MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Year ended December 31, 2022

This Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") of Fortune Minerals Limited ("Fortune" or the "Company") is dated May 19, 2023 and should be read in conjunction with the Company's Annual Audited Consolidated Financial Statement and the notes thereto for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion contains certain forward-looking information and is expressly qualified by the cautionary statement at the end of this MD&A. All dollar amounts are presented in Canadian dollars unless indicated otherwise. Unless the context otherwise requires, the terms "Fortune" and "the Company" where used herein refer to Fortune Minerals Limited and its subsidiaries on a consolidated basis.

SELECTED ANNUAL INFORMATION

	2022	2021	2020
Revenue and Other Income	7,861	276,961	103,361
Net loss from continuing operations	(32,969,267)	(2,413,216)	(1,715,659)
Basic loss per common share	(0.09)	(0.01)	—
Fully diluted loss per common share	(0.09)	(0.01)	—
Total assets	46,445,827	78,606,147	76,340,541
Debt – current	7,976,943	11,426,277	—
Debt – non-current	60,000	1,343,008	10,008,154

SUMMARY OF QUARTERLY RESULTS

The following table provides selected consolidated financial information that is derived from the unaudited interim condensed consolidated financial statements and audited consolidated financial statements of the Company. The amounts represent the three-month periods ended:

	2022				2021			
	Dec-31	Sept-30	Jun-30	Mar-31	Dec-31	Sep-30	Jun-30	Mar-31
Revenue and Other Income	2,768	1,271	1,046	2,776	176,817	86,040	7,103	7,001
Net income (loss)	(31,175,952)	(852,792)	(1,094,522)	153,999	(380,540)	759,394	1,021,488	(3,813,558)
Basic and fully diluted loss per common share(1)	(0.09)	—	—	—	—	—	—	(0.01)

Notes:
(1) The sum of quarterly income (loss) per common share for any given period may not equal the year-to-date amount due to rounding.

Fortune has undertaken the following activities during the year ended December 31, 2022 in support of corporate financing initiatives and its wholly owned NICO cobalt-gold-bismuth-copper deposit and proposed mine ("NICO") in the Northwest Territories ("NWT") and a related hydrometallurgical refinery ("Refinery") proposed to be constructed in Alberta, Canada (collectively, the "NICO Project"), as well as permitting and optimizations to produce a more financially robust development:

- The Company has identified a preferred site in Alberta, Canada to build the Refinery to process NICO metal concentrates to value-added products. On January 24, 2022, the Company entered into an option to purchase this brownfield site ("Option to Purchase Agreement") located in Lamont County in Alberta's Industrial Heartland. The Company had until July 24, 2022 to conduct its due diligence and complete the purchase for $5.5 million. On July 12, 2022, the Company secured a two-month extension to the Option to Purchase Agreement to September 30, 2022 in consideration for the payment of $15,000 per month deductible from the purchase price. On September 30, 2022, the Company secured a further three-month extension to the Option to Purchase Agreement to December 31, 2022 in consideration for the 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 December 20, 2022, the Option to Purchase Agreement was extended to June 30, 2023 on the same terms as the previous amendment;

- The Company engaged Stantec Consulting Ltd. 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;
- 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 on the Option to Purchase Agreement and other activities required to advance development of the NICO Project to a construction decision, including an updated feasibility study to support project finance, completion of the remaining environmental work and permits and for general corporate purposes including working capital and debt retirement;
- Fortune is engaged with various municipal, territorial, provincial and federal governments to attract political and financial support for the vertically integrated NICO Project and strengthen domestic supply chains for Critical Minerals needed in new technologies and the growing green economy;
- Fortune continues to review the engineering and execution plans for the NICO Project to assess various opportunities to mitigate capital and operating cost escalation and accelerate processing of higher margin ores to improve project economics;
- Fortune submitted Surveillance Network Reports and an annual report in relation to the requirements of its water license for the NICO Project;
- The Company filed its final reports for the two Government of the Northwest Territories ("GNWT") Mining Incentive Program ("MIP") grants received in 2021. The remainder of $21,600 for the first MIP grant and the remainder of $15,000 for the second MIP grant were received during the year ended December 31, 2022;
- The Company entered into an Early-Stage Study Funding Agreement ("the Study") with Alberta's Industrial Heartland Association ("AIHA") effective December 20, 2021. The Study's work took place in 2022 and conducted preliminary engineering and site assessments on the proposed Refinery site. The AIHA agreed to provide funding for 50% of the costs incurred up to a maximum of $100,000 for work completed prior to December 31, 2022. The Company applied for and received funding in the amount of $21,273 subsequent to year end;
- The results of the Company's 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 and also identified a potential east strike extension of the deposit; and
- During the year, 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. On November 30, 2022, the Company settled part of these Debentures and extended the maturity date of the remainder to December 31, 2023. See "Liquidity and Capital Resources" section below for more details.

OVERVIEW

Fortune's vision is to be a recognized developer, miner, processer and refiner of Critical Minerals needed in new technologies and the growing green economy, together with gold and other by-products contained in the Company's mineral deposits. Supporting the vision is Fortune's mission to profitably produce specialty and precious metals to meet the needs of our customers and partners, and to attract and develop an exceptional team of people motivated to acquire, explore, develop, mine and reclaim resource properties in a safe and responsible manner. The Company's most significant asset is the NICO Project.

The Canadian and United States ("U.S.") governments have signed a Joint Action Plan on Critical Mineral Collaboration to enable more North American production of Critical Minerals. Minerals considered critical for this purpose have use in important industrial and defense applications, cannot be easily substituted by other minerals, and their supply chains are threatened by geographic concentration of production and/or geopolitical risks such as political instability in the source countries, and/or jurisdictions that are unfriendly to Canada or have poor environmental, social and governance ("ESG"). Cobalt and bismuth are identified as Critical Minerals by the U.S., European Union ("E.U.") and the Canadian governments. The Canadian Critical Minerals List also includes copper. Fortune has been in discussions with the Canadian, U.S. and E.U. governments as well as Provincial governments seeking to secure financial support for the NICO Project and its development. On April 7, 2022, the Government of Canada ("GOC") announced $3.8 billion in financial support for Critical Minerals in its 2022 Budget in order to accelerate domestic production and processing of Critical Minerals. Cobalt, nickel and lithium are a priority for support because of their use in lithium-ion rechargeable batteries to power electric vehicles, portable electronics and stationary storage cells to make electricity use more efficient. Fortune has applied to the U.S. Department of Defense for matching grants of up to US$25M to advance the NICO Project and accelerate detailed engineering. These grants are being made available pursuant to a new Defense Production Act Title III Presidential Directive to support North American battery materials production due to the war in the Ukraine.

NICO Project
Fortune continues to advance its wholly owned NICO Project and the Company's business activities have been focused on certain priority critical path activities required to advance permitting and financing for the planned development. The NICO Project comprises a proposed open pit and underground mine and a mill and concentrator in the NWT, with a related Refinery which is planned to be located in Alberta. A brownfield site has been identified with requisite planning approvals already in place and existing facilities, including 42,000 square feet of serviced shops and buildings to materially reduce capital costs for the planned development. The Company has entered into the Option to Purchase Agreement in respect of this Refinery site.

In 2014, a Feasibility Study (the "2014 Feasibility Study") for the NICO Project was summarized in a Technical Report reflecting the planned development, dated May 5, 2014, prepared by Micon International Limited ("Micon") and entitled "*Technical Report on the Feasibility Study for the NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada*" (the "Technical Report") and filed on SEDAR. Before completing an updated Technical Report for the NICO Project, Fortune has been investigating a number of opportunities to optimize the NICO Project to produce a more financially robust project. They include:

- A new Mineral Resource model was developed with a more constrained approach to the mineralization boundaries to reduce internal and external modeling dilution and better differentiate higher grade resource blocks for earlier processing;
- The new model also identified some additional high-grade drill intercepts as well as mineralized material at the volcanic sedimentary rock interface that were not included in previous Mineral Resource estimates;
- The grade interpolation wireframe boundaries were also extended to surface where the deposit is known to outcrop and to depth where the gold zone had been too abruptly terminated;
- A new mine plan and schedule has been completed based on the new Mineral Resource model with a re-optimized open pit shell and an expansion of the gold-rich ores designated for underground mining near the existing decline ramp, which would be processed in years 2 to 4 of the planned mine life;
- The open pit mine fleet has been amended with smaller equipment to reduce dilution with waste rock and match the lower mining rate; and
- The Company is reviewing equipment selection and installations to reduce capital costs.

The Tlicho Highway to the community of Wha Tì was opened to the public on November 30, 2021, which together with the spur road to the mine the Company plans to build, will enable the Company to construct the mine with all-season road access, reducing capital costs, reducing the construction schedule, and mitigating supply chain risks during construction.

Fortune has experienced personnel focused on advancing the NICO Project towards commercial production, while also minimizing the risks associated with its development. Fortune is committed to developing its project in a socially and environmentally responsible manner. Fortune continues to work with a number of private sector companies and potential strategic partners interested in the Critical Minerals and/or the gold contained in the NICO Project.

The increasing demand for batteries in electric vehicles, portable electronics and stationary storage cells and government concerns over the supply chains for critical minerals are expected to support strong cobalt prices to enable the successful development of the NICO Project. Fortune expects to also produce environmentally friendly bismuth metal and oxide products used in the automotive and pharmaceutical industries and the growing demand as a non-toxic and environmentally safe replacement for lead in alloys and compounds where lead toxicity is a concern or banned from recent legislation. The NICO Project will be a significant producer of gold and copper will also be produced as a minor by-product. Fortune will be able to demonstrate supply chain transparency and custody control of metals from ores through to the production of value-added products and mitigate risks from geographic concentration of supply from the Democratic Republic of the Congo and China.

RESULTS OF OPERATIONS

Summary

The Company's net loss for the year ended December 31, 2022 was $32,969,267, or $0.09 per common share compared to a net loss of $2,413,216 or $0.01 per common share for the prior year. The change year over year is primarily due to an impairment charge, the change in fair value related to derivative liability and loss on extinguishment of debt as discussed in "Expenses" below.

Revenue and Other Income

Revenue and other income decreased in 2022 to $7,861 for the year ended December 31, 2022, compared to $276,961 for the prior year. The decrease is primarily the result of a decrease in the recognition of flow-through share premium income during the year offset by an increase in interest income earned on cash and cash equivalents.

Expenses

Expenses, excluding impairment charge, change in fair value related to derivative liability and loss on extinguishment of debt, increased in 2022 to $4,243,821 for the year ended December 31, 2022 compared to $2,796,718 for the prior year.

The increase year over year is primarily attributable to (1) an increase in stock-based compensation, (2) an increase in interest expenses related to interest accrued on the Company's debts and (3) an increase in corporate development expenses for the year.

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 ("CGU"). The recoverable amount of the NICO project was determined based on the NICO project's value in use. The methodology is discussed further below in the "Critical Accounting Estimates" section.

The change in fair value related to derivative liability recognized a gain of $1,200,000 for the year ended December 31, 2022 compared to a gain of $106,541 for the year ended December 31, 2021.

A gain on extinguishment of debt of $1,266,693 was recognized during the year related to a settlement of debt and modifications to existing debt.

Deferred Taxes

The Company has not recognized a net deferred income tax recovery or provision for the year ended December 31, 2022 and 2021. During the year ended December 31, 2022, recognition of (i) $8,737,000 from the estimated tax loss; (ii) $335,700 for non-deductible change in gain on debt extinguishment; (iii) $318,000 for non-deductible change in fair value of derivative; and (iv) $24,400 for tax rate difference resulted in a tax recovery which was offset by: (i) a tax provision of $8,268,000 for non-deductible change in impairment charge; (ii) $1,018,100 for a loss carryforward not recognized; and (iii) $129,000 for non-deductible stock-based compensation and other expenses.

During the same period in 2021, recognition of (i) $640,000 from the estimated tax loss; (ii) $172,000 for tax rate difference; (iii) $73,000 for non-taxable flow-through share premium; and (iv) $28,000 for non-deductible change in fair value of derivative resulted in a tax recovery which was offset by: (i) a tax provision of $586,000 for a loss carryforward not recognized; and (ii) $327,000 for non-deductible stock-based compensation and other expenses.

A valuation allowance of $26,517,000 has been recognized related to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Cash Flow

Cash used in operating activities during the year ended December 31, 2022 was $1,202,264 compared to $814,588 for 2021. The increase in use of cash in operating activities year over year is mainly attributed to an increase in activity related to corporate development and general and administrative expenses.

Cash used in investing activities was $726,331 compared to $1,369,457 for the year ended December 31, 2022 and 2021, respectively. This decrease is related primarily to a decrease in exploration and evaluation expenditures due to a drill program conducted in 2021 offset by an increase in capital assets included in mining properties due to a deposit of $100,000 for the Option to Purchase Agreement and additional monthly extension fees.

The NICO Project, and the Company's other exploration projects are classified as exploration and evaluation stage projects for accounting purposes. Exploration and evaluation cash expenditures incurred by Fortune on its properties during the three months and year ended December 31, 2022 were $61,790 and $386,081, respectively, and were spent on the projects as follows:

	Three months ended December 31, 2022	**Year ended December 31, 2022**
NICO	$ 61,790	$ 383,278
All Other Projects	—	2,803
Total cash exploration and evaluation expenditures	**$ 61,790**	**$ 386,081**

For comparison, exploration and evaluation expenditures incurred by Fortune on its properties during the three months and year ended December 31, 2021 were $1,014,083 and $1,320,522, respectively, and were spent on the projects as follows:

	Three months ended December 31, 2021	**Year ended December 31, 2021**
NICO	$ 1,014,083	$ 1,317,719
All Other Projects	—	2,803
Total cash exploration and evaluation expenditures	**$ 1,014,083**	**$ 1,320,522**

Cash provided by financing activities decreased to $204,325 compared to $2,908,081 for the year ended December 31, 2022 and 2021, respectively. Cash provided in 2022 was a result of the exercise of stock options and a private placement. Cash provided in 2021 related to the exercise of warrants and stock options, a private placement and the issuance of debt.

Below is a summary of Common Shares issued and net cash proceeds from financing activities for the years ended December 31, 2022 and 2021:

	2022		2021	
	Shares/Warrants Issued	Shares/Warrants Issued	Shares/Warrants Issued	Shares/Warrants Issued
	#	$	#	$
Common shares issued during the year				
Private offerings	85,259,962	194,600	7,442,825	931,635
Exercise of Warrants	—	—	1,531,833	146,433
Exercise of Options	400,000	38,000	3,400,000	339,500
Exercise of Derivatives(1)	—	—	—	—
Share issuance costs	—	(23,317)	—	(82,221)
Total	**85,659,962**	**209,283**	**12,374,658**	**1,335,347**
Average proceeds per share issued		**0.002**		**0.11**
Warrants issued during the year				
Private offerings	5,525,750	55,450	6,435,713	110,361
Share issuance costs	—	(1,988)	—	(11,064)
Total	**5,525,750**	**53,462**	**6,435,713**	**99,297**
Average proceeds per warrant		**0.01**		**0.02**
Cash Proceeds from Financing Activities Net		**262,745**		**1,434,644**

Notes:
(1) The 55,519,391 warrants issued on August 12, 2015 have been set up as a financial liability on the Consolidated Statements of Financial Position due to an anti-dilution clause which requires the exercise price and number of shares purchasable upon exercise to be adjusted from time to time in the event of Share Reorganizations, Rights Offerings, Special Distributions, General Offerings and Capital Reorganizations. During 2022, 52,683,043 Class B warrants, representing all Class B warrants, expired unexercised.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, Fortune had cash and cash equivalents of $78,650 and negative working capital of $8,027,049 compared to $1,802,920 and negative working capital of $9,822,078, respectively, for the prior year. The negative working capital at December 31, 2022 is a result of debt maturing in December 2023 as discussed below.

The Company regularly reviews its planned activities relative to available funding and prioritizes activities based on what is required to complete critical path activities and budgets accordingly. The Company invests its surplus cash in low risk, liquid investments, which typically have low yields but hold their value during times of market uncertainty. With its existing working capital, the Company will require additional financing to conduct certain critical path activities for 2023 and to repay its outstanding debt. The NICO Project will also require further funding to maintain its operations and advance the project through to production. The Company has historically been successful in financing its activities, however, there are no assurances that it will be successful in raising future funds required, especially considering the impacts inflation, increasing interest rates, and the Russia/Ukraine conflict could have on the global financial markets as a whole. Management is continuously pursuing and considering various financing opportunities.

The Company has applied for and received $65,706 in government grants relating to supporting the payroll of the Company's employees. The Company has elected to present this government grant as a reduction to payroll expenses and this amount is included in the line "general and administrative" expenses on the consolidated statements of loss and comprehensive loss.

On June 24, 2022, the Company issued 457,456 common shares at a price of $0.1093 per share (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. On August 18, 2022, the Company issued an aggregate of 3,500,000 common shares of the Company ("the Extension Shares") to the holders of the 2015 Debentures at a deemed price of $0.10 per Extension Share as additional consideration for the extension of the maturity date of the 2015 Debentures from August 12, 2022 to November 30, 2022. The fair value of the shares issued was $350,000. On August 26, 2022, the Company entered into a subscription agreement to sell 3,334,000 units at a price of $0.075 per unit, raising gross proceeds of $250,050. Each unit consists of one common share and one half of a common share purchase warrant. One warrant entitles the holder to purchase one common share of the Company for $0.10 on or before August 26, 2024. The fair value of the shares and warrants issued was $194,600 and $55,450, respectively. On November 30, 2022, the Company entered into an agreement with one of the holders of the 2015 Debentures to retire its debt for a cash payment of $1,250,000 and the remainder in common shares. An aggregate of 73,500,000 common shares of the Company was issued on December 2, 2022 at a deemed price of approximately $0.082 per share to settle the balance of $6,030,173. The fair value of the shares issued was $5,145,000 based on the share price on the TSX as at close of trading on November 30, 2022. The difference of $885,173 was allocated to a gain on extinguishment of debt on the Consolidated Statements of Loss and Comprehensive Loss. Also on December 2, 2022, the Company issued 4,468,506 shares and 3,858,750 warrants to its financial advisor in lieu of $366,418 of fees earned on the debt settlement. One warrant entitles the holder to purchase one common share of the Company for $0.10 on or before December 2, 2024. The fair value of the shares and warrants issued was $247,070 and $119,348 respectively.

Subsequent to December 31, 2022, the Company entered into subscription agreements to sell 7,892,356 units raising gross cash proceeds of $484,100. Each unit consists of one common share and one common share purchase warrant. One warrant entitles the holder to purchase one common share of the Company for $0.10 for two years from the date of issuance. Of the shares issued, 976,643 were issued in lieu of 11 months of rent on the Company's leased office, with a fair value of $68,365. A finder's fee with a fair value of $18,410 was earned on the transaction 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.

The following is a summary of contractual obligations for the next five years and thereafter:

Contractual Obligations	***Payments Due by Year***				
	Total	***Less than 1 year***	***1-3 years***	***4-5 years***	***After 5 years***
Accounts payable and accrued liabilities	**$ 239,750**	$ 239,750	$ —	$ —	$ —
Lease liability	**320,120**	66,000	135,320	118,800	—
Current debts	**8,048,651**	8,048,651	—	—	—
Long-term debt	**60,000**	—	60,000	—	—
Interest on debt	**1,236,240**	1,236,240	—	—	—
Provision for environmental rehabilitation	**143,000**	—	—	—	143,000
Total Contractual Obligations	**$ 10,047,761**	**$ 9,590,641**	**$195,320**	**$ 118,800**	**$ 143,000**

The current debts represent the Amended Debenture in the principal amount of $5,298,651 held by a previous secured creditor of the Company and a $2,750,000 secured loan. The Amended Debenture has an aggregate principal amount of $5,298,651 (being equal to the aggregate principal and accrued interest of the 2015 Debentures on August 12, 2022), matures on December 31, 2023, bears interest at a rate of 10% per annum, compounded monthly in arrears, and is secured by all of the assets of the Company, including the NICO Project. The Loan and Security Agreement

("Loan") for $2,750,000, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. The original loan of $1,500,000 was increased by $1,250,000 on November 30, 2022. The proceeds received were used as partial payment on the settlement of the other Amended Debenture. The loan is secured by the mining leases for NICO.

The long-term debt represents a $60,000 Canadian Emergency Business Account ("CEBA") non-interest-bearing loan

The CEBA, Loan and debentures balances have been recorded in the consolidated financial statements at their net present value using an effective interest rate of 12%, 20% and 30%, respectively.

In addition to contractual obligations noted, non-discretionary budget commitments required to keep current mining leases for NICO in good standing consist of annual payments of $13,803 plus an additional $2,350 for water licenses.

The Company's current environmental reclamation obligations as defined by government regulators are fully secured by cash held in accounts with a large Canadian financial institution for NICO and Arctos. Additional financing is required to construct mine infrastructure and processing facilities and to acquire additional equipment for the NICO Project. Potential sources for future funding include but are not limited to equity financing, project financing, off-take and royalty agreements, additional strategic partnerships, mergers and acquisitions. The Company continues to evaluate its alternatives with a view to executing a financing plan suitable to fund its transformation into a producer and minimize potential dilution to shareholders.

OUTLOOK

The Company's principal objective is to achieve successful financing and development of the NICO Project. The Company's activities in pursuit of its objectives are subject to many risks as discussed under the heading "Risks and Uncertainties" section below. The most significant risk to meeting its objectives for the NICO Project continues to be the ability to finance the construction costs for the project. Additional risks include purchasing lands and acquiring all necessary permits to provide the Company with the flexibility to construct its own Refinery. A refinery site has been identified in Alberta, Canada, and the Company has until June 30, 2023 to complete the purchase, under the amended Extension to Option to Purchase Agreement. A significant risk to the NICO Project has now been removed with the completion of the Tlicho Road that opened to the public November 30, 2021. In addition, the Company has completed an Access Agreement with the Tlicho Government that sets out the terms and conditions for the construction of a spur road to the mine. Other risks are primarily from external parties such as government regulators, First Nations and investors who have significant influence over the outcome of the Company's efforts and external factors such as commodity prices, economic conditions and the financial markets. Accordingly, management has sought and continues to seek ways to address risks in its business model and has developed appropriate strategies to move forward by focusing expenditures on critical path activities in a socially and environmentally responsible manner.

Major milestones to achieve on the path forward for the development of the NICO Project include:

- completion of various strategies to mitigate capital and operating cost escalation for the vertically integrated project to make it more financially robust;
- completion of the purchase of the NICO Refinery site;
- engaging with local governments and communities around the Refinery site and securing the permits required for its construction and operation;
- updating the engineering to incorporate identified optimizations to the 2014 Feasibility Study based on current estimates of costs and commodity prices to support a more financially robust project;
- continuing engagement with governments in Canada and the U.S for financial support for the NICO Project development;
- continuing with the programs required to meet water license pre-construction requirements for the NICO site;
- submitting applications to complete the remaining permits for the NICO access road, renewal of land use permits for the mine's current exploration site (in progress), and regulatory compliance for the water license;

- advancing the negotiations with the Tlicho Government for a Participation Agreement;
- identifying and engaging strategic partners to support the financing and development for the NICO Project;
- arranging the project financing and potential transactions to finance the NICO Project; and
- continuing engineering and procurement activities.

In the year ended December 31, 2022, the Company continued its dialogue with potential strategic partners. The Company has made significant progress towards achieving its milestones through the federal and Tlicho Government approvals for the NICO mine and mill, and renewal of the land use permit and/or Type A water license for the NICO site. The Company currently holds land use permits for exploration and mining and will reapply for permits to allow for several improvements identified by the Company.

Activities undertaken during 2022 towards achieving the next major milestones for the NICO Project will remain the Company's focus through 2023. As it pursues this objective, the Company will strive to prudently manage capital resources and mitigate risks.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2022, the Company paid key management personnel, including officers, directors, or their related entities, an aggregate of $523,121 for salaries and benefits and consulting and/or management services when compared to $601,585 for the prior year. In addition, stock options with a fair value of $646,000, using the Black-Scholes option pricing model, were granted in the year ended December 31, 2022 when compared to $323,300 for the same period in 2021. At December 31, 2022, $22,743 was owing to these related parties for services received during the year when compared to $47,046 at December 31, 2021.

The following table summarizes the amounts paid and payable to related parties and the nature of the payments as at December 31, 2022:

Related Party	**Relationship**	**Business Purpose of Transaction**						**Total**	
		Salaries and Benefits [3]		Consulting Services		Stock Options			
		Paid	Payable	Paid	Payable	Granted [4]	Payable	Paid/Awarded	Payable
Goad, Robin [1]	President & CEO, Director	$ 8,587	$ -	$ 245,192	$ 9,615	$ 170,000	$ -	$ 423,779	$ 9,615
Knight, David	Corporate Secretary	-	-	-	-	17,000	-	17,000	-
Koropchuk, Glen	Director	-	-	-	-	54,400	-	54,400	-
McVey, John	Director	-	-	-	-	68,000	-	68,000	-
Naik, Mahendra	Director	7,550	-	-	-	102,000	-	109,550	-
Penney, Patricia	Interim CFO	139,218	7,788	-	-	57,800	-	197,018	7,788
Ramsay, David	Director	-	-	-	-	54,400	-	54,400	-
Schryer, Richard [2]	VP Environmental & Regulatory Affairs	8,209	-	114,365	5,340	54,400	-	176,974	5,340
Yurkowski, Edward	Director	-	-	-	-	68,000	-	68,000	-
Total		$ 163,564	$ 7,788	$ 359,557	$ 14,955	$ 646,000	$ -	$ 1,169,121	$ 22,743

[1] Robin Goad is engaged to provide services of President and Chief Executive Officer of the Company pursuant to an independent consultant agreement and does not receive additional compensation for his services as a director.

[2] Richard Schryer is engaged to provide services of VP Environmental & Regulatory Affairs of the Company pursuant to an independent consultant agreement.

[3] Salaries and benefits include a base salary plus benefits that are basic in nature, require participants to contribute to the premium costs and includes certain co-pay requirements.

[4] The value of options granted are calculated using the Black-Scholes option pricing model.

CRITICAL ACCOUNTING ESTIMATES

Mining Properties Valuation

The Company continues to consider, on a regular basis, whether indicators exist that suggest that the carrying value of its projects is impaired for accounting purposes. While the market capitalization relative to the carrying value of the Company's projects is reviewed, it is not considered a sole indication of impairment. Given the Company's stage of development and the volatility of the market, using the share price as a sole indication of impairment is not practical, although the Company does monitor the magnitude of the gap between its market capitalization and the project carrying values. On December 31, 2022, the Company considered whether there had been any significant changes to indicators and whether any new indicators were present. Management determined that as a result of obtaining limited financing during the year, substantive expenditure on further exploration for and evaluation of mineral resources of the NICO Project cannot be budgeted or planned and completed an impairment assessment of the NICO Project. As a result of that analysis, management has determined that the carrying value of the NICO project exceeded the recoverable amount. 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% [December 31, 2021 – 8%]. The relevant assets were impaired to their recoverable amounts of $45,602,638 [December 31, 2021 - $75,859,388], which is the carrying value at December 31, 2022 and an impairment of $31,200,000 [December 31, 2021 - $Nil] has been recognized on the consolidated statements of loss and comprehensive loss. The assumptions used in determining the value in use for the NICO project is based on management's intention to develop and produce gold, cobalt, bismuth, and copper simultaneously. For the purposes of assessing the impairment of the project, the financial model used a discounted cash flow model using the best estimates for items such as plant capital, operating costs, commodity prices, transportation costs, discount rates and expected margins. In accordance with IFRS, if, subsequent to impairment, an asset's discounted future net cash flows exceeds its book value, the impairment charge previously recognized can be reversed. Any changes to future market conditions and commodity price forecasts may result in impairment, a further impairment or a reversal of impairment of any of the Company's project CGUs

Below are certain factors which management believes support the carrying values of its projects and are not fully reflected in the Company's market capitalization:

- the Company has obtained environmental assessment approval for the NICO mine and concentrator site in the NWT. The Company is focused on obtaining all necessary permits for the NICO Project to proceed, and has plans in place to help achieve this;
- the Company has obtained Land Use permits for the NICO mine and exploration activities. Permits are continuously being updated and renewed as required;
- the Company has obtained a water license for the NICO mine;
- the feasibility study completed in 2014 on the NICO Project demonstrates a net present value in excess of the carrying values of the project;
- the Company is engaged with various cobalt and bismuth experts to analyze the market as it relates to cobalt and bismuth products and the results of such analyses continue to demonstrate significant opportunities for the NICO Project returns relative to metal prices, particularly as a consequence of the growing demand for cobalt in high performance rechargeable batteries contributing to an average cumulative annual growth rate of approximately 6% as well as risks to manufacturers from constrained and geographically concentrated supply chains;
- the GNWT opened the Tlicho Road to the public effective November 30, 2021 and is a key enabler for the development; and
- the Company has identified a site in Alberta to build its Refinery, a brownfield location with existing facilities that could materially reduce the capital costs for the planned development.

Interests in Mining Properties and Exploration and Development Expenditures

In accordance with the Company's accounting policies, acquisition costs and exploration expenditures relating to mineral properties are capitalized until the properties are brought into commercial production or disposed. Amortization will commence when a property is put into commercial production. As the Company does not currently have any properties in commercial production, no amortization has been recorded.

Mineral Reserve and Mineral Resource estimates are not precise and also depend on statistical inferences drawn from drilling and other data, which may prove to be unreliable. Future production could differ from mineral resource estimates for the following reasons:

- mineralization or formation could be different from those predicted by drilling, sampling and similar tests;
- the grade of mineral resources may vary from time to time and there can be no assurance that any particular level of recovery can be achieved from the mineral resources; and
- declines in the market prices of contained minerals may render the mining of some or all of the Company's mineral resources uneconomic.

Any of these factors may result in impairment of the carrying amount of interests in mining properties or exploration and development expenditures.

Going Concern Assumption

The recoverability of amounts shown for mineral properties and related exploration and development expenditures is dependent upon the economic viability of recoverable reserves, the ability of the Company to obtain the necessary permits and financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Currently, the Company does not have a source of revenue other than investment income and it has relied, primarily, on equity financings and strategic partners to fund its activities. The Company may have limited access to capital at an acceptable cost to existing shareholders depending on economic conditions from time to time. The Company had a negative working capital balance of $8,027,049 as a result of debt coming due in December 2023 and positive cash balances at December 31, 2022 and the Company endeavours to manage the cash position prudently through ongoing monitoring of current and future cash and working capital balances relative to planned activities. The Company will require additional financing to extinguish the debt, conduct certain critical path activities in 2023 and to advance the NICO Project to production.

Deferred Income Taxes

The Company follows the deferred tax liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income and substantively enacted tax rates. Prior to 2022, the Company completed feasibility studies and updates thereto for its principal project and is undertaking related permitting and financing activities. The benefit of certain non-capital losses, investment tax credits, undeducted share issuance costs and tax value of exploration and evaluation expenditures and capital assets in excess of book value of $26,517,000, has been offset by a valuation allowance of the same amount due to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Stock Based Compensation, Warrants and Compensation Options

The Company recognizes an expense for option awards using the fair value method of accounting. The Company also records the fair value of warrants granted through private offerings or in lieu of fees and compensation options granted using a fair-value estimate. Management estimates the fair value of stock options, warrants granted through private offerings or in lieu of fees, and compensation options using the Black-Scholes model. The Black-Scholes model, used by the Company to calculate fair values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options and warrants, which may significantly differ from the Company's stock option awards or warrant grants. These models also require four highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values. Accordingly, management believes that these models do not necessarily provide a reliable single measure of the fair value of the Company's stock option awards. The valuation models are used to provide a reasonable estimate of fair value given the variables used.

Asset Retirement Obligations

Legal or constructive obligations associated with site restoration on the retirement of assets are recognized when they are incurred and when a reasonable estimate of the value of the obligation can be made. While the Company has not commenced commercial operations on its mining properties, certain site development and exploration activities have occurred that have given rise to a constructive obligation related to the reclamation of the site at the NICO Project. As a result, the Company has recognized an environmental rehabilitation provision for the project. Due to the uncertainty around the settlement date and measurement of potential asset retirement obligations for the Company's project, management considers the assumptions used to calculate the present value of such liabilities at each reporting period and updates the value recognized as required.

ENVIRONMENT

Fortune is committed to a program of environmental protection at its exploration sites. Fortune was in compliance with government regulations in 2022. Secured letters of credit have been provided to be held against future environmental obligations with respect to Arctos and NICO sites in the amounts of $25,000, representing 100% of the remaining Arctos JV letter of credit, and $143,000, respectively. Subsequent to December 31, 2022, the reclamation security deposit held for the NICO project was increased from $143,000 to $167,569, upon renewal of its land use permit

RISK AND UNCERTAINTIES

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 actually 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 its 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 a negative rezoning decision 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 to 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 mine other than certain treaty rights established by the Tlicho Agreement. The Company is aware of certain 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 an Access Agreement was also entered into in 2019 between the Tlicho Government and the Company for the purposes of constructing an access road through Tlicho territory to the NICO mine site. During 2020, negotiations took place with the GNWT to make minor amendments to the SEA that was signed the prior year. The Company has executed an updated agreement and is awaiting execution by various GNWT Ministers. 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.

FINANCIAL INSTRUMENTS

As at the date hereof, the Company's financial instruments consist of: cash and cash equivalents, reclamation security deposits, and accounts receivable which are financial assets designated as financial assets at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method; accounts payable and accrued liabilities, lease liability, provision for environmental rehabilitation, current debts and long-term debt, which are financial liabilities designated as financial liabilities at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method; and derivative liability designated as financial liabilities at fair value through profit or loss, measured at fair value and revalued at each reporting period. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

During the year ended December 31, 2022 and 2021, profit and losses associated with each financial instrument are as follows:

	Impact on Profit (Loss)	
	2022	**2021**
Reclamation security deposits	2,398	480
Provision for environmental rehabilitation	(2,107)	7,366
Long-term debts	(2,087,771)	(1,547,694)
Derivative liability	1,200,000	106,541

ADDITIONAL INFORMATION

Additional information relating to the Company, including its annual information form, is available on SEDAR at www.sedar.com.

SHARE DATA

As at the date hereof, the Company has:

1. 467,643,862 common shares issued and outstanding;

2. 18,181,106 warrants outstanding which entitle the holders to purchase one common share at various prices between $0.07 and $0.11 and expiring at various dates between September 22, 2023 and March 15, 2025; and
3. stock options outstanding to purchase an aggregate of 16,050,000 common shares expiring at various dates until May 13, 2025 and exercisable at various prices between $0.095 and $0.105 per common share.

All stock options have vested as at the date hereof.

INTERNAL CONTROLS OVER EXTERNAL FINANCIAL REPORTING

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at the financial year ended December 31, 2022. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2022 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

Internal Controls over Financial Reporting

The CEO and CFO, together with management, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at the financial year ended December 31, 2022. Based on that evaluation, the CEO and the CFO concluded that the design and operation of internal controls over financial reporting were effective as at December 31, 2022 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Any system of internal control over financial reporting, no matter how well-designed, has inherent limitations. Therefore, even well-designed systems of internal control can provide only reasonable assurance with respect to financial statement preparation and presentation.

The control framework used to design and assess the effectiveness of the Company's internal controls over financial reporting is the *Internal Control - Integrated Framework* (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company assesses internal controls over financial reporting on an ongoing basis and, where determined appropriate, proactively implements enhancements to the design of controls required to support anticipated changes to and growth of the business. Due to operational, financial and administrative changes planned to occur as the Company transforms from an exploration company to a producer, changes will be required to the Company's internal controls over financial reporting in order to maintain reasonable assurance regarding the reliability of the Company's financial reporting and preparation of financial statements.

No material weaknesses in the Company's internal controls over financial reporting were identified during the year ended December 31, 2022 and there have been no changes made to such internal controls that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The disclosure of scientific and technical information contained in this MD&A 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.

This document contains certain forward-looking information. This forward-looking information includes, among other things, statements regarding the anticipated development of the NICO Project, including the building or acquisition of a hydrometallurgical refinery in western Canada, purchase of a brownfield site in Lamont County in Alberta's Industrial Heartland pursuant to the Option to Purchase Agreement and the Extension to Option to Purchase Agreement, and the expected results of the technical report updating the 2014 Feasibility Study. With respect to *forward-looking information contained in this document, the Company has made assumptions, including assumptions regarding, among other things, the Company's ability to acquire an existing hydrometallurgical refinery for the NICO Project or acquire land suitable for the construction of such a refinery, the Company's ability to obtain the necessary financing to develop and operate the NICO Project and the related hydrometallurgical refinery, the ability of the Company to obtain all necessary regulatory approvals for the construction and operation of the NICO Project and the related hydrometallurgical refinery, the Company's ability to purchase the brownfield site in Lamont County in Alberta's Industrial Heartland and the timing thereof and the timing of the update of the 2014 Feasibility Study and the results thereof. Some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the Company's forward-looking information include: the risk that the Option to Purchase Agreement and its extension may not result in the purchase* of a *brownfield site in Lamont County in Alberta's Industrial Heartland, the risk that the Company may not be able to carry on operating or to develop, construct and operate the NICO Project, including the related hydrometallurgical refinery; the risk that the Company may not be able to acquire an existing hydrometallurgical refinery or otherwise acquire land suitable for the for the construction of such a refinery; uncertainties with respect to the receipt or timing of required permits and agreements for the development of the NICO Project, including the related hydrometallurgical refinery; the risk that the update to the 2014 Feasibility Study may not be completed within the time frame anticipated and may not generate improved economics for the NICO Project to the extent anticipated; the risk that the operating and/or capital costs for any of the Company's projects may be materially higher than anticipated; the risk of decreases in the market prices of the metals to be produced by the Company's projects; loss of key personnel; discrepancies between actual and estimated mineral resources or between actual and estimated metallurgical recoveries; the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general; uncertainties associated with estimating mineral resources and even if such resources prove accurate the risk that such resources may not be converted into mineral reserves, once economic conditions are applied; labour shortages; workplace accidents; the cost and timing of expansion activities; changes in applicable laws or regulations; competition for, among other things, capital and skilled personnel; unforeseen geological, technical, drilling and processing problems; compliance with and liabilities under environmental laws and regulations; changes to the Company's current business strategies and objectives; and other factors, many of which are beyond the Company's control. 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. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.*