROUNDWATER (DALMENY AQUIFER) MONITORING

Fortune will measure groundwater levels and conduct ground water quality analyses on the existing piezometers (wells) at the site. A leak detection system will be installed in the PRSF which will include leak detection monitoring wells, leachate collection, and a residue storage collection pond. This infrastructure and instrumentation will provide a means to collect any potential process residue leachate. Additional instrumentation will be installed at strategic monitoring locations during site development and operation. Any problems that are identified by monitoring the performance of the leak detection system will be mitigated.

AIR EMISSIONS

Air emissions will need to be visually monitored on a daily basis. Major air emission control circuits may need to have their operating parameters electronically monitored in real time, with high and low level alarms set for the various parameters. On an annual basis, a third party contractor will be commissioned to conduct stack sampling.

PROCESS RESIDUE STORAGE FACILITY (DUST)

The process residue is expected to have a moisture content of approximately 31%, and thus is not expected to generate appreciable particulate emissions. Dust emissions from the PRSF will be controlled by operational activities such as wetting the process residue, covers, wind baffles and possibly dust suppressants. Monitoring for dust on and off the property will determine the need to any additional measures to suppress dust generation. During operations, cells are only planned to be constructed two-at-a-time and filled to 0.5m below the dyke level. Once a cell has been filled, it will be permanently capped with an engineered cover that will control dust, limit water and oxygen ingress and support vegetation.

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 Tłı̄cho 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 Tłı̄cho 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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