ANNUAL INFORMATION FORM

Fiscal year ended December 31, 2022

May 19, 2023

TABLE OF CONTENTS

In this Annual Information Form, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

This document contains certain forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in permitting and development of mineral properties, timing and cost for placing the Company's mineral projects into production, costs of production, amount and quality of metal products recoverable from the Company's mineral resources, demand and market outlook for metals and future metal prices. 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 document, assumptions regarding the Company's ability to arrange necessary financing and obtain all necessary permits for its projects and the capital and operating costs of its projects). 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, uncertainties with respect to the receipt or timing of required permits and regulatory approvals, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to metal recoveries and other factors. See "Description of the Business - Risk Factors". Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be converted into mineral reserves. 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 them or revise it to reflect new events or circumstances, except as required by law.

CORPORATE STRUCTURE

Name, Address and Incorporation

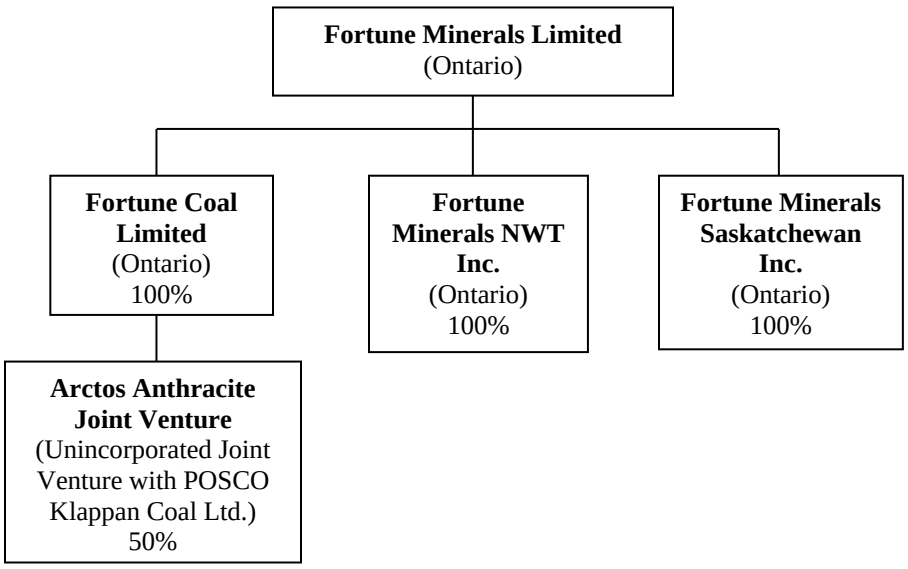
Fortune Minerals Limited ("FML", "the Company", or "Fortune") was incorporated pursuant to the Business Corporations Act (Ontario) by certificate of incorporation dated August 2, 1988. By certificate and articles of amendment dated March 2, 1989, FML amended its articles to remove the private company restrictions from its articles. By certificate and articles of amendment dated July 28, 1997, FML amended its articles to subdivide the common shares in the capital of the Company (the "Common Shares") on a three-for-one basis.

The Company has three subsidiaries, Fortune Minerals Saskatchewan Inc. ("FMSI"), Fortune Minerals NWT Inc. ("FMNWT"), and Fortune Coal Limited ("FCL") all of which are wholly owned by FML. All such subsidiaries were incorporated pursuant to the Business Corporations Act (Ontario). Unless the context otherwise requires, the terms "Fortune" and "the Company" where used herein refer to FML, FMSI, FMNWT, and FCL on a consolidated basis. In 2011, FCL entered into an unincorporated joint venture, the Arctos Anthracite Joint Venture ("Arctos JV") with POSCO Canada Ltd. ("POSCAN") and POSCO Klappan Coal Ltd. ("POSCO Klappan"), a wholly owned subsidiary of POSCAN. POSCO Klappan was subsequently wound up and its interest in the Arctos JV transferred to POSCAN. FCL's 50% interest in the Arctos JV is accounted for by the Company as a joint operation using proportionate consolidation.

FML's registered and head office is located at 617 Wellington Street, London, Ontario, N6A 3R6, its telephone number is (519) 858-8188 and its fax number is (519) 858-8155. FML is a reporting issuer in each of the provinces and territories of Canada.

Intercorporate Relationships

The following diagram sets forth the organizational structure of FML and its affiliates:



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Fortune is a mining and resource development company with mineral deposits in the advanced exploration and development stage, all of which are located in Canada. The Company is currently focused on development of the NICO cobalt-gold-bismuth-copper deposit ("NICO Deposit") in the Northwest Territories ("NWT"). Fortune had purchased lands near Saskatoon, Saskatchewan, where it proposed to construct a hydrometallurgical refinery to process metal concentrates produced from milling ores from the NICO Deposit and process these concentrates to cobalt sulphate heptahydrate, gold doré, bismuth ingots and oxide and copper precipitate. The municipal zoning change required to construct and operate this hydrothermal refinery was subsequently denied by the Rural Municipality of Corman Park and Fortune sold the property. The Company subsequently entered into an option agreement with JFSL Field Services Ltd. ("JFSL") to purchase a superior brownfield site in Alberta where the municipal planning approvals were already in place. The site, with its existing facilities could materially reduce the capital costs for the hydrometallurgical refinery (the "Refinery"). The Company has until June 30, 2023 to exercise its option and complete the purchase of the site for C$5.5 million, plus GST and less the cumulative option payments. The vertically integrated project consisting of the planned mine, mill and the Refinery are collectively referred to as the "NICO Project". Based on an earlier completed feasibility study entitled "*Technical Report in the Feasibility Study for the NICO Cobalt-Gold-Bismuth Project, Northwest Territories, Canada*", dated April 2, 2014 (the "2014 NICO Report"), the NICO Deposit contains reserves to support mining operations for approximately 20 years. In addition, the Company owns the Sue-Dianne copper-silver-gold deposit ("Sue-Dianne") located 25 km north of the NICO Deposit and is a potential source of incremental mill feed to extend the life of the NICO Project concentrator. Fortune also owns the Salkeld Lake exploration project in the NWT southeast of Great Slave Lake. The Company, together with POSCAN also has a right to repurchase the licenses containing the Arctos anthracite metallurgical coal deposits in northwest British Columbia ("Arctos"), pursuant to a 10-year option period, from the British Columbia Railway Company, which purchased these licenses on behalf of the British Columbia Government on May 1, 2015. Fortune is pursuing growth of shareholder value through assembly, development, and operation of high-quality mineral resource projects. The Company's strategy is currently focused on the NICO Project.

In pursuit of its strategy, Fortune is: (i) building and enhancing existing relationships with First Nations, local communities, governments and other stakeholders who may be impacted by and benefit from the development and operation of the NICO Project and its proposed Refinery; (ii) obtaining environmental and operational permits for the NICO Project; and (iii) engaging with potential strategic and financing partners, evaluating potential transactions and acquiring the funding for the development, construction and successful commercial production of the NICO Project.

Year Ended December 31, 2020

During 2020, exploration and evaluation cash expenditures by the Company on its properties were $600,484, of which $595,164 was spent on the NICO Project and $5,320 was spent on other projects. Expenditures on plant and equipment for mining properties and corporate assets were $46,339.

During the year, the Company developed a new mine plan and schedule based on the updated mineral resource model with focus on early access to higher grade material using a combination of open pit and underground mining methods. The mine plan also included a grade control and stockpiling strategy to defer processing of lower margin ores that contribute lower cash flows. The Company engaged P&E to prepare an updated mineral resource block model with the following optimizations: (i) a more constrained approach to the interpolation boundary wireframes to reduce internal and external dilution and allow the model to differentiate higher grade resource blocks for early processing; (ii) inclusion of some high grades that had been missed in previous estimates as well as mineralized material at the volcanic sedimentary rock interface that was not used in previous estimates; and (iii) the grade interpolation wireframe boundaries were extended to surface where the deposit is known to outcrop and to depth where the gold zone had been too abruptly terminated.

During 2020, the Company temporarily closed its office due to the COVID-19 pandemic ("Pandemic"). The closure was in compliance with government requirements. Employees during this time worked remotely from home and all non-essential travel was ceased. The Company had previously implemented cost-saving measures early in the year through reducing expenditures paid to consultants to preserve working capital. Due to the unknown duration and impact of the Pandemic, the Company's Chief Executive Officer took a substantial reduction in fees, the Vice-President of Environment and Regulatory Affairs was reduced to half time and the Chief Operating Officer stepped down from his position but continued to serve on the Company's board of directors. The Company's Chief Financial Officer ("CFO") and Vice President of Finance transitioned to an advisory role, assisting the Company with its project finance activities and the Controller was appointed Interim CFO. To mitigate the financial impact of the Pandemic, the Company has been able to take advantage of various government programs, such as the Canadian Emergency Business Account and the Canadian Emergency Wage Subsidy.

During the year, the Company was also awarded a grant of $144,000 from the GNWT through the Mining Incentive Program ("MIP") to support geophysical surveys on the NICO leases. The Company engaged Aurora Geosciences Ltd. ("Aurora") to conduct the initial phase of work comprised of induced polarization and ground magnetometer surveys over several known geophysical anomalies along the east strike projection of the NICO deposit and targets identified around Peanut and NICO Lakes. The objective of the work was to delineate targets for follow-up drilling where the Company believed the NICO Deposit has been displaced by faults. Aurora completed this work in late September of 2020 and provided a Field Report in October of 2020. Based on the promising results identified, Fortune also retained Aurora to prepare three-dimensional inversion modelling of the combined geophysical data and reconcile the results with the geology. The interpretive report included recommendations for drill testing the identified anomalies with specified collar locations and targeting information.

Fortune was also in discussions with the Canadian and United States ("U.S.") governments and European Union ("E.U") about potential financial support for the NICO Project development because of the contained Critical Minerals. Cobalt and bismuth are identified on the U.S. and E.U. Critical Minerals Lists and copper is also identified on the Canadian List. Minerals considered critical have essential use in important industrial and security applications, cannot be easily substituted by other minerals, and their supply chain are threatened by geographic concentration of production and / or geopolitical risks. The Canadian and U.S. governments have signed a Joint Action Plan on Critical Mineral Collaboration to enable more North American production of minerals identified as critical to economic and national security. The Company has held discussions about support for the NICO project with various Canadian Departments and their capital pools as well as the U.S. Government.

Year Ended December 31, 2021

During 2021, exploration and evaluation cash expenditures by the Company on its properties were $1,320,522 of which $1,317,719 was spent on the NICO Project and $2,803 was spent on other projects. Expenditures on plant and equipment for mining properties and corporate assets were $93,455.

In May and June of 2021, the Company completed a private placement offering of units, consisting of one Common Share of the Company and one-half warrant, for total gross proceeds of approximately $542,000. A total of 3,871,426 new Common Shares were issued at a subscription price of $0.14 per unit. Each whole warrant entitles the holder to purchase one Common Share at a price of $0.20 for a period of 18 months.

During the year, the Company was awarded another MIP grant of $144,000 to support a drill program on the NICO Leases to follow up the geophysical anomalies identified in the 2020 surveys. The Company conducted this drill program, testing for possible extensions to the NICO Deposit and the Peanut Lake and Ralph Zones, and to determine if mineralization identified in a road cut continues to depth. The Company was awarded an additional $100,000 MIP grant late in the year, eligible only to advanced exploration projects, to support drilling additional holes to augment the initial drill program.

In September 2021, the Company entered into a loan and security agreement for the advancement of a loan facility in the principal amount of $1.5 million from an arm's length investor to fund the drill program and provide

working capital. This loan bears interest at a rate of 9% per annum, compounding annually, with both principal and interest payable at maturity. As partial consideration for the advance of the loan, the lender received 4,500,000 warrants to purchase Common Shares at a price of $0.11 per share exercisable on or before September 22, 2023. This loan is secured by the mining leases for the NICO Project.

In November 2021, the Company completed a private placement on a flow-through basis for total gross proceeds of approximately $499,996. A total of 3,571,399 new Common Shares were issued at a subscription price of $0.14 per share.

The all-season road ("the Tlicho Highway"), a 97-kilometre, 2 lane gravel highway, linking the community of Whatì to Highway 3, opened to the public on November 30, 2021. The Tlicho Highway provides year-round access to the previously isolated community of Whatì reducing the cost of living, improving the delivery of services, and facilitating economic development in tourism, mineral exploration and development and potential hydro power projects. The Tlicho Highway, together with the spur road that Fortune plans to construct to the NICO mine, are key enablers for the development of the NICO Project, allowing metal concentrates to be trucked to the railway and delivery to the Refinery for downstream processing.

During the year, the Company entered into an Early-Stage Study Funding Agreement (the "Study") with Alberta's Industrial Heartland Association ("AIHA") to conduct preliminary engineering, regulatory work, and site assessments on the identified Refinery site. The AIHA will provide funding to the Company for 50% of the costs incurred up to a maximum of $100,000 for this work. The Company will have until December 31, 2022, to complete the Study.

Year Ended December 31, 2022

During 2022, exploration and evaluation cash expenditures by the Company on its properties were $386,081, of which $383,278 was spent on the NICO Project and $2,803 was spent on other projects. Expenditures on plant and equipment for mining properties and corporate assets were $339,052.

In January 2022, the Company entered into an option to purchase a brownfield site ("Option to Purchase Agreement") located in Lamont County in Alberta's Industrial Heartland. The Option to Purchase Agreement gave the Company six months to conduct its due diligence and complete the purchase for $5.5 million. The Company engaged Stantec Consulting to assess the condition of the existing Lamont County facilities and their suitability for certain unit operations and Worley Canada Services Ltd. to prepare a permitting road map and assessment of the bismuth process flow sheet and suitability of the existing Lamont County facilities to accommodate this circuit. In July 2022, the Company secured a two-month extension to the Option to Purchase Agreement to September 30, 2022 in consideration for a payment of $15,000 per month, deductible from the purchase price, provided the option has not been exercised on or before the date the consideration is due. The extension is also subject to the vendor's right to list the property for sale in which case Fortune can exercise a right of first refusal. On September 30, 2022, the Company secured a further three-month extension to the Option to Purchase Agreement to December 31, 2022 on the same terms as the first extension. On December 30, 2022, the Options to Purchase Agreement was extended to June 30, 2023 on the same terms as the previous extensions.

During the year, the Company filed its final reports for the two MIP grants received in 2021 to support a drill program. The results of the 2021 drill program confirmed continuity of cobalt-gold-bismuth and local copper mineralization in the Peanut Lake Zone, located 800 metres southeast of the NICO Deposit where holes drilled previously in 1996 had already identified some higher grade drill intercepts. Drilling also identified a potential east strike extension of the deposit with low grade intercepts of cobalt mineralization.

During the year, the Company engaged Haywood Securities Inc. ("Haywood") to act as financial advisor to the Company to support its near-term financing objectives. Haywood will assist Fortune with seeking to raise the funds needed to execute the Option to Purchase Agreement and other activities required to advance development of the NICO Project. On June 24, 2022, the Company issued 457,456 Common Shares at a price of $0.1093 (being the 5-day volume weighted average price of the Company's common shares on the TSX as at close of

trading on May 12, 2022) as partial consideration for services provided by Haywood. The fair value of the shares issued was $50,000.

In August 2022, the Company completed a private placement offering of units, consisting of one Common Share of the Company and one-half warrant, for total gross proceeds of approximately $250,050. A total of 3,334,000 new Common Shares were issued at a subscription price of $0.075 per unit. Each whole warrant entitles the holder to purchase one Common Share at a price of $0.10 for a period of 24 months.

In August 2022, the Company entered into new secured term debentures (the "Amended Debentures") to replace the original unsecured debentures of the Company which were issued in 2015 and matured on August 12, 2022 (the "2015 Debentures"), effectively extending the maturity date to November 30, 2022 and bearing interest at 10%, compounding monthly in arrears for the extension period. On August 18, 2022, the Company issued 3,500,000 common shares to the holders of the 2015 Debentures at a deemed price of $0.10 as additional consideration for the extension of the maturity date from August 12, 2022 to November 30, 2022. On November 30, 2022, the Company reached an agreement with one of the holders of the Amended Debentures to settle the outstanding amount and reached an agreement with the other holder of the Amended Debenture to extend the maturity to December 31, 2023. The debenture totaling $7,280,173, including principal and interest, was settled with a cash payment of $1,250,000 and the issuance of 73,500,000 Common Shares on December 2, 2022 at a deemed price of $0.082 to settle the balance of $6,030,173. Also on December 2, 2022, the Company's financial advisor was issued 4,468,506 Common Shares and 3,858,750 warrants in lieu of $366,418 of fees earned in relation to the settlement of the debenture. Each whole warrant entitles the holder to purchase one Common Share at a price of $0.10 for a period of 24 months.

In November 2022, the Company entered into an agreement with the holder of the secured loan to increase the loan by $1,250,000, bringing the total principal to $2,750,000. The proceeds received were used as partial payment on the settlement of the Amended Debenture. The loan is secured by the mining leases for NICO and bears interest at 9% per annum, compounding annually.

In November 2022, the Company applied for reimbursement of $21,273 against the grant that had been provided by the AIHA, which represents 50% of the costs incurred. The funding was received subsequent to year end.

An impairment charge of $31,200,000 was recognized in 2022, related to the NICO project and was allocated pro-rata amongst the NICO cash generating units. The recoverable amount of the NICO project was determined based on the NICO project's value in use. The Company estimated the value in use of the NICO project using a discount rate of 9.4%. The relevant assets were impaired to their recoverable amounts of $45,602,638, which is the carrying value at December 31, 2022.

The Company is continuing to form strategic relationships in order to supply key partners and markets for Fortune's commodities. This strategy continues to be the focus to advance the development of the Company's NICO Project.

Throughout the year, the Company's business activities related to the NICO Project were focused on critical path activities required to advance permitting and financing of both the NICO mine and Refinery sites.

Significant Acquisitions

Fortune did not make any significant acquisitions, as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), during the year ended December 31, 2022, nor during the subsequent period to the date of this Annual Information Form. The Company has entered into an option agreement to acquire the JFSL Refinery site but has not exercised this option as of the date of this AIF.

DESCRIPTION OF THE BUSINESS

General

Fortune is a mining and mine development company. The Common Shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "FT" and on the OTC Markets Group Inc.'s OTCQB International tier ("OTCQB") under the symbol "FTMDF". FML is involved in the exploration and development of specialty metals, base metals, and precious metals in the NWT (three of which are considered Critical Minerals), with a Refinery contemplated to be built in western Canada. The NICO Project is at an advanced stage of exploration and development that includes a proposed hydrometallurgical processing plant to process metal concentrates produced from the NICO mine to higher value metal and chemical products. The Company has 3 employees and 2 consultants across Canada.

Risk Factors

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration, and development of mining properties. The risks below are not the only ones facing the Company. Additional risks may also impair the Company's operations. If any of the following risks occur, the Company's business, financial condition and operating results could be adversely affected.

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in commercial production. The Company's viability and potential success is based on its ability to develop, exploit and generate revenue from mineral deposits. The exploration and development of mineral deposits involves significant financial risk over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. In order to continue developing the projects towards operation and commercial production, the Company will be required to make substantial additional capital investments. It is impossible to ensure that the past or proposed exploration and development programs on the properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally inherent to mining, exploration and development of mineral properties, any of which could result in damage to life and property, the environment and possible legal liability. The activities of the Company may be subject to prolonged disruptions due to weather conditions as a result of the Company's properties in northern Canada. At the proposed NICO mine, the Company is subject to increased risks relating to the dependence on ice roads to supply and equip its work programs. While the Company has obtained insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. For example, the Company has not obtained environmental insurance at its project sites to date and has limited the insured values of its assets to stated amounts approximating the estimated cash invested in its capital assets to date. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or associated with compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The Company has undertaken activities to reduce certain risks related to its major projects through: completion of extensive exploration and drilling programs; completion of numerous environmental baseline studies; pilot plant test work and process optimization and verification; and, investing in significant engineering studies for the mine planning, mine site buildings and equipment, infrastructure and processing facility.

Limited Financial Resources

The existing financial resources of the Company are not sufficient to bring any of its properties into commercial production. The Company will need to obtain additional financing from external sources and/or find suitable joint venture partners in order to fund the development of the NICO mine and Refinery. There is no assurance that the Company will be able to obtain such financing or joint venture partners on favourable terms or at all. Failure to obtain financing or joint venture partners could result in delay or indefinite postponement of further exploration and development of the Company's properties.

The Company's ability to raise additional funds is affected by numerous factors outside the Company's control including the global economy. The global economy is currently characterized by increased volatility and uncertainty. Particularly, the invasion of Ukraine by the Russian Federation, and the accompanying international response including economic sanctions, has been disruptive to the world economy, with increased volatility in commodity markets, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which this conflict will continue to impact global economic and financial affairs, and resulting turmoil could have a material adverse effect on the Company's ability to obtain financing and advance development of the NICO Project.

Location of Refinery

The Company does not currently own any lands on which to build the Refinery, as the lands previously held for this purpose were sold as a result of being denied a change in the zoning of its property to Heavy Industry by the local Rural Municipality of Corman Park in Saskatchewan. In January 2022, the Company entered into an option agreement to purchase a brownfield site in Alberta. The Company will have until June 2023 to complete the purchase for $5.5 million, less monthly option fees paid to extend the original option agreement deadline. Once purchased, the Company will need to work towards obtaining the necessary approvals and permits as applicable for the site.

Dependence on Key Personnel and Limited Management Team

Fortune is dependent on the services of its senior executives including the President and Chief Executive Officer, Chief Financial Officer, and other skilled and experienced consultants and employees. The loss of such individuals could have a material adverse effect on Fortune's operations. Fortune will need to supplement its existing management team in order to bring any of its projects into production.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of cobalt, bismuth, gold, copper or any other minerals discovered. The prices of such commodities have fluctuated widely and are affected by numerous factors beyond the Company's control such as economic downturns, commodity supply shortages, weather events, political instability, and changes in exchange and interest rates. The effect of these factors cannot accurately be predicted. Further, there is opportunity for the product mix of cobalt and bismuth from the NICO Project to be adjusted to produce products with varying prices depending on the market.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry out the activities it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to expiration, change in regulations and other circumstances. There can be no assurance that the Company will be able to obtain all licenses and permits required to carry out future exploration, development and mining operations at its projects.

Competition

The mining and mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including other resource companies with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties, acquisition of mining equipment and related supplies, and the attraction and retention of qualified personnel. The Company will be constrained in its ability to manage the cost of salaries at the NICO mine and the Refinery

during construction and operations as Fortune may be competing for labour with the much larger diamond mining companies operating in the Northwest Territories, oil sands projects in Alberta and potash companies operating in Saskatchewan. There is no assurance that the Company will continue to be able to compete successfully in the acquisition of building materials, sourcing equipment or hiring people.

Environmental and Climate Change Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental contamination. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The Company has carried out and completed significant environmental baseline studies and environmental monitoring to position the Company to successfully complete required environmental assessments; however, despite this, the Company has not been able to obtain certain environmental certificates in a timely manner due to the complexities of the regulatory requirements and processes. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The impacts of international or domestic climate agreements, carbon taxes and other potential climate change legislation are difficult to predict and are not yet fully understood, including impacts on capital and operating costs.

Indigenous Title and Rights Claims

Indigenous title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The lands that surround the NICO leases are owned by the Tlicho Government pursuant to the terms of an agreement (the "Tlicho Agreement") negotiated among the federal government, the GNWT and the Tlicho Government. The Company is not aware of any Indigenous land claims having been formally asserted or any legal actions relating to Indigenous issues having been instituted with respect to the NICO Leases other than certain treaty rights established by the Tlicho Agreement. The Company is aware of First Nations that claim certain title and rights with respect to Crown properties related to the Company's projects that may or may not be formally asserted with the Crown in order to seek comprehensive land claim settlements.

The Company has a right of access to the NICO mine site under the Tlicho Agreement with the Crown and Tlicho Government, and pursuant to an Access Agreement that was entered into in 2019 between the Tlicho Government and the Company. This Access Agreement was completed for the purposes of constructing and operating an access spur road through Tlicho territory to the NICO mine site. During 2020, negotiations took place with the GNWT to make minor amendments to the Socio Economic Agreement that was signed by the Company the prior year. The Company is awaiting execution by various GNWT Ministers, but takes the position that it has an existing agreement that has been executed and announced. The Company is aware of the mutual benefits afforded by co-operative relationships with Indigenous communities in conducting exploration and development activities and is supportive of measures established to achieve such cooperation including preferential hiring practices, local business development activities, involvement in environmental stewardship and other forms of accommodation. The Company previously entered into a Co-operative Relationship Agreement and Environmental Assessment Funding Agreement with the Tlicho Government. The Company is committed to open and constructive dialogue with Indigenous communities and stakeholders and will continue to make every effort to increase Indigenous employment and business through its human resources and supply chain policies. However, certain challenges with respect to timely decision making may be encountered when working with Indigenous governments as a result of the limited number of key individuals in leadership positions, turnover of leadership personnel and delays while elections are held. It will also be necessary for the Company to negotiate and enter into appropriate participation agreements with relevant Indigenous Governments in order to bring its projects into production and there is no assurance that the Company will be able to negotiate such agreements on favourable terms or at all. In addition, other parties may dispute the Company's title to the properties and the properties may be subject to

prior unregistered agreements or transfers or land claims by Indigenous peoples, and title may be affected by undetected encumbrances or defects or government actions.

Estimates of Mineral Reserves and Resources May Not be Realized

The Mineral Reserve and Mineral Resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. However, through extensive investment in exploration drilling, test mining, bulk sampling, engineering planning and pilot plant testing, the Company has substantially mitigated and reduced these risks. There is a risk that minerals recovered in small-scale laboratory and large-scale pilot plant tests will be materially different under on-site conditions or in production scale operations. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations.

The Company has engaged expert independent technical consultants to advise it with respect to Mineral Reserve and Mineral Resource and project engineering, among other things. The Company believes that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs in developing its properties.

Health and Safety Matters

The Company's exploration projects are affected by various laws and regulations, including those which cover health and safety matters. Existing legislation and regulations are subject to change, the impacts of which are difficult to measure. It is the policy of the Company to maintain safe working conditions at all its work sites, comply with health and safety legislation, maintain equipment and premises in safe condition and ensure that all employees are trained and comply with safety procedures. The Company has successfully implemented policies and procedures relating to health and safety matters at its project sites and has a good safety record to date.

Economic Analysis in the 2014 NICO Report

The economic analysis contained in the 2014 NICO Report, prepared on behalf of the Company by Micon, was completed based on a contemplated financing with Procon Group and China Camc Engineering Co., Ltd., and modifications as applicable to the previous Front-End Engineering and Development Report ("FEED Study") by Aker Solutions. The 2014 NICO Report reflected an assumption that the NICO Project would be financed as to 30% by equity and as to 70% by debt. While this assumption reflected the terms of a non-binding memorandum of understanding (the "MOU") in effect at the time the 2014 NICO Report was published, the financing arrangement contemplated by the MOU is no longer available to the Company. The Company will therefore need to obtain additional financing from external sources and/or find suitable joint venture partners in order to fund the development of the NICO Project, including the Refinery. In addition, there is no assurance that the economics of the NICO Project to be reflected in the contemplated update of the 2014 Feasibility Study will be more favourable than those in the original study. There is no assurance that the Company will be able to obtain financing on terms similar or more favourable to the terms assumed in the 2014 NICO Report or at all. Failure to obtain financing on similar or more favourable terms could result in delay or indefinite postponement of further exploration and development of the NICO Project and/or result in material amendments to, among other things, the expected yields of the NICO Project.

Negative Operating Cash Flow

The Company reported negative cash flow from operations for the year ended December 31, 2022. It is anticipated that the Company will continue to report negative operating cash flow in future periods, likely until one or more of its mineral properties are placed into production. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Mineral Projects

The following table provides information on the Company's current mineral properties:

Property and Location	Commodity Sought [(1)]	Hectares	Fortune Interest
NICO (NWT)	Co, Au, Bi, Cu	5,140	100%
Sue-Dianne (NWT)	Cu, Ag, Au	451	100%
Salkeld Lake (NWT)	Cu, Zn, Pb, Au, Ag	116	100%

[(1)] Co = cobalt, Au = gold, Bi = bismuth, Cu = copper, Ag = silver, Zn = zinc, Pb = lead

NICO Gold-Cobalt-Bismuth-Copper Deposit

Set forth below is the summary section of the 2014 NICO Report prepared by Micon in compliance with NI 43-101, with Harry Burgess, P.Eng., Richard M. Gowans, P.Eng., B. Terrence Hennessey, P.Geo., Christopher R. Lattanzi, P.Eng., and Eugene Puritch, P.Eng. as the Qualified Persons responsible for the updated mineral reserves and economics. The 2014 NICO Report was filed on SEDAR on May 7, 2014 and is available at www.sedar.com. The 2014 NICO Report supersedes reports previously filed. The following information is of a summary nature only and reference is made to the detailed disclosure contained in the 2014 NICO Report, which is incorporated herein by reference.

The 2014 NICO Report, and the below summary, references the proposed hydrometallurgical facility which was to be built by Fortune at a site approximately 26 kilometres north of Saskatoon, Saskatchewan ("SMPP"). However, as disclosed above, the municipal zoning change required to construct and operate this hydrothermal refinery was denied by the Rural Municipality of Corman Park and Fortune has since sold the property. Fortune is pursuing a superior potential site for this processing facility in Lamont County in Alberta's Industrial Heartland, which includes 40,000 square feet of serviced buildings and other synergistic facilities to reduce the capital costs for the Refinery.

SUMMARY OF 2014 TECHNICAL REPORT ON THE FEASIBILITY STUDY FOR THE NICO GOLD-COBALT-BISMUTH-COPPER PROJECT, NORTHWEST TERRITORIES, CANADA

1.1 INTRODUCTION

The Company is a public company, listed on the Toronto Stock Exchange, with one primary asset: the NICO gold-cobalt-bismuth-copper Project in the Northwest Territories (NWT). The NICO Project is 100% owned by Fortune.

Micon International Limited (Micon) has been retained by Fortune to compile an independent Feasibility Study on the NICO Project in support of financing. This Technical Report summarizes the results of that study.

The NICO Project is based on mining the NICO deposit in the NWT by a combination of open pit and underground methods, and producing a bulk gold-cobalt-bismuth-copper concentrate in a processing plant located at the Project site. The bulk concentrate will be bagged at the Project site, transported by road to the rail head at Hay River, NWT, and then hauled by rail to a dedicated siding at the Saskatchewan Metals Processing Plant (SMPP), a new hydrometallurgical facility to be built by Fortune at a permitted site approximately 26 kilometres north of Saskatoon, Saskatchewan. The SMPP, the site for which is crossed by a rail line and has a readily available source of grid power, has been designed to produce the following saleable mineral products from the bulk concentrate:

- Gold as doré bars.

- Cobalt, principally as cobalt sulphate heptahydrate, but with the option of producing cobalt carbonate, cobalt oxide, cobalt nitrate and cobalt chloride. The financial model for the Project is based on the production of cobalt sulphate heptahydrate only.

- Bismuth as bismuth ingot, bismuth needles and bismuth oxide. The financial model is based on producing 20% of the bismuth as ingot, 20% as needles and 60% as oxide.

- Copper as copper cement, which will be sold to a copper smelter for conversion to copper metal.

Fortune will be responsible for marketing all of the products.

1.2 PROJECT OVERVIEW

The location of the NICO Project is shown in Figure 1.1.

Figure 1.1
NICO Project – General Location Map

www.fortuneminerals.com

The principal Project facilities to be constructed on lands controlled by Fortune in the NWT are:

- An open pit mine with a design rate of production of 4,650 tonnes of ore per day, or approximately 1.7 million tonnes per year, which is planned to operate from June, 2017 until 2037.

- A small underground mine, which is planned to extract 1,544 tonnes of high-grade ore per day, from April, 2018 to June, 2019.

- A processing plant with a design throughput capacity of 1.7 million tonnes of ore per year, which is planned to operate from October, 2017 to 2037, and which will utilize conventional crushing, grinding and flotation processes to produce approximately 54,500 tonnes per year of a bulk sulphide concentrate, containing gold, cobalt, bismuth and copper, together with a high content of arsenic.

- A co-disposal facility for the permanent storage of both mine waste rock and process tailings.

- All of the infrastructure and service facilities required to support the productive operations.

Electric power is to be supplied by a power line, approximately 30.5 kilometres long, from the Snare Hydroelectric Complex to the Project site.

The facilities to be constructed at the SMPP comprise a complete hydrometallurgical plant which will produce saleable gold, cobalt, bismuth and copper products from the bulk concentrate produced in the NWT. Solid residues from the SMPP, which will include iron-arsenic precipitates from the cobalt circuit, iron and gypsum residues from the copper releach circuit, and solid residues from the recovery of cobalt and gold, will be disposed of in an engineered permanent residue storage facility located on the SMPP site. Liquid residue, consisting of a saline liquid waste stream and effluent from the cyanide destruction circuit, will be disposed of by deep-well injection, at a depth of approximately 800 metres below surface.

Over its operating life of approximately 20 years, the NICO Project is scheduled to mine and process 33.1 million tonnes of ore, and to produce the following quantities of saleable metals:

- Gold : 814,000 troy ounces.
- Cobalt : 70 million pounds.
- Bismuth : 74 million pounds.
- Copper : 11.2 million pounds.

1.3 PROJECT DEVELOPMENT

Access to the Project site is to be provided by an all-weather road, to be constructed by the NWT and Tłı̨chǫ (First Nation) governments, linking the existing highway from Edmonton to Yellowknife and Behchokö to the Tłı̨chǫ community of Whatì, further to the north. This road is scheduled for completion early in 2016. Fortune will be responsible for constructing a spur road, approximately 33 kilometres long, from the end of the all-weather road to the Project site. Fortune is negotiating details of the funding and construction schedule for the all-weather road with the NWT and Tłı̨chǫ governments.

The schedule of Project construction, summarized below, is contingent upon timely approval of all required permits, timely arranging of Project funding and completion of the all-weather road on schedule.

It is planned to commence construction at the Project site with a program of early works in summer, 2014 and 2015. All of the material and equipment required for this program are to be brought to the Project site over the winter road, which typically remains serviceable until April. The material and equipment required for the modest program planned for 2014 are already at the site.

Full-scale construction programs are then planned for 2016 and 2017, with equipment and materials brought in over the all-weather road. The scheduled date for the commencement of productive processing operations is October, 2017.

The construction schedule for the SMPP has been dovetailed with the schedule for the Project site, in order to achieve start-up of the SMPP in October, 2017.

1.4 SUMMARY OF FINANCIAL EVALUATION

Fortune has evaluated the overall economics of the NICO Project by conventional discounted cash flow techniques, under the presumption that the initial capital expenditure will be financed 30% by equity and 70% by debt. All revenues and costs are expressed in Canadian dollars, typically of fourth quarter 2013 value. Metal prices denominated in US dollars have been converted to Canadian currency at an exchange rate of C$1.00 =

US$0.88. This exchange rate has been assumed to remain constant throughout the life of the Project. Micon has confirmed the mathematical integrity of the Fortune financial model, by independently reproducing the results.

A summary of the results of the base case financial analysis is presented in Table 1.1. All production, revenue and cost data are life-of-mine estimates.

Table 1.1
Summary of Base Case Financial Analysis

Item	Units	Value
Mine Life	y	20
Open Pit Ore Mined	thousand t	32,500
Underground Ore Mined	thousand t	577
Concentrate Produced	thousand t	1,062
Gold Produced	thousand oz	814.4
Cobalt Produced (in sulphate)	thousand lb	69,526
Bismuth Produced	thousand lb	73,656
Copper Produced	thousand lb	11,195
Gross Revenue	C$ million	3,842
Transport, Refining, Marketing	C$ million	246
Net Smelter Return	**C$ million**	**3,596**
Mine and Mill Operating Costs	C$ million	746
Other Site Operating Costs	C$ million	359
SMPP Operating Costs	C$ million	599
Operating Profit	**C$ million**	**1,892**
Corporate Administration, Interest, Fees	C$ million	212
Royalties, Income Taxes	C$ million	141
Cash Flow Before Capital Costs	**C$ million**	**1,540**
Initial Capital Costs – Project Site	C$ million	347
Initial Capital Costs – SMPP	C$ million	242
Sustaining Capital Costs, Working Capital	C$ million	60
Reclamation Security Funding	C$ million	53
Net Cash Flow	**C$ million**	**837**
Pre-Tax Present Value (7%/y discount)	C$ million	254
Post-Tax Present Value (7%/y discount)	C$ million	224
Pre-Tax Internal Rate of Return	%/y	15.6
Post-Tax Internal Rate of Return	%/y	15.1

Under the base case input estimates, the NICO Project is expected to yield an after-tax undiscounted life-of-mine cash flow of C$837 million, a net present value of C$224 million at a discount rate of 7% per year and a post-tax internal rate of return of 15.1% per year. The pre-tax economic indices are a net present value C$254 million at a discount rate of 7% per year and an internal rate of return of 15.6% per year.

1.5 TECHNICAL DATA

1.5.1 Geological Setting

The NICO deposit occurs in the southern part of the Proterozoic Bear Structural Province within the Great Bear magmatic zone (GBMZ), a Paleoproterozoic belt of calc-alkaline volcanic and plutonic rocks approximately 800 km long and 100 km wide. Felsic to intermediate rocks of the Faber Group predominate in the southern part of the GBMZ, and consist of rhyodacite ignimbrites and associated flows, tuffs, breccias and volcaniclastics. These

rocks are bordered by granodiorite to monzogranite plutons and intruded by coeval granite and feldspar porphyritic plugs.

The NICO deposit is hosted in iron- and potassium-altered, brecciated basement sedimentary rocks of the Treasure Island Group, at and beneath the unconformity with the volcanic Faber Group rocks. The cobalt-gold-bismuth-copper mineralization of the deposit is located within locally altered biotite-amphibole magnetite schist of the Treasure Island Group.

Sulphide mineralization is disseminated and makes up between 3% and 10% of the mineralized rocks. The sulphide minerals are predominantly aligned along the foliation planes. Only small native gold grains have been observed. These are mainly associated with sulphides, but also occur with silicate minerals such as feldspar. The sulphides consist primarily of cobaltite/cobaltian arsenopyrite, bismuthinite and chalcopyrite.

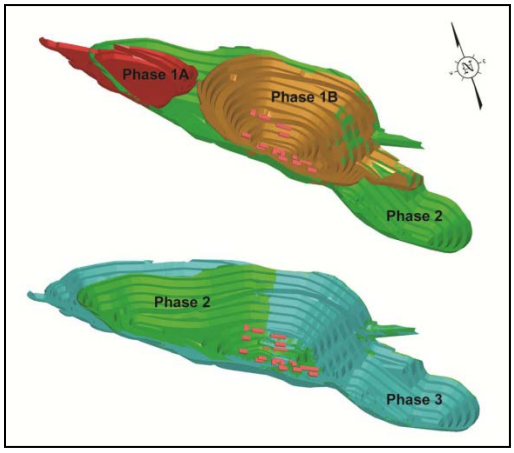
Gold mineralization forms a central 'bulls-eye' to the deposit, within the cobalt-bismuth core of the magnetite mineralization, and is confined largely to the middle and lower zones.

1.5.2 Mineral Resource Estimate

The mineral resource estimate for the NICO deposit was prepared by P&E and is presented in Table 1.2. Open pit mineral resources are reported against a C$46 per tonne net smelter return ("NSR") cut-off, as constrained within an optimized pit shell. Underground mineral resources are reported against a C$80 per tonne NSR cut-off. The effective date of this estimate is November 30, 2011. The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards on Mineral Resources and Reserves. No additional drilling has been completed since the effective date of this resource estimate.

Table 1.2
NICO Estimated Mineral Resources

Area	NSR Cut-off (C$/t)	Class	Tonnes x 1,000	Au (g/t)	Bi (%)	Co (%)
Open Pit	46	Measured	18,911	1.05	0.15	0.12
		Indicated	10,983	1.19	0.14	0.12
		M+I total	**29,894**	**1.10**	**0.15**	**0.12**
		Inferred	2	0.30	0.07	0.08
Underground	80	Measured	231	2.29	0.06	0.15
		Indicated	764	1.72	0.07	0.16
		M+I total	**995**	**1.85**	**0.07**	**0.16**
		Inferred	31	0.65	0.11	0.25



The underground open stopes will not be backfilled during mining. About mid-way through the life of the Project, the open pit will begin to intersect the underground workings. As they are intersected, the open stopes will be filled with broken ore from the open pit, either through drop raises or directly as they are exposed. The open pit will then progress through the underground workings, recovering the support pillars previously left in place.

The design mine production schedule for both open pit and underground mining of the reserves is provided in Table 1.3.

1.5.3 Mineral Reserves

The mineral reserves for the NICO Project, which were originally estimated by P&E and subsequently updated by Fortune, are summarized in Table 1.4. These reserves were estimated using the CIM standards on Mineral Resources and Reserves, and include allowances for mining losses and dilution.

Table 1.3
NICO Project – Mine Production Schedule

	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
MINE PRODUCTION SCHEDULE																									
Open Pit																									
Ore Mined (thousand tonnes)	**32,500**			17	460	1,443	1,488	1,487	1,661	1,749	1,696	1,695	1,700	1,708	1,691	1,698	1,707	1,713	1,692	1,640	1,659	1,798	1,658	1,703	438
Low-Grade Waste Mined (thousand tonnes)	**5,484**			2	127	285	415	359	222	222	143	243	328	264	276	320	312	345	299	271	205	157	476	208	5
Waste Mined (thousand tonnes)	**92,325**			4,915	10,883	5,091	4,047	6,777	3,281	3,858	7,320	7,132	5,964	4,280	3,503	3,445	3,534	2,494	2,555	3,042	2,448	1,421	3,814	2,123	398
Total Waste Mined (thousand tonnes)	**97,810**			4,917	11,009	5,377	4,462	7,136	3,504	4,081	7,463	7,375	6,292	4,543	3,779	3,765	3,846	2,839	2,853	3,313	2,653	1,578	4,291	2,331	403
Total Mined (thousand tonnes)	**130,310**			4,934	11,470	6,820	5,950	8,623	5,165	5,829	9,159	9,070	7,992	6,251	5,470	5,463	5,553	4,552	4,545	4,953	4,312	3,376	5,948	4,034	841
Gold Grade (grams/tonne)	**0.96**			0.24	0.19	0.24	0.21	0.42	0.30	0.52	1.22	1.25	1.76	1.59	0.53	0.55	0.51	0.53	0.68	0.88	1.35	2.67	0.75	1.94	2.01
Cobalt Grade (%)	**0.11**			0.14	0.13	0.12	0.11	0.12	0.13	0.13	0.11	0.11	0.09	0.12	0.13	0.12	0.12	0.12	0.11	0.11	0.09	0.10	0.09	0.11	0.16
Bismuth Grade (%)	**0.14**			0.07	0.11	0.14	0.13	0.11	0.14	0.17	0.19	0.17	0.16	0.12	0.15	0.17	0.18	0.17	0.15	0.14	0.12	0.08	0.13	0.06	0.02
Copper Grade (%)	**0.04**			0.03	0.04	0.01	0.01	0.03	0.04	0.05	0.04	0.03	0.02	0.02	0.02	0.03	0.05	0.06	0.08	0.07	0.04	0.01	0.05	0.03	0.01
Contained Gold (thousand ounces)	**1,008.2**			0.1	2.9	11.0	9.8	20.3	16.3	29.4	66.7	67.9	96.4	87.1	28.9	30.2	28.0	29.0	37.3	46.5	72.1	154.1	39.9	106.1	28.3
Contained Cobalt (thousand pounds)	**81,026**			53	1,292	3,813	3,761	3,872	4,749	4,910	4,269	4,145	3,318	4,593	4,701	4,610	4,416	4,384	4,172	3,877	3,310	3,953	3,231	4,064	1,532
Contained Bismuth (thousand pounds)	**99,923**			27	1,142	4,461	4,255	3,699	5,169	6,613	7,215	6,473	5,876	4,656	5,538	6,539	6,785	6,376	5,481	5,033	4,457	3,192	4,638	2,106	194
Contained Copper (thousand pounds)	**26,946**			12	423	370	410	1,092	1,452	1,968	1,617	1,210	889	731	771	1,087	1,798	2,394	2,825	2,530	1,580	484	1,999	1,182	124
Underground																									
Ore Mined (thousand tonnes)	**577**					273	304																		
Gold Grade (grams/tonne)	**4.96**					4.10	5.74																		
Cobalt Grade (%)	**0.10**					0.14	0.07																		
Bismuth Grade (%)	**0.17**					0.28	0.07																		
Copper Grade (%)	**0.02**					0.03	0.01																		
Contained Gold (thousand ounces)	**92.1**					36.0	56.1																		
Contained Cobalt (thousand pounds)	**1,307**					842	465																		
Contained Bismuth (thousand pounds)	**2,159**					1,711	448																		
Contained Copper (thousand pounds)	**250**					169	81																		
Total Mine Production																									
Ore Mined (thousand tonnes)	**33,077**			17	460	1,717	1,792	1,487	1,661	1,749	1,696	1,695	1,700	1,708	1,691	1,698	1,707	1,713	1,692	1,640	1,659	1,798	1,658	1,703	438
Waste Mined (thousand tonnes)	**97,810**			4,917	11,009	5,377	4,462	7,136	3,504	4,081	7,463	7,375	6,292	4,543	3,779	3,765	3,846	2,839	2,853	3,313	2,653	1,578	4,291	2,331	403
Total Mined (thousand tonnes)	**130,887**			4,934	11,470	7,093	6,254	8,623	5,165	5,829	9,159	9,070	7,992	6,251	5,470	5,463	5,553	4,552	4,545	4,953	4,312	3,376	5,948	4,034	841
Gold Grade (grams/tonne)	**1.03**			0.24	0.19	0.85	1.14	0.42	0.30	0.52	1.22	1.25	1.76	1.59	0.53	0.55	0.51	0.53	0.68	0.88	1.35	2.67	0.75	1.94	2.01
Cobalt Grade (%)	**0.11**			0.14	0.13	0.12	0.11	0.12	0.13	0.13	0.11	0.11	0.09	0.12	0.13	0.12	0.12	0.12	0.11	0.11	0.09	0.10	0.09	0.11	0.16
Bismuth Grade (%)	**0.14**			0.07	0.11	0.16	0.12	0.11	0.14	0.17	0.19	0.17	0.16	0.12	0.15	0.17	0.18	0.17	0.15	0.14	0.12	0.08	0.13	0.06	0.02
Copper Grade (%)	**0.04**			0.03	0.04	0.01	0.01	0.03	0.04	0.05	0.04	0.03	0.02	0.02	0.02	0.03	0.05	0.06	0.08	0.07	0.04	0.01	0.05	0.03	0.01
Contained Gold (thousand ounces)	**1,100.3**			0.1	2.9	47.0	65.9	20.3	16.3	29.4	66.7	67.9	96.4	87.1	28.9	30.2	28.0	29.0	37.3	46.5	72.1	154.1	39.9	106.1	28.3
Contained Cobalt (thousand pounds)	**82,333**			53	1,292	4,655	4,226	3,872	4,749	4,910	4,269	4,145	3,318	4,593	4,701	4,610	4,416	4,384	4,172	3,877	3,310	3,953	3,231	4,064	1,532
Contained Bismuth (thousand pounds)	**102,082**			27	1,142	6,172	4,703	3,699	5,169	6,613	7,215	6,473	5,876	4,656	5,538	6,539	6,785	6,376	5,481	5,033	4,457	3,192	4,638	2,106	194
Contained Copper (thousand pounds)	**27,196**			12	423	539	490	1,092	1,452	1,968	1,617	1,210	889	731	771	1,087	1,798	2,394	2,825	2,530	1,580	484	1,999	1,182	124

Table 1.4
NICO Project – Mineral Reserves

Type	Classification	Tonnes (thousand)	Average Grade			
			Gold (g/t)	Cobalt (%)	Bismuth (%)	Copper (%)
Open Pit	Proven	20,453	0.92	0.11	0.15	0.04
	Probable	12,047	1.03	0.11	0.13	0.04
	Total	**32,500**	**0.96**	**0.11**	**0.14**	**0.04**
Underground	Proven	282	4.93	0.14	0.27	0.03
	Probable	295	5.00	0.07	0.07	0.01
	Total	**577**	**4.96**	**0.10**	**0.17**	**0.02**
Total	Proven	20,735	0.97	0.11	0.15	0.04
	Probable	12,342	1.13	0.11	0.13	0.04
	Total	**33,077**	**1.03**	**0.11**	**0.14**	**0.04**

1.5.4 Metallurgical Testwork

Fortune completed extensive bench scale and pilot plant testwork studies between 1997 and 2012 using samples representative of the mineralization of the NICO deposit. The majority of this flowsheet development work was undertaken at the SGS Mineral Services laboratory, Lakefield, Ontario, Canada.

The purpose of the metallurgical test programs was to develop a process flowsheet and generate process design criteria for the recovery of bismuth, cobalt, copper and gold from the NICO deposit. Initial work in 1997 and 1998 considered the recovery of separate bismuth and cobalt concentrates, as well as a bulk product containing bismuth, cobalt, gold and copper. This process flowsheet was developed and optimized over the following years, with bench scale testwork programs in 2000, 2001, 2004/2005 and 2009, mini-pilot scale hydrometallurgical testwork in 2006, and significant pilot plant mill and flotation test runs in 2007/2008 and 2010.

The metallurgical testwork completed to date included not only flotation parameter optimization and modelling, but also grinding, gravity recovery of gold, concentrate dewatering and hydrometallurgical recovery of cobalt, bismuth, gold and copper, and the validation of a process to produce cobalt and bismuth products.

The hydrometallurgical testwork undertaken to date comprises bismuth flotation optimization tests, cobalt hydrometallurgical circuit development testing, iron and arsenic removal tests, copper recovery tests, cobalt purification and recovery testwork, bismuth recovery testwork, gold recovery tests and cyanide destruction tests.

The results of this comprehensive testwork formed the basis for the Front-End Engineering Design ("FEED") studies prepared by Aker Solutions (now Jacobs Minerals Canada Inc.) in September, 2012. The FEED studies developed the flowsheets for both the processing plant at the Project site and the SMPP. The FEED studies also included, among other things, equipment lists, general arrangement drawings and cost estimates for these facilities.

1.5.5 Process Plant at the Project Site

The process design for the Project site was developed for a mineral processing plant with a throughput of approximately 1.7 million tonnes of ore per year. With an operating availability design criterion of 90%, the plant has been designed for processing 215 tonnes of ore per hour. The basic flowsheet, a simplified diagram of which is shown in Figure 1.2, consists of conventional crushing, grinding and flotation, to produce a bulk sulphide concentrate which will be thickened, filtered and bagged, prior to shipment to the SMPP hydrometallurgical

processing facility. A gravity circuit is also included in the flowsheet to recover coarse gold, ahead of the flotation circuit.

Crushing will be undertaken in three stages, with the third stage in closed circuit with screens. The crushed ore will be ground in a ball mill and Vertimills, which will operate in closed circuit with cyclones to produce a flotation feed of 80% finer than 53 microns. A bleed from the cyclone overflow will feed the gravity gold circuit. The concentrate from the gravity circuit will go directly to the final concentrate thickener, while the gravity tailing will be returned to the grinding circuit.

Underflow from the grinding circuit cyclones will feed the rougher flotation circuit, the tailing from which will flow by gravity to the tailings thickener and, ultimately, to the co-disposal facility. Concentrate from the rougher flotation circuit will feed a cleaner and cleaner-scavenger circuit, the tailings from which will be reground to a fineness of 80% passing 20 microns, and then subjected to secondary flotation.

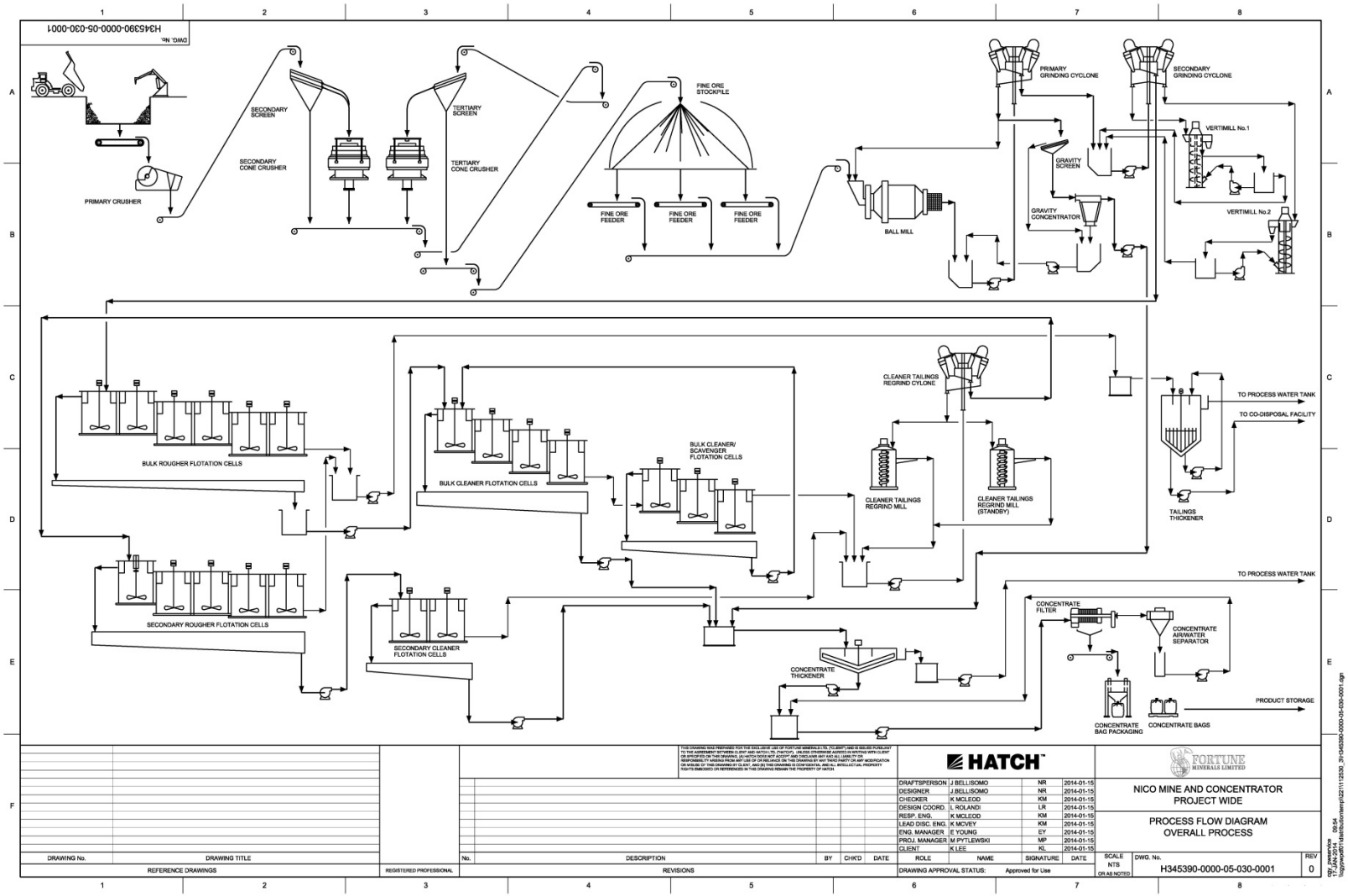
The bulk cleaner concentrate, the secondary cleaner concentrate and the gravity concentrate form the feed to the concentrate thickener, the underflow from which will be directed to a recessed plate type pressure filter, to reduce the moisture content of the concentrate to approximately 8%. The filtered concentrate will then be bagged for shipment.

The design production schedule for the processing plant at the Project site is shown in Table 1.5.

1.5.6 Co-disposal Facility

The Project will generate a total of approximately 32 Mt of tailings and 97.8 Mt of mine waste rock, including 5.5 Mt of low-grade material which, potentially, could be processed. Both of these waste streams will be disposed of together in a facility referred to as co-disposal facility (CDF).

Figure 1.2
NICO Process Flowsheet



22

Table 1.5
NICO Project – Process Plant Production Schedule

	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
MINE PRODUCTION																									
Total Ore Mined (thousand tonnes)	**33,077**			17	460	1,717	1,792	1,487	1,661	1,749	1,696	1,695	1,700	1,708	1,691	1,698	1,707	1,713	1,692	1,640	1,659	1,798	1,658	1,703	438
Contained Gold (thousand ounces)	**1,100.3**			0.1	2.9	47.0	65.9	20.3	16.3	29.4	66.7	67.9	96.4	87.1	28.9	30.2	28.0	29.0	37.3	46.5	72.1	154.1	39.9	106.1	28.3
Contained Cobalt (thousand pounds)	**82,333**			53	1,292	4,655	4,226	3,872	4,749	4,910	4,269	4,145	3,318	4,593	4,701	4,610	4,416	4,384	4,172	3,877	3,310	3,953	3,231	4,064	1,532
Contained Bismuth (thousand pounds)	**102,082**			27	1,142	6,172	4,703	3,699	5,169	6,613	7,215	6,473	5,876	4,656	5,538	6,539	6,785	6,376	5,481	5,033	4,457	3,192	4,638	2,106	194
Contained Copper (thousand pounds)	**27,196**			12	423	539	490	1,092	1,452	1,968	1,617	1,210	889	731	771	1,087	1,798	2,394	2,825	2,530	1,580	484	1,999	1,182	124
STOCKPILE MOVEMENTS																									
Opening Balance																									
Tonnes (thousand)					17	154	197	290	78	41	91	88	85	87	96	89	89	97	112	105	47	8	107	66	71
Gold Grade (grams/tonne)					0.24	0.20	0.21	0.21	0.21	0.21	0.38	0.38	0.38	0.41	0.53	0.53	0.53	0.52	0.52	0.52	0.52	0.52	2.51	4.05	3.91
Cobalt Grade (%)					0.14	0.13	0.13	0.12	0.12	0.12	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.10	0.16	0.16
Bismuth Grade (%)					0.07	0.11	0.12	0.12	0.12	0.12	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.09	0.14	0.13
Copper Grade (%)					0.03	0.04	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.01	0.02	0.02
Contained Gold (thousand ounces)					0.1	1.0	1.3	1.9	0.5	0.3	1.1	1.1	1.0	1.1	1.6	1.5	1.5	1.6	1.9	1.8	0.8	0.1	8.6	8.6	8.9
Contained Cobalt (thousand pounds)					53	435	550	783	211	111	252	244	234	238	264	244	243	265	303	285	127	21	239	239	249
Contained Bismuth (thousand pounds)					27	367	501	770	208	109	299	290	278	284	310	287	286	320	375	352	157	25	201	201	207
Contained Copper (thousand pounds)					12	138	149	171	46	24	81	78	75	76	80	74	74	83	104	97	43	7	34	34	37
Annual Addition																									
Tonnes (thousand)	**507**			17	157	43	100			50			2	10			9	15				99		5	
Gold Grade (grams/tonne)				0.24	0.19	0.24	0.21			0.52			1.76	1.59			0.51	0.53				2.67		1.94	
Cobalt Grade (%)				0.14	0.13	0.12	0.11			0.13			0.09	0.12			0.12	0.12				0.10		0.11	
Bismuth Grade (%)				0.07	0.11	0.14	0.13			0.17			0.16	0.12			0.18	0.17				0.08		0.06	
Copper Grade (%)				0.03	0.04	0.01	0.01			0.05			0.02	0.02			0.05	0.06				0.01		0.03	
Contained Gold (thousand ounces)	**12.7**			0.1	1.0	0.3	0.7			0.8			0.1	0.5			0.1	0.3				8.5		0	
Contained Cobalt (thousand pounds)	**1,322**			53	442	115	254			141			3	26			22	38				218		11	
Contained Bismuth (thousand pounds)	**1,331**			27	391	134	287			190			6	27			34	55				176		6	
Contained Copper (thousand pounds)	**317**			12	145	11	28			56			1	4			9	21				27		3	
Annual Depletion																									
Tonnes (thousand)	**(507)**				(21)		(7)	(212)	(37)		(3)	(3)			(7)	(0.4)			(7)	(58)	(39)		(40)		(71)
Gold Grade (grams/tonne)					0.20		0.21	0.21	0.21		0.38	0.38			0.53	0.53			0.52	0.52	0.52		2.51		3.91
Cobalt Grade (%)					0.13		0.13	0.12	0.12		0.13	0.13			0.12	0.12			0.12	0.12	0.12		0.10		0.16
Bismuth Grade (%)					0.11		0.12	0.12	0.12		0.15	0.15			0.15	0.15			0.15	0.15	0.15		0.09		0.13
Copper Grade (%)					0.04		0.03	0.03	0.03		0.04	0.04			0.04	0.04			0.04	0.04	0.04		0.01		0.02
Contained Gold (thousand ounces)	**(12.7)**				(0.1)		(0.05)	(1.4)	(0.2)		(0.0)	(0.0)			(0.1)	(0.0)			(0.1)	(1.0)	(0.7)				(8.9)
Contained Cobalt (thousand pounds)	**(1,323)**				(60)		(20)	(572)	(100)		(8)	(10)			(20)	(1)			(18)	(157)	(107)				(250)
Contained Bismuth (thousand pounds)	**(1,332)**				(50)		(19)	(562)	(98)		(9)	(11)			(24)	(1)			(23)	(195)	(132)				(208)
Contained Copper (thousand pounds)	**(317)**				(19)		(6)	(125)	(22)		(2)	(3)			(6)	(0)			(6)	(54)	(36)				(37)
Closing Balance																									
Tonnes (thousand)				17	154	197	290	78	41	91	88	85	87	96	89	89	97	112	105	47	8	107	66	71	0
Gold Grade (grams/tonne)				0.24	0.20	0.21	0.21	0.21	0.21	0.38	0.38	0.38	0.41	0.53	0.53	0.53	0.52	0.52	0.52	0.52	0.52	2.51	4.05	3.91	0
Cobalt Grade (%)				0.14	0.13	0.13	0.12	0.12	0.12	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.10	0.16	0.16	0
Bismuth Grade (%)				0.07	0.11	0.12	0.12	0.12	0.12	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.09	0.14	0.13	0
Copper Grade (%)				0.03	0.04	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.01	0.02	0.02	0
Contained Gold (thousand ounces)				0.1	1.0	1.3	1.9	0.5	0.3	1.1	1.1	1.0	1.1	1.6	1.5	1.5	1.6	1.9	1.8	0.8	0.1	8.6	8.6	8.9	0
Contained Cobalt (thousand pounds)				53	435	550	783	211	111	252	244	234	238	264	244	243	265	303	285	127	21	239	239	249	(1)
Contained Bismuth (thousand pounds)				27	367	501	770	208	109	299	290	278	284	310	287	286	320	375	352	157	25	201	201	207	0
Contained Copper (thousand pounds)				12	138	149	171	46	24	81	78	75	76	80	74	74	83	104	97	43	7	34	34	37	0
MILL PRODUCTION SCHEDULE																									
Ore Milled (thousand tonnes)	**33,078**				324	1,673	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	509
Gold Grade (grams/tonne)	**1.03**				0.20	0.87	1.20	0.40	0.30	0.52	1.22	1.24	1.76	1.59	0.53	0.55	0.51	0.53	0.68	0.87	1.33	2.67	0.73	1.94	2.27
Cobalt Grade (%)	**0.11**				0.13	0.12	0.11	0.12	0.13	0.13	0.11	0.11	0.09	0.12	0.13	0.12	0.12	0.12	0.11	0.11	0.09	0.10	0.09	0.11	0.16
Bismuth Grade (%)	**0.14**				0.11	0.16	0.12	0.11	0.14	0.17	0.19	0.17	0.16	0.12	0.15	0.17	0.18	0.17	0.15	0.14	0.12	0.08	0.12	0.06	0.04
Copper Grade (%)	**0.04**				0.04	0.01	0.01	0.03	0.04	0.05	0.04	0.03	0.02	0.02	0.02	0.03	0.05	0.06	0.08	0.07	0.04	0.01	0.05	0.03	0.01
Contained Gold (thousand ounces)	**1,100.3**				2.0	46.7	65.3	21.7	16.5	28.5	66.7	68.0	96.3	86.6	29.1	30.2	27.8	28.7	37.4	47.5	72.8	145.6	39.9	105.8	37.2
Contained Cobalt (thousand pounds)	**82,334**				910	4,541	3,992	4,444	4,849	4,770	4,277	4,155	3,314	4,567	4,721	4,611	4,394	4,346	4,191	4,035	3,417	3,735	3,231	4,053	1,782
Contained Bismuth (thousand pounds)	**102,083**				801	6,038	4,435	4,261	5,267	6,424	7,224	6,485	5,871	4,629	5,561	6,540	6,750	6,321	5,504	5,228	4,588	3,016	4,638	2,100	402
Contained Copper (thousand pounds)	**27,196**				297	528	468	1,217	1,474	1,911	1,619	1,213	888	726	777	1,087	1,789	2,374	2,831	2,584	1,616	458	1,999	1,179	161
Gold Recovery (%)	**78.2**				67.3	81.6	83.4	68.5	68.0	69.3	77.3	77.4	80.6	79.5	69.3	69.9	69.2	69.3	70.0	74.3	77.8	85.0	74.5	82.3	83.2
Cobalt Recovery (%)	**90.9**				90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9	90.9
Bismuth Recovery (%)	**82.1**				82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1
Copper Recovery (%)	**89.1**				89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1	89.1
Recovered Gold (thousand ounces)	**860.3**				1.4	38.1	54.4	14.8	11.2	19.8	51.5	52.6	77.6	68.9	20.1	21.1	19.3	19.9	26.2	35.3	56.6	123.8	29.7	87.0	30.9
Recovered Cobalt (thousand pounds)	**74,839**				827	4,127	3,629	4,039	4,408	4,335	3,888	3,776	3,013	4,151	4,291	4,191	3,994	3,950	3,809	3,668	3,106	3,395	2,937	3,684	1,620
Recovered Bismuth (thousand pounds)	**83,808**				658	4,957	3,641	3,498	4,324	5,274	5,931	5,324	4,820	3,800	4,566	5,369	5,542	5,190	4,519	4,292	3,767	2,476	3,808	1,724	330
Recovered Copper (thousand pounds)	**24,231**				265	470	417	1,084	1,313	1,703	1,443	1,080	791	647	692	969	1,594	2,115	2,522	2,302	1,440	408	1,781	1,051	143
Concentrate Produced (thousand dry tonnes)	**1,062.3**				10.4	53.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	16.3
Gold Grade of Concentrate (grams/tonne)	**25.19**				4.09	22.06	31.04	8.47	6.41	11.27	29.39	30.00	44.24	39.28	11.49	12.02	10.98	11.35	14.92	20.12	32.29	70.58	16.96	49.62	58.84
Cobalt Grade of Concentrate (%)	**3.20**				3.61	3.48	3.02	3.36	3.67	3.61	3.23	3.14	2.51	3.45	3.57	3.49	3.32	3.29	3.17	3.05	2.58	2.82	2.44	3.06	4.50
Bismuth Grade of Concentrate (%)	**3.58**				2.87	4.18	3.03	2.91	3.60	4.39	4.93	4.43	4.01	3.16	3.80	4.47	4.61	4.32	3.76	3.57	3.13	2.06	3.17	1.43	0.92
Copper Grade of Concentrate (%)	**1.03**				1.15	0.40	0.35	0.90	1.09	1.42	1.20	0.90	0.66	0.54	0.58	0.81	1.33	1.76	2.10	1.91	1.20	0.34	1.48	0.87	0.40
Concentrate Shipped (thousand dry tonnes)	**1,062.3**				10.4	53.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	16.3

Fortune retained Golder to carry out the conceptual design of the CDF, as input to the Jacobs FEED study. Golder had previously carried out a trade-off study for the management of tailings and mine waste rock, the result of which was the selection of the CDF system and a pre-feasibility study level design and cost estimate, at an assessed accuracy of plus or minus 25%.

The advantages of the co-disposal of waste are:

- Minimization of the footprint of the waste disposal facilities.
- Minimization of the potential for acid generation and metal leaching.
- Maximization of water conservation.
- Minimization of water treatment requirements.
- The ability to undertake progressive reclamation.

The CDF will be contained by a perimeter dyke comprising a prism of mine rock at least 25 metres thick. The perimeter dyke will be raised periodically in 5-metre lifts, using the upstream construction method. Inside the perimeter dyke, the CDF will comprise alternating layers of mine waste rock and tailings, about 5 metres thick. The perimeter dyke will be free draining but it will retain tailings particles. Five seepage collection ponds (SCP) will be constructed downstream of the CDF at topographically low areas, to intercept any tailings water that may seep through the perimeter dyke. Water collected in the SCPs will be pumped to the process plant for re-use.

The tailings layers will be created by constructing a series of cells. A 5-metre thick layer of waste rock will be pushed over each tailings cell as soon as it is complete. The permanent cover system will be designed to prevent erosion and potential transport of tailings solids, to reduce infiltration and to prevent contact between tailings and surface runoff. The cover system will include a capillary break to reduce metal uptake by vegetation in the cover and, therefore, ingestion of metals from the vegetation by wildlife.

1.5.7 Hydrometallurgical Processing Plant

The bulk gold-cobalt-bismuth-copper concentrate produced at the Project site in the NWT will require further processing at the SMPP, principally by hydrometallurgical techniques, to produce saleable gold, cobalt, bismuth and copper products. The bulk concentrate will be transported by road and rail to a dedicated rail siding on the SMPP property.

At the SMPP, the bulk concentrate will be re-ground to minus 14 microns and subjected to secondary flotation to produce separate auriferous cobalt and bismuth concentrates. The bismuth concentrate will then be treated by a ferric chloride leach. The pregnant solution will be subjected to electrowinning to produce bismuth cathode, which will then be smelted, with a flux, to produce bismuth ingots of 99.995% purity. It is planned also to produce bismuth needles and to convert a high proportion of the bismuth ingots to bismuth oxide.

The bismuth residue will be combined with the cobalt concentrate and subjected to a pressure acid leach in an autoclave. Iron, arsenic and copper will then be precipitated sequentially with lime and sodium carbonate. The copper precipitate will be re-leached, and then re-precipitated as copper cement, which will be sold to a third party smelter for conversion into copper metal.

Cobalt pregnant solution produced by the pressure acid leach, after the precipitation of iron and arsenic, will be processed by solvent extraction, using Cyanex 272, in order to remove metallic impurities by sequential stripping, and leave a pure cobalt sulphate solution. This solution will then be evaporated and subjected to a three-stage crystallization process to produce cobalt sulphate heptahydrate, containing 20.9% cobalt. Cobalt carbonate, cobalt oxide, cobalt nitrate and cobalt chloride can also be produced from the same solution, should market conditions so dictate.

The tailing from the cobalt concentrate will be leached with cyanide, for the recovery of gold, as doré bars.

The design production schedule for the hydrometallurgical processing facility in Saskatchewan is summarized in Table 1.6.

Solid waste residue from the SMPP will consist primarily of two streams:

- Residue from the cyanide leach used to recover gold, which will be produced at a design rate of 9 tonnes per hour.

- Iron-arsenic precipitate, and gypsum residue, from the precipitation circuit following the autoclave, which will be produced at a design rate of 5.7 tonnes per hour. The arsenic will present as scorodite, a relatively stable iron-arsenic compound.

These solid waste streams will be permanently entombed in a dedicated permanent residue storage facility (PRSF), located on the SMPP property. The PRSF will be constructed as a series of dyked cells, above the groundwater table. Each cell will have a dual containment liner and a leak detection system. As soon as possible after each cell is filled with residue, an engineered cover will be placed over it, to limit water and oxygen ingress and to support vegetation. The site selected for the PRSF is underlain by 9 to 18 metres of low conductivity till, providing a high level of secondary containment to prevent any contamination of the Dalmeny Aquifer below.

The principal liquid residue from the SMPP will be a high chloride brine from the bismuth recovery process. This solution will be injected, through a deep well, into the Souris River Formation, at a depth below surface of approximately 800 metres. The design rate of production of this waste solution is 11 cubic metres per hour.

Table 1.6
Hydrometallurgical Plant Production Schedule

	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
MILL PRODUCTION																									
Concentrate Shipped (thousand dry tonnes)	**1,062.3**				10.4	53.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	16.3
Moisture Content of Concentrate (%)	**8.7**				8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Concentrate Shipped (thousand wet tonnes)	**1,154.6**				11.3	58.4	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	17.8
Gold Grade of Concentrate (grams/tonne)	**25.19**				4.09	22.06	31.04	8.47	6.41	11.27	29.39	30.00	44.24	39.28	11.49	12.02	10.98	11.35	14.92	20.12	32.29	70.58	16.96	49.62	58.84
Cobalt Grade of Concentrate (%)	**3.20**				3.61	3.48	3.02	3.36	3.67	3.61	3.23	3.14	2.51	3.45	3.57	3.49	3.32	3.29	3.17	3.05	2.58	2.82	2.44	3.06	4.50
Bismuth Grade of Concentrate (%)	**3.58**				2.87	4.18	3.03	2.91	3.60	4.39	4.93	4.43	4.01	3.16	3.80	4.47	4.61	4.32	3.76	3.57	3.13	2.06	3.17	1.43	0.92
Copper Grade of Concentrate (%)	**1.03**				1.15	0.40	0.35	0.90	1.09	1.42	1.20	0.90	0.66	0.54	0.58	0.81	1.33	1.76	2.10	1.91	1.20	0.34	1.48	0.87	0.40
Gold in Concentrate (thousand ounces)	**860.3**				1.4	38.1	54.4	14.8	11.2	19.8	51.5	52.6	77.6	68.9	20.1	21.1	19.3	19.9	26.2	35.3	56.6	123.8	29.7	87.0	30.9
Cobalt in Concentrate (thousand pounds)	**74,839**				827	4,127	3,629	4,039	4,408	4,335	3,888	3,776	3,013	4,151	4,291	4,191	3,994	3,950	3,809	3,668	3,106	3,395	2,937	3,684	1,620
Bismuth in Concentrate (thousand pounds)	**83,808**				658	4,957	3,642	3,498	4,324	5,274	5,931	5,324	4,820	3,800	4,566	5,369	5,542	5,190	4,519	4,292	3,767	2,476	3,870	1,724	267
Copper in Concentrate (thousand pounds)	**24,231**				265	470	417	1,084	1,313	1,703	1,443	1,080	791	647	692	969	1,594	2,115	2,522	2,302	1,440	408	1,781	1,051	143
HYDROMETALLURGICAL PLANT PRODUCTION																									
Concentrate Treated (thousand dry tonnes)	**1,062.3**				10.4	53.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	16.3
Cobalt Concentrate Produced (thousand dry tonnes)	**979.1**				9.6	49.5	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	15.1
Gold Recovery to Cobalt Concentrate (%)	**21.3**				21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3
Cobalt Recovery to Cobalt Concentrate (%)	**97.8**				97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8	97.8
Bismuth Recovery to Cobalt Concentrate (%)	**11.1**				11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1
Copper Recovery to Cobalt Concentrate (%)	**39.5**				39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Gold in Cobalt Concentrate (thousand ounces)	**183.2**				0.3	8.1	11.6	3.2	2.4	4.2	11.0	11.2	16.5	14.7	4.3	4.5	4.1	4.2	5.6	7.5	12.1	26.4	6.3	18.5	6.6
Cobalt in Cobalt Concentrate (thousand pounds)	**73,193**				808.7	4,036.4	3,549.2	3,950.5	4,310.7	4,240.0	3,802.2	3,693.4	2,946.5	4,059.6	4,196.8	4,099.2	3,906.1	3,863.5	3,725.5	3,586.8	3,037.2	3,320.6	2,872.4	3,603.2	1,584.3
Bismuth in Cobalt Concentrate (thousand pounds)	**9,303**				73.0	550.2	404.2	388.2	480.0	585.4	658.3	591.0	535.0	421.8	506.8	596.0	615.1	576.1	501.6	476.4	418.1	274.8	429.6	191.4	29.7
Copper in Cobalt Concentrate (thousand pounds)	**9,583**				104.7	186.0	165.0	428.7	519.3	673.6	570.6	427.3	313.0	256.0	273.8	383.1	630.4	836.4	997.5	910.5	569.6	161.2	704.5	415.5	56.6
Recovery of Gold from Cobalt Concentrate (%)	**94.7**				94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7
Recovery of Cobalt from Cobalt Concentrate (%)	**92.9**				92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9
Recovery of Bismuth from Cobalt Concentrate (%)	**0**				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recovery of Copper from Cobalt Concentrate (%)	**46.2**				46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Recovered Gold in Doré from Cobalt Concentrate (thousand ounces)	**173.5**				0.3	7.7	11.0	3.0	2.3	4.0	10.4	10.6	15.6	13.9	4.1	4.3	3.9	4.0	5.3	7.1	11.4	25.0	6.0	17.5	6.2
Recovered Cobalt from Cobalt Concentrate (thousand pounds)	**67,996**				751.3	3,749.8	3,297.2	3,670.0	4,004.6	3,938.9	3,532.3	3,431.2	2,737.3	3,771.3	3,898.8	3,808.1	3,628.8	3,589.2	3,461.0	3,332.2	2,821.6	3,084.9	2,668.5	3,347.4	1,471.8
Recovered Bismuth from Cobalt Concentrate (thousand pounds)	**0**				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recovered Copper from Cobalt Concentrate (thousand pounds)	**4,427**				48.4	85.9	76.2	198.1	239.9	311.2	263.6	197.4	144.6	118.3	126.5	177.0	291.3	386.4	460.9	420.6	263.2	74.5	325.5	192.0	26.2
Bismuth Concentrate Produced (thousand dry tonnes)	**83.2**				0.8	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	1.3
Gold Recovery to Bismuth Concentrate (%)	**78.7**				78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7	78.7
Cobalt Recovery to Bismuth Concentrate (%)	**2.2**				2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Bismuth Recovery to Bismuth Concentrate (%)	**88.9**				88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9
Copper Recovery to Bismuth Concentrate (%)	**60.5**				60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5
Gold in Bismuth Concentrate (thousand ounces)	**676.8**				1.1	30.0	42.8	11.7	8.8	15.5	40.6	41.4	61.0	54.2	15.8	16.6	15.1	15.7	20.6	27.8	44.5	97.4	23.4	68.5	24.3
Cobalt in Bismuth Concentrate (thousand pounds)	**1,646**				18.2	90.8	79.8	88.9	97.0	95.4	85.5	83.1	66.3	91.3	94.4	92.2	87.9	86.9	83.8	80.7	68.3	74.7	64.6	81.1	35.6
Bismuth in Bismuth Concentrate (thousand pounds)	**74,506**				584.8	4,406.6	3,237.3	3,109.3	3,844.1	4,688.4	5,272.4	4,733.0	4,284.9	3,378.6	4,059.0	4,773.2	4,926.7	4,613.7	4,017.2	3,815.9	3,348.8	2,201.2	3,440.3	1,532.7	237.6
Copper in Bismuth Concentrate (thousand pounds)	**14,648**				160.0	284.3	252.3	655.3	793.7	1,029.5	872.1	653.1	478.4	391.2	418.5	585.5	963.6	1,278.4	1,524.7	1,391.6	870.6	246.4	1,076.8	635.0	86.5
Recovery of Gold from Bismuth Concentrate (%)	**94.7**				94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7	94.7
Recovery of Cobalt from Bismuth Concentrate (%)	**92.9**				92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9
Recovery of Bismuth from Bismuth Concentrate (%)	**98.9**				98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9
Recovery of Copper from Bismuth Concentrate (%)	**46.2**				46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Recovered Gold in Doré from Bismuth Concentrate (thousand ounces)	**640.9**				1.0	28.4	40.6	11.1	8.4	14.7	38.4	39.2	57.8	51.3	15.0	15.7	14.3	14.8	19.5	26.3	42.2	92.2	22.2	64.8	23.0
Recovered Cobalt from Bismuth Concentrate (thousand pounds)	**1,530**				16.9	84.4	74.2	82.6	90.1	88.6	79.5	77.2	61.6	84.8	87.7	85.7	81.6	80.7	77.9	75.0	63.5	69.4	60.0	75.3	33.1
Recovered Bismuth from Bismuth Concentrate (thousand pounds)	**73,656**				578.2	4,356.4	3,200.4	3,073.9	3,800.3	4,635.0	5,212.3	4,679.1	4,236.0	3,340.0	4,012.8	4,718.8	4,870.5	4,561.1	3,971.4	3,772.4	3,310.7	2,176.1	3,401.1	1,515.2	234.9
Recovered Copper from Bismuth Concentrate (thousand pounds)	**6,767**				73.9	131.3	116.5	302.8	366.7	475.6	402.9	301.7	221.0	180.7	193.4	270.5	445.2	590.6	704.4	642.9	402.2	113.9	497.5	293.4	40.0
Total Recovered Gold (thousand ounces)	**814**				1.3	36.1	51.5	14.1	10.6	18.7	48.8	49.8	73.4	65.2	19.1	20.0	18.2	18.8	24.8	33.4	53.6	117.2	28.2	82.4	29.3
Total Recovered Cobalt (thousand ounces)	**69,526**				768.2	3,834.2	3,371.4	3,752.5	4,094.7	4,027.5	3,611.7	3,508.4	2,798.9	3,856.2	3,986.5	3,893.8	3,710.4	3,669.9	3,538.8	3,407.1	2,885.0	3,154.2	2,728.5	3,422.7	1,504.9
Total Recovered Bismuth (thousand ounces)	**73,656**				578.2	4,356.4	3,200.4	3,073.9	3,800.3	4,635.0	5,212.3	4,679.1	4,236.0	3,340.0	4,012.8	4,718.8	4,870.5	4,561.1	3,971.4	3,772.4	3,310.7	2,176.1	3,401.1	1,515.2	234.9
Total Recovered Copper (thousand ounces)	**11,195**				122.3	217.3	192.8	500.8	606.6	786.8	666.5	499.2	365.6	299.0	319.9	447.5	736.4	977.0	1,165.3	1,063.6	665.4	188.3	823.0	485.3	66.1

Metal	Metal Price (US$)	Exchange Rate (US$/C$)	Metal Price (C$)
Gold (per oz)	1,350	0.88	1,534
Cobalt (per lb)	16.00	0.88	18.18
Cobalt in sulphate (per lb)	19.04	0.88	21.64
Bismuth ingot (per lb)	10.50	0.88	11.93
Bismuth needles (per lb)	11.00	0.88	12.50
Bismuth in oxide (per lb)	14.00	0.88	15.91
Bismuth (per lb, average)	12.64	0.88	14.36
Copper as cathode (per lb)	3.25	0.88	3.69
Copper as cement (per lb)	2.38	0.88	2.70

Fortune will be responsible for the marketing of all products. Fortune's cost of marketing is assessed as 1% of the gross revenue received from the sale of cobalt, bismuth and copper.

The financial model makes provision for the costs of transporting and refining the gold doré. The estimated cost of smelting and refining the copper cement to be produced at the SMPP has been included in the financial model by reducing the net price received from US$3.25 per pound for cathode, to US$2.38 per pound for copper contained in cement. The price of bismuth is a weighted average of US$10.50 per pound for ingot (20%), US$11.00 per pound for needles (20%) and US$14.00 per pound for bismuth contained in oxide, less an allowance of US$0.10 per pound for the additional processing required (60%).

1.5.8 Cost Structure

The estimates of capital expenditure and operating cost for the NICO Project in the NWT have been developed by Procon Mining and Tunnelling Ltd. ("Procon"), based on the work of Fortune and third party engineering companies, consultants and contractors which were responsible for developing the estimates for the scope of work in their respective areas. The estimates are based on budgetary quotations received from potential vendors for the major items, and factored estimates or database information for other items. The capital expenditure and operating cost estimates for the Project site have an assessed level of accuracy of plus or minus 15%.

The estimates of capital expenditure for the SMPP have also been developed by Procon, to an assessed level of accuracy of plus or minus 15%.

The estimates of operating cost for the SMPP have been based on an addendum to the Jacobs FEED study which incorporated the production of cobalt sulphate, rather than cobalt cathode, as originally envisaged. The Jacobs estimates have been subsequently updated by Fortune. The estimates of operating cost for the SMPP have an assessed level of accuracy of plus or minus 15% for the basic plant, but minus 10%, plus 25% for the cobalt sulphate circuit.

1.5.8.1 Capital Expenditures

The estimated pre-production capital expenditures for the construction of the NICO Project in the NWT are estimated at C$346.5 million, as summarized in Table 1.7.

Table 1.7
Summary of NICO Project Estimated Pre-Production Capital Costs

Cost Component	Estimated Cost (C$ million)
Open pit mining	52.4
Underground mining	-
Process plant and related infrastructure	170.0
Indirect costs	88.3
Engineering, procurement and construction management (EPCM)	39.1
Other costs	(3.3)
Total pre-production capital	**346.5**

An additional C$41.4 million has been provided for sustaining capital expenditures to be incurred throughout the life of the Project.

The pre-production capital expenditures for construction of the SMPP are estimated at C$242.5 million, as summarized in Table 1.8.

Table 1.8
Summary of SMPP Estimated Pre-Production Capital Cost

Cost Component	Estimated Cost (C$ million)
Labour	45.9
Permanent material	31.4
Construction material	5.9
Process equipment	57.9
Equipment purchases and operation	6.7
Sub-contractors and design	17.2
Sub-Total	**165.0**
Indirect costs	77.5
Total	**242.5**

An additional C$16.4 million has been included for subsequent sustaining capital expenditures to be incurred throughout the operating life of the SMPP.

The total estimated pre-production and sustaining capital expenditures for the NICO Project are summarized in Table 1.09. These estimates are expressed in constant Canadian dollars of fourth quarter, 2013 value.

Table 1.9
Total Estimated Capital Expenditures

Location	Pre-Production Capital (C$ million)			Sustaining (C$ million)	Total Capital (C$ million)
	Direct Costs	Indirect Costs	Total		
NWT	222.4	124.1	346.5	41.4	387.9
SMPP	165.0	77.5	242.5	16.4	258.9
Total	**387.4**	**201.6**	**589.0**	**57.8**	**646.8**

1.5.8.2 Operating Costs

The estimated life-of-mine (LOM) operating costs for the NICO Project in the NWT are summarized in Table 1.10. The average estimated cost is C$39.70 per tonne of ore milled. These costs are expressed in constant Canadian dollars of fourth quarter, 2013 value.

Table 1.10
Summary of Project Site Operating Cost Estimate

Cost Centre	Life-of-Mine Cost (C$ million)	Average Annual Cost (C$ million)	Average Unit Cost (C$/t total ore mined)
Open Pit Mining	271.2	13.6	8.20
Underground Mining	52.7	2.6	1.59
Processing (NWT)	422.4	21.1	12.77
Shared Services	355.2	17.8	10.74
Concentrate Transport	212.1	10.6	6.41
Total	**1,313.6**	**65.7**	**39.71**

The estimated LOM operating costs for the SMPP are estimated at C$599 million, or C$564 per tonne of bulk concentrate processed, distributed approximately as summarized in Table 1.11.

Table 1.11
Summary of SMPP Operating Cost Estimate

Item	Life-of-Mine Cost (C$ million)	Average Annual Cost (C$ million)	Average Unit Cost (C$/t concentrate)
Labour	169	8.5	159
Power	73	3.7	69
Reagents	209	10.5	197
Maintenance Supplies	82	4.1	77
Infrastructure	11	0.5	10
Other	55	2.8	52
Total	**599**	**30**	**564**

The total cost of operating the SMPP is equivalent to C$18.11 per tonne of ore milled at the Project site.

Fortune has also performed an analysis of the average cash cost of production per ounce of gold equivalent and per pound of cobalt equivalent, with metal equivalents being calculated on the basis of the revenues estimated to be received for each metal, thereby taking into account both the ratio of the prices of each metal and the differences in metallurgical recovery. A further analysis was undertaken of the cash operating costs of producing gold, cobalt and bismuth, after by-product credits for each of the other metals. The results of these analyses are summarized in Table 1.12.

Table 1.12
Unit Cost of Metal Equivalents and Net of By-Product Credits

Unit Cost Measure	Units	Average Unit Cost
Per equivalent ounce of gold	US$/oz	673.54
Per equivalent pound of cobalt	US$/lb	9.50
Per ounce of gold, net of by-product credits	US$/oz	(702.12)
Per pound of cobalt, net of by-product credits	US$/lb	(5.19)
Per pound of bismuth, net of by-product credits	US$/lb	(10.18)

1.5.9 Financial Evaluation

The overall results of the base case financial evaluation of the NICO Project have been summarized in Table 1.1. The discounted cash flow evaluation has been based on the production schedules, metal prices, capital expenditures and operating costs summarized above and discussed in detail in the body of this report, together with the following additional considerations:

- Provision has been made for the payment of NWT mining royalty, Canadian federal income tax, NWT income tax and Saskatchewan income tax. Fortune reports that it will be exempt from Saskatchewan income tax for five years, once taxable in the Province, based on legislation introduced by the Province to attract industrial investment.

- Provisions have been included for Fortune's corporate overhead costs and for minor changes in working capital.

- An annual allowance has been included for security deposits to fund final reclamation and closure.

- The Project capital expenditure is assumed to be financed 30% by equity and 70% by debt.

Details of the projected annual cash flows are provided Table 1.13.

The overall economics of the NICO Project are more sensitive to changes in the factors that affect revenue, than they are to changes in capital expenditures or operating costs. Sensitivity analyses have been conducted to determine the effect on net present value and internal rate of return of variations from the base level prices of the two principal co-products, gold and cobalt. The results are summarized in Table 1.14. These sensitivity analyses also serve as a proxy for variations in ore grade, metallurgical recovery or metal production, for either gold or cobalt.

Table 1.13
NICO Project Cash Flow

	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
PRODUCTION DATA																									
Open Pit Ore Mined (thousand tonnes)	**32,500**			17	460	1,443	1,488	1,487	1,661	1,749	1,696	1,695	1,700	1,708	1,691	1,698	1,707	1,713	1,692	1,640	1,659	1,798	1,658	1,703	438
Open Pit Waste Mined (thousand tonnes)	**97,810**			4,917	11,009	5,377	4,462	7,136	3,504	4,081	7,463	7,375	6,292	4,543	3,779	3,765	3,846	2,839	2,853	3,313	2,653	1,578	4,291	2,331	403
Underground Ore Mined (thousand tonnes)	**577**					273	304	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclaimed from Stockpile (thousand tonnes)	**507**				21	0	7	212	37	0	3	3	0	0	7	0	0	0	7	58	39	0	40	0	71
Ore Milled (thousand tonnes)	**33,078**				324	1,673	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	509
Concentrate Treated (thousand dry tonnes)	**1,062.3**				10.4	53.7	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	16.3
Concentrate Treated (thousand wet tonnes)	**1,154.6**				11.3	58.4	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	17.8
Gold Sold (thousand ounces)	**814.4**				1.2	35.3	52.5	14.0	10.7	18.6	48.6	49.8	73.3	65.3	19.5	20.0	18.2	18.8	24.7	33.3	53.4	116.7	31.2	82.0	27.4
Cobalt Sold (thousand pounds)	**69,526**				256.1	4,193.7	3,318.6	3,744.6	4,075.2	4,030.3	3,634.4	3,515.8	2,837.0	3,801.3	3,976.7	3,898.9	3,720.0	3,672.9	3,546.2	3,415.3	2,913.4	3,141.3	2,822.0	3,390.5	1,621.5
Bismuth Sold (thousand pounds)	**73,656**					4,623.1	3,216.7	3,106.7	3,741.8	4,564.5	5,161.1	4,718.2	4,273.1	3,413.7	3,965.5	4,660.3	4,852.9	4,584.1	4,019.8	3,792.8	3,347.9	2,268.6	3,311.7	1,657.4	376.5
Copper Sold (thousand pounds)	**11,195**					316.0	191.4	462.1	594.0	764.9	677.7	519.7	383.1	308.6	318.6	433.0	701.7	945.7	1,140.3	1,072.7	711.4	248.0	761.8	517.0	127.3
METAL PRICES																									
Gold Price (US$/ounce)				1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Cobalt Price (US$/pound)				16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Price of Cobalt in Sulphate (US$/pound, plus 19%)				19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04	19.04
Bismuth Price (US$/pound)				12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Copper Price (US$/pound)				2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Exchange Rate (US$/C$)				0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
Gold Price (C$/ounce)				1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534	1,534
Cobalt Price (C$/pound)				18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18
Price of Cobalt in Sulphate (C$/pound)				21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64
Bismuth Price (C$/pound)				14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36	14.36
Copper Price (C$/pound)				2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
REVENUE AND EXPENDITURE (C$ thousand)																									
Gross Revenue from Gold Sales	**1,249,358**				1,787	54,088	80,474	21,482	16,369	28,599	74,488	76,415	112,403	100,164	29,871	30,626	27,996	28,917	37,924	51,138	81,996	178,992	47,866	125,746	42,018
Gross Revenue from Cobalt Sulphate Sales	**1,504,283**				5,540	90,737	71,803	81,020	88,172	87,202	78,634	76,069	61,383	82,245	86,040	84,357	80,488	79,468	76,728	73,894	63,035	67,966	61,057	73,359	35,084
Gross Revenue from Bismuth Sales	**1,057,972**				0	66,404	46,204	44,623	53,746	65,563	74,132	67,770	61,377	49,033	56,959	66,939	69,705	65,844	57,739	54,478	48,088	32,585	47,568	23,806	5,408
Gross Revenue from Copper Sales	**30,214**				0	853	517	1,247	1,603	2,064	1,829	1,403	1,034	833	860	1,169	1,894	2,552	3,078	2,895	1,920	669	2,056	1,395	344
Gross Sales Revenue	**3,841,828**				**7,327**	**212,082**	**198,997**	**148,373**	**159,889**	**183,428**	**229,085**	**221,658**	**236,197**	**232,276**	**173,730**	**183,091**	**180,083**	**176,782**	**175,468**	**182,405**	**195,039**	**280,213**	**158,547**	**224,306**	**82,854**
Concentrate Transportation	**(212,099)**				(2,067)	(10,729)	(10,895)	(10,887)	(10,887)	(10,898)	(10,895)	(10,887)	(10,887)	(10,895)	(10,887)	(10,887)	(10,898)	(10,895)	(10,887)	(10,887)	(10,895)	(10,887)	(10,898)	(10,887)	(3,264)
Gold Refining	**(7,492)**				(12)	(327)	(476)	(145)	(116)	(184)	(442)	(453)	(655)	(586)	(192)	(196)	(181)	(186)	(237)	(311)	(484)	(1,028)	(293)	(730)	(260)
Marketing Expense	**(25,925)**				(55)	(1,580)	(1,185)	(1,269)	(1,435)	(1,548)	(1,546)	(1,452)	(1,238)	(1,321)	(1,439)	(1,525)	(1,521)	(1,479)	(1,375)	(1,313)	(1,130)	(1,012)	(1,107)	(986)	(408)
Net Smelter Return	**3,596,312**				**5,192**	**199,445**	**186,441**	**136,072**	**147,451**	**170,797**	**216,202**	**208,865**	**223,417**	**219,473**	**161,213**	**170,484**	**167,483**	**164,222**	**162,969**	**169,894**	**182,529**	**267,285**	**146,250**	**211,704**	**78,922**
Open Pit Mining	**(271,154)**				(171)	(11,730)	(12,530)	(12,442)	(14,616)	(14,845)	(11,821)	(11,990)	(12,241)	(15,228)	(14,893)	(14,832)	(14,837)	(15,329)	(15,324)	(14,040)	(13,734)	(14,975)	(16,066)	(12,518)	(6,992)
Underground Mining	**(52,742)**					(24,970)	(27,772)																		
Milling	**(422,454)**				(2,872)	(21,265)	(21,188)	(21,225)	(21,207)	(21,207)	(21,207)	(21,244)	(21,207)	(21,207)	(21,207)	(21,244)	(21,207)	(21,207)	(21,207)	(21,244)	(21,207)	(21,207)	(21,207)	(21,244)	(16,444)
Shared Services and Camp	**(355,176)**			(110)	(3,354)	(18,340)	(18,222)	(18,271)	(18,251)	(18,200)	(17,672)	(17,719)	(17,672)	(17,672)	(17,672)	(17,719)	(17,672)	(17,672)	(17,672)	(17,719)	(17,672)	(17,672)	(17,672)	(17,719)	(12,832)
SMPP Operating Costs	**(599,123)**				(5,864)	(30,307)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,763)	(30,761)	(9,220)
Other Processing Charges	**(4,025)**		(70)	(77)	(147)	(256)	(201)	(201)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)
Total Operating Cost	**(1,704,674)**		**(70)**	**(187)**	**(12,408)**	**(106,868)**	**(110,676)**	**(82,902)**	**(85,018)**	**(85,196)**	**(81,644)**	**(81,897)**	**(82,064)**	**(85,051)**	**(84,716)**	**(84,739)**	**(84,660)**	**(85,152)**	**(85,147)**	**(83,947)**	**(83,557)**	**(84,798)**	**(85,889)**	**(82,423)**	**(45,669)**
Operating Profit	**1,891,638**		**(70)**	**(187)**	**(7,216)**	**92,577**	**75,765**	**53,170**	**62,434**	**85,602**	**134,558**	**126,969**	**141,354**	**134,423**	**76,497**	**85,745**	**82,823**	**79,070**	**77,822**	**85,947**	**98,972**	**182,488**	**60,361**	**129,281**	**33,253**
Corporate Administration	**(34,500)**		(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Interest Expense	**(174,110)**			(6,224)	(17,486)	(18,952)	(17,718)	(17,311)	(17,455)	(16,913)	(15,791)	(13,341)	(11,061)	(8,376)	(5,697)	(4,246)	(2,552)	(987)	0	0	0	0	0	0	0
Financing Fees	**(3,351)**		(3,351)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Tax	**(104,029)**		2	7	437	(210)	283	349	156	(420)	(1,707)	(1,513)	(1,870)	(1,643)	(201)	(432)	(360)	(257)	(12,067)	(12,928)	(13,348)	(15,637)	(16,429)	(17,723)	(8,518)
Territorial Royalty	**(36,221)**		0	0	0	0	0	0	0	0	0	0	0	0	(449)	(4,051)	(3,168)	(4,075)	(4,078)	(3,927)	(3,786)	(4,030)	(4,134)	(3,817)	(706)
Cash Flow Before Capital Expenditure	**1,539,427**		**(4,919)**	**(7,904)**	**(25,765)**	**71,915**	**56,830**	**34,708**	**43,635**	**66,769**	**115,560**	**110,615**	**126,923**	**122,904**	**68,650**	**75,516**	**75,243**	**72,251**	**60,177**	**67,592**	**80,338**	**161,321**	**38,298**	**106,241**	**22,529**
Open Pit Mining Capital	**(52,395)**		(19,283)	(20,155)	(12,957)																				
Mill and Infrastructure Capital	**(170,048)**		(56,933)	(81,533)	(31,582)																				
Indirect Capital Costs	**(88,326)**		(34,511)	(45,475)	(8,340)																				
EPCM Costs	**(39,059)**		(14,485)	(18,674)	(5,900)																				
SMPP Direct Capital Costs	**(164,953)**		(24,918)	(118,316)	(21,719)																				
SMPP Indirect Capital Costs	**(77,498)**		(25,770)	(39,794)	(11,934)																				
Capital Cost Adjustments	**3,273**		8,113	(3,049)	(1,791)																				
Sustaining Capital	**(57,810)**				(302)	(4,783)	(4,559)	(10,952)	(4,492)	(4,410)	(110)	(5,411)	(7,330)	(4,631)	(2,332)	0	(6,893)	(37)	0	(286)	(1,093)	(79)	(110)		
Change in Working Capital	**(2,612)**		(1,878)	63	17	(3,622)	(572)	37	(1,084)	(1,039)	(702)	731	1,074	109	(275)	(631)	(101)	328	667	297	955	418	84	598	1,914
Total Capital Expenditures	**(649,428)**		(169,665)	(326,933)	(94,508)	(8,405)	(5,131)	(10,915)	(5,576)	(5,449)	(812)	(4,680)	(6,256)	(4,522)	(2,607)	(631)	(6,994)	291	667	11	(138)	339	(26)	598	1,914
Project Cash Flow Before Debt Financing	**889,999**		**(174,584)**	**(334,837)**	**(120,273)**	**63,510**	**51,699**	**23,793**	**38,059**	**61,320**	**114,748**	**105,935**	**120,667**	**118,382**	**66,043**	**74,885**	**68,249**	**72,542**	**60,844**	**67,603**	**80,200**	**161,660**	**38,272**	**106,839**	**24,443**
Debt Financing Drawndown	**446,754**			322,956	122,562	1,236																			
Debt Financing Repaid	**(446,754)**					(19,198)	(20,421)	(5,870)	(12,468)	(25,784)	(56,312)	(52,429)	(61,711)	(61,601)	(33,349)	(38,955)	(35,967)	(22,689)							
Reclamation Security Funding	**(53,107)**			(5,000)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)	(2,291)
ANNUAL NET CASH FLOW	**836,892**		**(174,584)**	**(16,881)**	**(1)**	**43,258**	**28,988**	**15,632**	**23,300**	**33,245**	**56,145**	**51,215**	**56,665**	**54,490**	**30,403**	**33,639**	**29,991**	**47,562**	**58,553**	**65,313**	**77,910**	**159,369**	**35,981**	**104,548**	**22,152**

Table 1.14
Sensitivity Analyses

Gold Price (US$/oz)	**1,200**	**1,350**	**1,500**
Pre-tax NPV, 7% (C$ million)	196	**254**	312
Pre-tax IRR (%)	13.9	**15.6**	17.2
Post-tax NPV, 7%(C$ million)	168	**224**	281
Post-tax IRR (%)	13.3	**15.1**	16.7
Cobalt Price (US$/lb)	**13.00**	**16.00**	**19.00**
Pre-tax NPV, 7% (C$ million)	124	**254**	383
Pre-tax IRR (%)	11.4	**15.6**	19.4
Post-tax NPV, 7% (C$ million)	98	**224**	350
Post-tax IRR (%)	10.7	**15.1**	19.0

A separate sensitivity analysis has also been conducted, using the base case production and cost estimates, but with a series of cyclical metal prices fluctuating over the range shown in Table 1.15, and over a recurring six-year cycle.

Table 1.15
Cyclical Metal Prices

Metal	**Price Range**	
	Low	**High**
Gold (US$/oz)	1,200	1,900
Cobalt (US$/lb)	12.00	30.00
Bismuth (US$/lb)	7.00	19.00
Copper (US$/lb)	3.00	4.50

Under this sensitivity analysis, the NICO Project would be expected to yield an after-tax, undiscounted life-of-mine cash flow of C$1.44 billion, an after-tax net present value of C$505 million at a discount rate of 7% per year and an after-tax internal rate of return of 23.2% per year. The equivalent pre-tax indices are a present value of C$543 million and an internal rate of return of 23.6% per year.

1.6 CONCLUSIONS AND RECOMMENDATIONS

The principal conclusions reached on the basis of the discussion contained in this report are that the NICO Project is technically feasible and also that, at the metal prices and exchange rates used in the financial analysis, the Project is economically viable.

The principal components of the proposed Project that are not yet at the Feasibility Study level of definition are:

- The operating cost estimates for the SMPP, which remain based on the original FEED study and have an assessed level of accuracy of minus 10%, plus 25% for the cobalt sulphate production circuit.

- A detailed analysis of the future demand for bismuth oxide, which is projected to constitute 60% of the bismuth produced, or an average of approximately 1,000 tonnes per year of bismuth oxide.

It is recommended that studies be advanced on both of these fronts, as a matter of priority.

The principal matters outstanding before construction at the Project site in the NWT can begin are obtaining the permits necessary to do so and arranging financing for the Project. Since all materials and equipment required for the

2015 early works program must be delivered to site over the winter road, prior to about April, 2015, failure to secure financing by approximately September, 2014 will jeopardize that program and potentially set the Project back by a full year.

The procedure for obtaining permits for the site in the NWT is well advanced and, to a large extent, now in the hands of the regulatory authorities. It is recommended, however, that consultation with all stakeholders continue unabated, since the public may still have the right to comment on the permit applications.

Completion of the all-weather road from Behchokö to Whatì early in 2016 is critical to maintaining the Project construction schedule. Negotiation of a definitive agreement between the NWT and Tłįchǫ governments, and Fortune if necessary, to achieve this schedule is also regarded as a matter of priority. The terms under which electric power will be supplied to the Project site from the Snare Hydroelectric Complex remain to be finalized.

An Impact and Benefits Agreement with the Tłįchǫ government may involve some added cost for the Project. It is recommended that the financial terms of that agreement be negotiated as soon as possible.

Other Northwest Territories Properties

Fortune has other participating interests in mineral claims in the Northwest Territories. They include the 100% owned Sue-Dianne deposit contained within a 451 ha lease and a 100% interest in 116 ha at Salkeld Lake south of Great Slave Lake with copper-silver-gold +/- lead and zinc showings.

The Sue-Dianne lease is located 24 km north of NICO in the Marian River area of the Northwest Territories. There is an underlying 1.5% NSR royalty payable to Noranda Inc. (now Glencore) and a 15% net profits interest to the original vendor of the property. Fortune acquired its interest in Sue-Dianne pursuant to a 1996 option agreement whereby Fortune earned a 50% interest by expending $2 million in exploration of the property over 3 years. Fortune increased its interest in Sue-Dianne to 100% when Noranda did not participate in subsequent work programs.

The Sue-Dianne lease contains the Sue-Dianne deposit, which was discovered in 1975 when Noranda drilled a target identified from earlier geological mapping and geophysical surveys. Drilling by 1977 partly delineated an historical (pre-NI 43-101) resource. No further work was carried out until Fortune optioned the property as part of a regional approach to exploration in the area. Fortune carried out additional geology and geophysical surveys, environmental, geotechnical engineering and metallurgical studies, and drilled 47 holes by the end of 1998. Additional work consisted of geotechnical engineering and site rehabilitation. Revised resource estimates as set forth below were prepared in early 2008 by Micon and P&E. The processing of mineralization from Sue-Dianne could take place at the proposed NICO processing facility once mining operation have ceased at NICO or at an expanded NICO process plant in the future. However, such an expansion is not presently contemplated and is not part of the NICO mine permit applications submitted. Preliminary metallurgical test work has been conducted on composite samples of core from the deposit at SGS in 1998.

Resources for the Sue-Dianne Copper-Silver Deposit @0.40% Cu Cut-Off Grade

Classification	Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Cu (million lbs)	Au (oz)	Ag (oz)
Indicated	8,444,000	0.80	0.07	3.2	149.1	19,000	855,000
Inferred	1,620,000	0.79	0.07	2.4	28.3	3,600	122,000

The disclosure of scientific and technical information contained in this Annul Information Form has been approved by Robin Goad, M.Sc., P.Geo., President and Chief Executive Officer of Fortune, who is a "Qualified Person" under National Instrument 43-101.

DIVIDENDS

To date the Company has not paid any dividends on its shares, and it is unlikely that dividends will be payable in the foreseeable future. The Company anticipates that dividends will only be paid in the event it successfully brings one of its properties into production.

DESCRIPTION OF CAPITAL STRUCTURE

Fortune's authorized share capital consists of an unlimited number of Common Shares without par value, of which 467,643,862 are outstanding as at the date hereof. Holders of Common Shares are entitled to one vote per share at any meeting of the shareholders of the Company, to receive dividends as and when declared by the Board of Directors, and to receive pro rata the remaining property and assets of the Company upon its dissolution or winding-up. The holders of Common Shares as a class have no pre-emptive, redemption, subscription, or conversion rights. Modifications to the rights, privileges, restrictions, and conditions attached to the Common Shares (including the creation of another class of shares that ranks prior to or on a parity with the Common Shares) requires an affirmative vote of two-thirds of the votes cast at a meeting of the holders of Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSX under the symbol "FT" and on the OTCQB under the symbol "FTMDF". The following table summarizes the range of trading prices and monthly volumes of Common Shares on the TSX and OTCQB for the most recently completed financial year:

	TSX			OTCQB		
Month	**High (Cad $)**	**Low (Cad $)**	**Volume**	**High (US $)**	**Low (US $)**	**Volume**
January	0.15	0.135	3,996,901	0.123	0.102	1,774,668
February	0.145	0.13	3,602,947	0.119	0.1	1,513,184
March	0.14	0.13	3,853,100	0.116	0.1	2,581,101
April	0.14	0.125	2,890,543	0.118	0.097	1,876,952
May	0.13	0.085	3,474,706	0.101	0.073	1,405,022
June	0.10	0.085	2,161,998	0.08	0.059	649,148
July	0.10	0.085	1,375,902	0.088	0.063	849,993
August	0.10	0.09	2,187,241	0.088	0.064	1,422,944
September	0.10	0.08	1,590,627	0.082	0.052	1,089,187
October	0.095	0.075	1,042,379	0.074	0.050	539,247
November	0.09	0.065	3,285,375	0.067	0.051	603,031
December	0.08	0.065	5,396,887	0.063	0.047	1,106,047

Prior Sales

The only equity securities that the Company has outstanding that are not listed or quoted on a marketplace are stock options granted under the Company's stock option plan and certain Common Share purchase warrants. Set forth below is information with respect to the warrants issued and stock options granted during the most recently completed financial year.

Warrants issued during the most recently completed financial year:

Date of Issue	Date of Expiry	Number of Warrants Issued	Exercise Price of Warrants Issued
August 26, 2022	August 26, 2024	1,667,000	$0.10
December 2, 2022	December 2, 2024	3,858,750	$0.082

Stock options granted during the most recently completed financial year:

Date of Issue	Date of Expiry	Number of Options Issued	Exercise Price of Options Issued
May 13, 2022	May 13, 2025	11,900,000	$0.105

Subsequent to December 31, 2022, on February 3, 2023, March 6, 2023, and March 15, 2023, 2,846,643, 714,285 and 4,331,428 warrants, respectively, were issued through a private placement of units. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one common share at $0.10 and expires two years from the date of issue. Finder's fees with a fair value of $18,410 was earned on the transactions and settled in cash and the issuance of 263,000 warrants. These warrants have an exercise price of $0.07 and can be exercised within two years of issuance. There were no stock options issued subsequent to December 31, 2022.

ESCROWED SECURITIES

There are no securities held in escrow.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth certain information with respect to the directors and officers of the Company:

Name, Municipality of Residence and Present Position with the Company	Principal Occupation	Director Since	Security Holding	
			Shares	Options
GOAD, ROBIN E. London, Ontario President, Chief Executive Officer and Director	Professional Geologist and Mining Executive	1989	5,738,114	3,750,000
NAIK, MAHENDRA (1)(2)(3) Mississauga, Ontario Chairman	CPA, CA, Corporate Director, and Chief Executive Officer, FinSec Services Inc. (private business advisory company)	2006	2,441,250	2,250,000
YURKOWSKI, EDWARD (1)(2)(3) Vancouver, British Columbia Director	Retired Mining Contractor and Mining Executive	2013	3,800,000	1,500,000
RAMSAY, DAVID (1). Calgary, Alberta Director	President, RCS Limited (government relations and management consulting firm)	2016	1,054,000	1,200,000
KOROPCHUK, GLEN Calgary, Alberta Director	Mineral Industry Consultant	2016	100,000	1,200,000

Name, Municipality of Residence and Present Position with the Company	Principal Occupation	Director Since	Security Holding	
			Shares	Options
MCVEY, JOHN [(1)(2)] Burnaby, British Columbia Director	CEO and Executive Director, Procon Group of Companies, a mining and construction contractor	2018	525,000	1,500,000
KNIGHT, DAVID A. Oakville, Ontario Corporate Secretary	Retired Partner, WeirFoulds LLP, Barristers & Solicitors		106,600	350,000
SCHRYER, RICHARD P. Saskatoon, Saskatchewan Vice President Environmental & Regulatory Affairs	Environmental & Regulatory Scientist and Consultant		1,099,000	1,300,000
PENNEY, PATRICIA London, Ontario Interim Chief Financial Officer	CPA, CA, Interim Chief Financial Officer		150,000	1,350,000

[(1)] Members of the Audit Committee
[(2)] Members of the Compensation Committee
[(3)] Members of the Governance & Nomination Committee

Each of the directors and officers of the Company has held his or her present principal occupation noted above for the past five years except for:

- Mr. Yurkowski, who was the Chief Executive Officer of Procon, retired from that position in 2015 and served as a director and consultant until he retired in 2018;
- Mr. Koropchuk who was Chief Operating Officer of De Beers Canada Inc. until 2016 and from May 1, 2017 to May 20, 2020 was the Chief Operating Officer of the Company; and
- Ms. Penney who prior to June 1, 2020 was the Controller of the Company.

The directors of the Company are elected by the shareholders at each annual general meeting and serve until the next annual general meeting, or until their successors are duly elected or appointed. Officers of the Company are appointed by the board of directors.

As at the date hereof, the directors and officers of the Company as a group owned beneficially, directly or indirectly, or exercised control or discretion over an aggregate of 15,013,964 Common Shares, which is equal to approximately 3.24% of the issued and outstanding shares of the Company.

The following are brief profiles of the directors and officers of the Company:

Robin E. Goad, M.Sc., P.Geo., President, Chief Executive Officer, and Director, London, Ontario.
Robin Goad is the President and Chief Executive Officer of Fortune. He is a Professional Geologist with more than 35 years of experience in the mining and exploration industries. Prior to founding Fortune in 1988, Robin worked for large mining companies including Noranda and Teck, and as a consultant in the resource industry. Robin has previously been a director of other junior resource companies listed for trading on the TSX and TSX Venture Exchange and is currently a director of the NWT & Nunavut Chamber of Mines.

Mahendra Naik, CPA, CA, Chairman, Mississauga, Ontario.
Mahendra Naik is a Chartered Professional Accountant and is a founding director and former key executive of IAMGOLD Corporation, a TSX and NYSE listed gold mining company. As Chief Financial Officer from 1990 to 1999, he led the negotiations of the Sadiola and Yatela mine joint ventures with Anglo American and the US$400 million in project debt financings for development of the mines. Mr. Naik was also instrumental in negotiating joint ventures with Anglo American and Ashanti Goldfields for exploration properties including Boto/Daorola in Senegal. In addition, he was involved in leading more than $150 million in equity financings including the IPO for IAMGOLD. From 2000 until May 2021, Mr. Naik continued as the director and member of the audit and compensation committees for IAMGOLD. In addition, Mahendra is a director and Chairman of audit, compensation, and member of governance committees of Goldmoney Inc., a TSX listed precious metals financial services company with assets under custody more than $2.2 billion. Mr. Naik is also the Chairman of Infinitum Copper Corp, a TSXV listed company. From 2017-2019, Mr. Naik was also a director and Chairman of the audit and Special committees for M2Cobalt Corporation. Since March 2020, Mr. Naik has been a director of Zoompass Holdings Inc., a financial services technology company.

Edward Yurkowski, **B.Sc., P.Eng.,** Director, Vancouver, British Columbia.
Edward Yurkowski retired as the Chief Executive Officer of Procon, which in addition to investing in resource companies is a full mining service provider through Procon Mining & Tunnelling Ltd. and served as a director and consultant for Procon until April 2018. Edward has been involved in the mining and civil contracting industries since 1966, including ownership and management of two large mining construction contracting companies. Edward received his Bachelor of Science in Civil Engineering in 1971 from the University of Saskatchewan and currently serves as a director of a number of other TSX and TSXV listed companies, including Imperial Metals Corp.

David Ramsay, B.A., Director, Calgary, Alberta
David Ramsay is the President of RCS Limited, a government relations and management consulting firm and is also owner and CEO of Arctic Mineral Resources Limited, a private mineral/diamond exploration company. David previously served as a member of the Legislative Assembly for the GNWT as well as the Executive Council of the GNWT from 2011 to 2015, holding portfolios including Attorney General/Minister of Justice; Minister of Industry, Tourism and Investment; Minister Responsible for the NWT Business Development Corporation; Minister of Transportation; and Minister of the Public Utilities Board. In his capacity as Minister of Industry, Tourism and Investment, David led two trade missions to China and Japan focused on mining, diamonds, oil and gas and tourism. David is also the VP of Government and Industry relations with Innovative Business Solutions.

Glen Koropchuk, B.Sc., Director, Calgary, Alberta
Glen Koropchuk is a mining engineer with more than 35 years of global, multiple commodity, operations, project development, government and Indigenous relations and corporate social investment and Environmental, Social and Governance (ESG) experience predominantly with Anglo American & De Beers. Prior to his retirement from De Beers in 2016, Glen was COO of De Beers Canada and responsible for delivering safe, operational excellence for the Snap Lake and Victor diamond mines in Canada's north. Notably, he also led the permitting, Indigenous engagement, and project management for the Gahcho Kue diamond mine in the Northwest Territories that was finished on budget, on time, and was recognized as the world's largest new diamond mine at its opening ceremony in 2016. Glen currently serves as a Director of other listed and private companies including Atrum Coal and LiteZone Technologies Inc.

John W. McVey, M.A.Sc., P.Eng, ICD.D, Director, Burnaby, British Columbia
John McVey is the CEO and a Director of the Procon Group of Companies based in Burnaby, BC. His engineering and construction industry career spans more than 35 years in the mining, energy, and power industries in Canada as well as internationally. John joined Procon as CEO in 2015 and is leading the growth and diversification of this experienced full-service mine development and civil infrastructure contractor across Canada and select international locations. Prior to Procon, John held executive and senior management positions with Bechtel, SNC-Lavalin and Kilborn Engineering. John is also an Advisory Board member of USNC-Power, a wholly owned Canadian operating unit of Ultra Safe Nuclear Corporation (USNC), responsible for the fabrication and implementation of Micro Modular Reactor (MMR™) technology with a focus on remote/off-grid power solutions in Canada.

David A. Knight, B.A., LL.B., Corporate Secretary, Oakville, Ontario
David Knight was a partner with WeirFoulds LLP, a Canadian law firm, until December 2021, at which time he

retired. David specialized in all areas of securities law, including public and private financings, take-overs, stock exchange listings, mergers and acquisitions and regulatory compliance. He has extensive experience in the resource sector and acted for both investment dealers and resource companies. David also serves as a director of Freegold Ventures Limited. David is a member of the Law Society of Ontario and the Canadian Bar Association.

Richard Schryer, Ph.D., Vice President of Environmental & Regulatory Affairs, Saskatoon, Saskatchewan
Rick Schryer is an aquatic scientist with more than 25 years of experience in mine permitting, environmental assessments, environmental studies and monitoring. Prior to Fortune, he worked with Golder Associates as an Associate involved in a number of mines, including the Diavik and Snap Lake diamond mines in the NWT.

Patricia Penney, CPA, CA, Interim Chief Financial Officer, London, Ontario
Patricia Penney is the Interim Chief Financial Officer of Fortune. Prior to June 1, 2020, Patricia served as the Company's Controller. Patricia is a Chartered Professional Accountant with 20 years of accounting and audit experience. Prior to joining Fortune, she worked at Caceis Canada Ltd., an asset servicing and fund administration company, as a Senior Manager.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, no director or executive officer of the Company is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Each of the directors and officers of the Company were directors and officers of the Company when, effective April 6, 2023, the Ontario Securities Commission issued a failure-to-file cease trade order (the "CTO") in respect of the Company due to its failure to file the continuous disclosure materials (the "Annual Filings") required by NI 51-102 for the financial year ended December 31, 2022. The delay in filing the Annual Filings was primarily as a result of a delay in commencement of the audit of the financial statements of the Company for the year ended December 31, 2022. The Annual Filings have been filed effective as of the date hereof, and the Company expects the CTO to be lifted in due course.

Glen Koropchuk, a director of the Company, is also a director of Atrum Coal Limited ("ATU"). Trading for securities of ATU on the Australian Stock Exchanges ("ASX") have been suspended since March 9, 2023. ASX has determined that ATU's operations are not adequate to warrant the continued quotation of its securities and therefore is in breach of Listing Rule 12.1. The suspension will continue until ATU is able to demonstrate compliance with Listing Rule 12.1.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to

bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(b) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

Some of the directors and officers of Fortune also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations but only through exercise by the directors and officers of such judgment as is consistent with their fiduciary duties to the Company which arise under Ontario corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Company. All conflicts of interest will be resolved in accordance with the appropriate business corporation statute. Any transactions with directors and officers will be on terms consistent with industry standards and sound business practices in accordance with the fiduciary duties of those persons to the Issuer and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

None of the current directors or officers of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions of the Company or in any proposed transaction which, in either case, has or will materially affect the Company.

LEGAL PROCEEDINGS

Fortune was not a party to any material legal proceedings during the financial year ended December 31, 2022. Fortune is not a party to and none of Fortune's properties is the subject of any current material legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of Fortune, no person or company that is the direct or indirect beneficial owner of or who exercises control or direction over more than 10 percent of Fortune's Common Shares, and no associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction during the three most recent financial years or during the current financial year that has materially affected or will materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

Computershare Investor Services Inc. at its principal office in Toronto is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

Fortune did not enter into any contract during the most recently completed financial year, and has not entered into any contract since January 1, 2002, that is still in effect, that may be considered material to Fortune, other than material contracts entered into in the ordinary course of business not required to be filed under NI 51-102.

INTERESTS OF EXPERTS

Certain disclosure with respect to the Company's properties contained herein or in other filings made by the Company under NI 51-102 during, or relating to, the Company's most recently completed financial year is derived from reports

prepared by Micon International Ltd. with Harry Burgess, P.Eng., Richard Gowans, P.Eng., Terrence Hennessey, P.Geo., Christopher Lattanzi, P.Eng., and Eugene Puritch, P.Eng. as the Qualified Persons. As at the date hereof, each of such persons owns directly or indirectly, less than 1% of the outstanding Common Shares of the Company and none of the outstanding stock options or Common Share purchase warrants.

BDO LLP, the Company's auditor, is independent in accordance with the applicable rules of professional conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE

The Company's Audit Committee is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors of the Company.

The Audit Committee's charter sets out the responsibilities and duties, qualifications for membership, procedures for committee member removal and appointments and reporting to the Company's board of directors. A copy of the charter is attached hereto as Schedule "A".

The members of the Company's current Audit Committee are David Ramsay, Edward Yurkowski, John McVey and Mahendra Naik. Each of Messrs. Ramsay, Yurkowski, McVey and Naik are "independent" and "financially literate" within the meaning of such terms as defined in Multilateral Instrument 52-110 – *Audit Committees*.

Relevant Education and Experience

Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

Name	Independent	Financially Literate	Relevant Education and Experience
David Ramsay	Yes	Yes	Management and ownership experience in the mining industry Minister of various portfolios for the GNWT including Industry, Tourism and Investment
Edward Yurkowski	Yes	Yes	Management and ownership experience in the mining industry
John McVey	Yes	Yes	Management and ownership experience in the mining industry
Mahendra Naik	Yes	Yes	Chartered Professional Accountant, Chartered Accountant, with mining and investment industry experience

Pre-Approval Policies and Procedures

The Audit Committee charter provides that all non-audit services by the Company's external auditors require pre-approval by the Audit Committee.

External Auditor Service Fees

Audit Fees

The aggregate audit fees billed by the Company's external auditors during the financial year ended December 31, 2022 were $90,000 (2021 – $58,000). These billings relate to the December 31, 2021, year-end audit.

Audit-Related Fees
The aggregate audit-related fees billed by the Company's external auditors during the financial year ended December 31, 2022, were $9,360 (2021 - $5,690). These billings relate to disbursements and CPAB fees.

Tax Fees
The aggregate tax fees billed by the Company's external auditors during the financial year ended December 31, 2022, were $18,000 (2021 – $15,000). These billings relate to the preparation of the December 31, 2021, income tax returns of the Company and its subsidiary and associated companies.

All Other Fees
There were no other fees billed by the Company's external auditors during the financial years ended December 31, 2022 and 2021.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year ended December 31, 2022.

SCHEDULE "A" - AUDIT COMMITTEE CHARTER

- Composition
  - The audit committee (the "Committee") will be composed of three directors, all of whom are "financially literate" and "independent", as such terms are defined in *Multilateral Instrument 52-110 – Audit Committees* (the "Audit Committee Rule"). A quorum will be two directors.
  - Members will have a one-year renewable term with no more than two members rotating in a given year.
  - Any member may be removed and replaced at any time by the Board and will automatically cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies in the Committee by election from among the members of the Board to hold office until the next annual meeting of shareholders of the Corporation. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.
  - One member shall be appointed Committee chair by the Board.
- Authority
  - The Committee has the authority to investigate any activity of the Corporation. The Committee shall be granted unrestricted access to all information that it considers necessary to carry out its duties and all employees are to co-operate as requested by the Committee.
  - The Committee has the authority to: (i) engage independent counsel and such other advisors as it determines necessary to carry out its duties, (ii) set and pay the compensation for any advisors employed by it; and (iii) communicate directly with the internal and external auditors.
- Meetings
  - The Committee will meet regularly at such times as it considers necessary to perform the duties described herein, but not less than four times per year. At minimum, the meetings will be scheduled to permit review of the quarterly and annual financial statements and reports. Additional meetings may be held as deemed necessary by the chair of the Committee or as requested by any member or the external auditor.
  - Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be provided to the Secretary of the Corporation for retention.
- Reporting
  - A summary of all meetings of the Committee is to be provided to the Board. Oral reports by the chair on matters not yet minuted are to be provided to the Board at its next meeting.
  - Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary of the Corporation.
- Responsibilities
  - The responsibilities of the Committee are as follows:
    - To satisfy itself that the Corporation has implemented appropriate systems to identify, monitor and mitigate significant business risks and compliance matters.
    - To satisfy itself that the Corporation has implemented appropriate systems of internal control to ensure compliance with legal, ethical and regulatory requirements and that these systems are operating effectively.
    - To satisfy itself that the Corporation has implemented appropriate systems of internal control to ensure compliance with its policies and procedures and that these systems are operating effectively.
    - To satisfy itself that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

- To satisfy itself that the policies and procedures for the approval of senior management's expenses, perquisites, remuneration and use of the organization's assets are regularly reviewed, compliance with conflict of interest policies are monitored, and procedures to monitor transactions between officers and the organization and to assess the adequacy of insurance coverage are regularly reviewed.
- To satisfy itself that the Corporation's annual and interim financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles, the selection of accounting policies is appropriate and annual financial statements are approved by the Board.
- To review the Corporation's interim and annual financial statements, management's discussion and analysis disclosure ("MD&A") and all earnings press releases before any public disclosure thereof by the Corporation.
- To satisfy itself that adequate procedures exist for disclosure of financial information extracted or derived from financial statements, other than the public disclosure referred to directly above, and periodically assess those procedures.
- To ensure that the financial information contained in the Corporation's quarterly reports, annual report to shareholders, MD&A, annual information form, prospectuses and other documents is accurate and complete and fairly presents the financial position and the risks of the Corporation.
- To establish and review procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters.
- To establish and review procedures for the confidential and anonymous submission by employees of concerns about questionable accounting or auditing matters.
- To annually review the performance of the Committee and report to the Board thereon.
- To review and reassess the adequacy of this charter on a regular basis and submit any proposed revisions to the Board for consideration and approval.
- To recommend to the Board (i) the external auditor to be nominated for election by shareholders, and (ii) the compensation of the external auditor.
- To confirm the independence of auditors, which will require receipt from the auditor of a written statement delineating all relationships between the auditors and the Corporation and that might affect the independence of the auditors.
- To take direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. In carrying out any such services, the external auditor shall report directly to the Committee.
- To ensure that the external audit function has been effectively carried out and any matter that the external auditor wishes to bring to the attention of the Board has been given adequate attention.
- To pre-approve all non-audit services to be performed by the external auditor, provided that the Committee may delegate to one or more of its members the authority to pre-approve such services and provided further that the pre-approval of any non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
- To review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

- The Committee will inquire into any other matters referred to it by the Board.

SCHEDULE "B" - GLOSSARY OF MINING TERMS

The following is a glossary of terms used in this Annual Information Form or in documents incorporated herein by reference.

"autoclave"	Processing equipment using an oxidation process in which high temperatures and pressures are applied to convert refractory sulphide mineralization into amenable oxide ore.
"baseline"	A surveyed condition and reference used for future surveys generally for determining changes from the original condition.
"base metal"	A metal such as copper, lead, nickel, zinc or cobalt, of comparatively low value and relatively inferior in certain properties (such as resistance to corrosion) compared to noble metals such as gold, silver or platinum.
"coal licenses"	A form of license under the *Coal Act* (British Columbia) granting exclusive rights to explore for coal.
"deposit"	A mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing mineral reserves, until final legal, technical and economic factors have been resolved.
"development"	The preparation of a known commercially mineable deposit for mining.
"doré"	A mixture of gold and silver, with minor other constituents, produced by smelting the material from the electrowinning cells. Doré requires further refining, generally not done at a mine site, to yield gold and silver.
"environmental assessment" or "EA"	Examination of a development proposal's potential to cause environmental, social and economic effects and the proposed mitigation to those effects.
"feasibility study"	Engineering study that is designed to define the technical, economic and legal viability of the mineral project with a high calibre of reliability, contains detailed supporting evidence, and has a firm conceptual framework which can be used for more detailed construction designs and drawings. The study is of sufficient detail and accuracy to be used for the decision to proceed with the project and for financing.
"flotation"	A process of concentration in which levitation in water of particles heavier than water is obtained with the use of chemical reagents, typically used in processing of coal or sulphide minerals with the aid of a reagent and the desired product becomes attached to air bubbles in a liquid medium and floats as a froth.
"flow sheet"	A diagram of a sequence of processes in the treatment of metals.
"footprint"	The land or water area covered by a project. This includes direct physical coverage (i.e., the area on which the project physically stands) and direct effects (i.e., the disturbances that may directly emanate from the project, such as noise).
"grade"	The quality of an ore or metal content.
"hydrometallurgical"	Pertaining to the treatment of ores, concentrates and other metal-bearing materials by wet processes, usually involving the solution of some component, and its subsequent recovery from the solution.
"internal rate of return" or "IRR"	A method used to analyze investments which reflect and account for the time value of money. The IRR is the discount rate which makes the net present value of all-future cash flows (positive and negative) equal to zero. When the IRR is greater than the required rate of return – called hurdle rate in capital budgeting – the investment is acceptable.
"land use permit"	A permit that allows the use of land for activities related to a project. It defines the terms and conditions that govern the activities allowed under the permit.

"leach"	The process of extracting minerals from a solid by dissolving them in a liquid, either in nature or through an industrial process.
"mineralization"	A concentration of minerals within a body of rock.
"mineral reserves"	A *mineral reserve* is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes allowances for dilution and losses that may occur when the material is mined.
"mineral resources"	A *mineral resource* is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. *measured resources:* A measured resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. *indicated resources:* An indicated resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. *inferred resources:* An inferred resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. *speculative resources*: A resource classification unique to coal with a relatively low degree of geological assurance based on extrapolation of a few data points over large distances, restricted to regions where extensive coal exploitation has not yet taken place.
"mineral claim"	That portion of public or private mineral lands which a party has staked or marked out in accordance with federal, provincial or state mining laws to acquire the right to explore for and exploit the minerals under the surface.
"net present value" or "NPV"	A method used to evaluate the difference between the present value of all estimated cash inflows and outflows of an investment using a given rate of discount. Generally, the discount rate reflects the marginal cost of capital of a company or a hurdle rate. If the discounted cash inflows exceed the discounted outflows, the investment is considered economically feasible.
"net smelter return" or "NSR"	The net amount received from the sale of metal products produced from a property after deducting all freight and downstream treatment charges from processing to

	saleable metal products, but excluding mining, milling and general administrative expenditures.
“pilot plant”	A small chemical processing system which is operated to generate information about the behavior of the system for use in design of larger facilities.
“stope”	An underground excavation formed by the extraction of ore.
“sulphide”	An anion (an ion with more electrons than protons, giving it a net negative charge) of sulfur in its lowest oxidation number of −2.
“sulphide mineral” or “sulphide concentrate”	A mineral or concentrate containing sup hide as its major anion.
“tailings”	Material rejected from a mill after most of the recoverable valuable minerals have been extracted. Normally consists of ground up rock in the sand to silt size range.
“waste rock”	All rock materials, except ore and tailings, that are produced as a result of mining operations.