



**FORTUNE**  
**MINERALS LIMITED**

TSX: FT / OTC QX: FTMDF

**Investor Presentation**  
**March 2016**



*North American exposure to commodities  
critical to a growing world economy*

**FORTUNEMINERALS.COM**

# Forward-Looking Information

- This management presentation (the “presentation”) was prepared as a summary overview of current information about Fortune Minerals Limited (the “Company”) only and is not a prospectus or other offering document intended to provide investors with the information required to make investment decisions. This presentation does not purport to contain full and complete information about the Company and its operations and recipients of this information are advised to review the Company’s public disclosure, available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporate Profiles heading for full and complete information about the Company.
- This presentation contains certain information and statements that constitute “forward-looking statements” or “forward-looking information” including “financial outlook”, as such terms are defined under applicable Canadian and United States securities laws. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking information and financial outlook. All statements or information other than statements or information of historical fact may constitute forward-looking information and financial outlook. These statements and information are only predictions.
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- Specific forward-looking information contained in this presentation includes, among others, statements regarding: the anticipated timing of production at the NICO Project; metal recoveries and products to be generated by the Company’s Saskatchewan Metals Processing Plant (the “SMPP”); the expected capital and operating costs for the NICO Project and the SMPP; Company’s anticipated revenues and internal rate of return from the NICO Project; and the Company’s future developments plans for, and anticipated mine life of, the Arctos Anthracite Project and the Company’s strategy with respect to the development and potential expansion of its projects. The financial outlook with respect to the NICO Project and the Arctos Anthracite Project contained in this presentation, respectively, is derived from the feasibility report included in the Micon Technical Report and the feasibility report included in the Marston Technical Report, respectively, each of which was prepared for strategic planning purposes, and is not appropriate for any other purpose.
- With respect to forward-looking information and financial outlook contained in this presentation, the Company has made assumptions (including those assumptions set forth in certain pages of this presentation regarding, among other things: the Company’s ability to develop and operate the NICO Project; expected production and associated costs being in line with estimates; the Company’s ability to expand production in the future; the ability to increase capital spending as necessary in the circumstances; and the production potential of its properties and properties to be acquired being consistent with its expectations.
- 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 and financial outlook include: the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general; the risk that the Company may not be able to arrange the necessary financing to develop, construct and operate the NICO Project and the SMPP; uncertainties with respect to the timing of, or the ability to repurchase the Arctos coal deposits; uncertainties with respect to the receipt or timing of required permits for the development of the NICO Project, the SMPP and the Arctos Anthracite Project; the possibility of delays in the commencement of production from the NICO Project; 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 production; discrepancies between actual and estimated mineral resources or between actual and estimated metallurgical recoveries; 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; mining 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. In addition, the risk factors described or referred to in the Company’s Annual Information Form for the year ended December 31, 2014, which is available on the SEDAR website under the heading Corporate Profiles, should be reviewed in conjunction with the information contained in this presentation.
- The financial outlook and forward-looking information contained herein, speak only as of the date of this presentation. Except as required by law, the Company and its subsidiaries do not intend, and do not assume any obligation, to update the financial outlook and forward-looking information contained herein.
- This presentation does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Company’s securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and will not be offered or sold within the United States or to or for the account or benefit of a U.S. Person or a person in the United States (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

# Technical Information

- The scientific and technical information with respect to the NICO Project contained in this presentation is based on the technical report dated May 5, 2014 prepared by Micon International entitled “Technical Report on the Feasibility Study for the Nico Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada” (the “**Micon Technical Report**”) prepared by Harry Burgess, P.Eng., Richard M. Gowans, P.Eng., B. Terrence Hennessey, P.Geo., Christopher R. Lattanzi, P.Eng. and Eugene Puritch, P.Eng., the qualified persons for the purposes of NI 43-101, a copy of which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile.
- Except as other wise set forth herein, the scientific and technical information with respect to the Arctos Anthracite Project contained in this presentation is based on the technical report dated November 28, 2012 prepared by Golder Associates entitled “Technical Report on the 2012 update of the Arctos Anthracite Project Mine Feasibility Study” prepared by Edward H. Minnes, P.E., the qualified person for purposes of NI 43-101, a copy of which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile.
- Mineral resources referred to herein are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. The mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. Mineral resource tonnage and contained metal as disclosed herein have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- The disclosure of scientific and technical information contained in this presentation has been approved by Robin Goad, M.Sc., P.Geo., President and Chief Executive Officer of Fortune Minerals Limited, who is a “Qualified Person” under NI 43-101

# Financial Summary

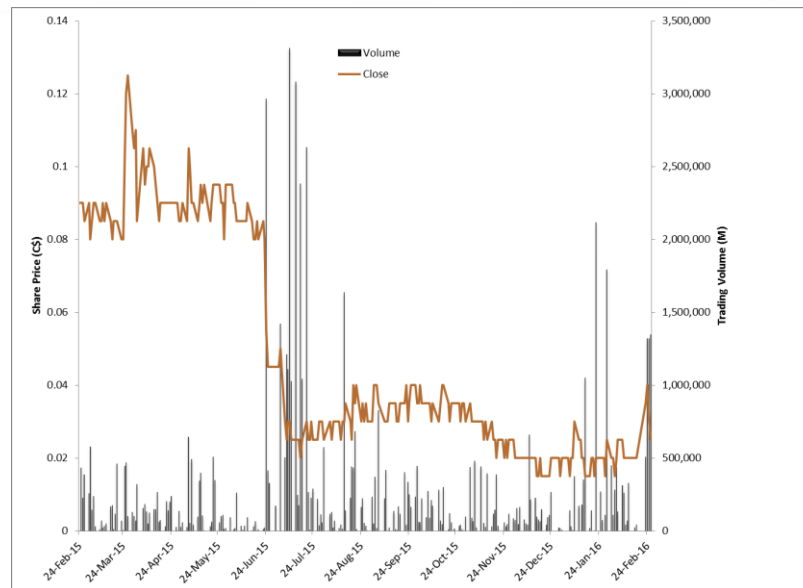
## Corporate Information

**Listings:** TSX (Canada): FT  
OTC QX (USA): FTMDF

Share Price	C\$0.04
Shares Out – Basic	227.1
Shares Out – Fully Diluted	292.9
Market Cap – Basic	C\$9.1
Cash & Equivalents (Q3 2015)	C\$0.3
Total Assets (Q3 2015)	C\$68.5

*All amounts in M or CDN\$M except per share amounts*

## Share Performance



## Analyst Coverage

Dealer	Date	Rating	Target
David Davidson <b>Paradigm Capital</b>	Jul 6, 2015	Under Review	NA
Christopher Ecclestone <b>Hallgarten &amp; Company</b>	Aug 18, 2015	Neutral	\$0.08

## Ownership

Directors, Officers & Insiders (includes Procon) 32%

# Fortune Restructured

- Arctos Anthracite Project
  - Arctos Anthracite Joint Venture (Fortune 50% / POSCO 50%) sold Arctos coal licenses to BC Rail for \$18.3 million
  - Fortune eliminated \$16 million joint venture obligation to POSCO by reducing its interest in JV to 50% & pro rata sharing of BC Rail proceeds
  - Fortune & POSCO retain 10-year option to repurchase Arctos coal licenses from BC Rail for \$18.3 million
- Debt restructuring
  - Shares of Revenue Silver Mine subsidiary transferred to creditor
  - Converted US\$55 to US\$85 million of debt to C\$8.75 unsecured debenture & warrants
  - Company & Canadian assets remain intact



# Building the Next Diversified Producer

- Headquartered in London, Ontario, Canada
- Operating in mining friendly jurisdictions
- Strong management team with proven records

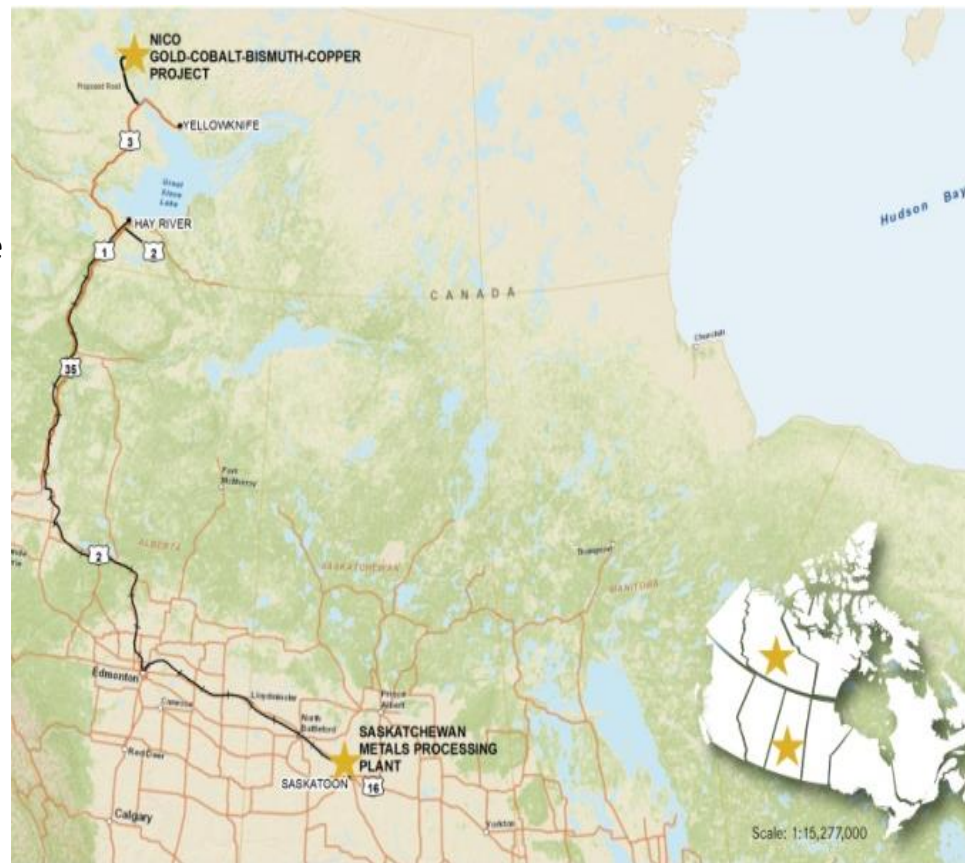
## Assets

- NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories (NT) & Saskatchewan (SK)
  - Late stage vertically integrated development asset with mine and concentrator planned in NT & refinery in SK
  - Pursuing off-take agreements & Project Financing for construction
- Sue-Dianne Copper-Silver-Gold Deposit, NT
  - Potential future incremental mill feed for NICO
- Arctos Anthracite deposit, British Columbia (BC)
  - Sold to BC Rail with 10-year re-purchase option



# NICO Project, NT & SK

- Vertically integrated project to recover gold, cobalt, bismuth (12% of global reserves) co-products with copper by-product
  - Mine & concentrator in NT
  - Saskatchewan Metals Processing Plant (SMPP) will process concentrates from mine to high value metals & chemicals
- Bulk flotation concentrate (<4% of original ore) contains the economic metals for cost effective transportation to SMPP & low cost refining
- C\$ 115 million already invested, including test mining & pilot plant processing to reduce risks
- 2014 updated positive Feasibility Study
- EA), Land Use Permit & Class A Water License approvals received in NT & EA approval in SK
- Pursuing off-take agreements & Project Financing for construction



# NICO Products

- Proven flow sheet to produce high value metal & chemical products
  - **Gold:** Average annual production of 41,360 ozs in doré bars
  - **Cobalt:** Average annual production of 1,615 tonnes in cobalt sulphate heptahydrate (~20.9% Co)
  - **Bismuth:** Average annual production of 1,750 tonnes in ingots & needles (>99.995% Bi) & Oxide (89.7% Bi)
  - **Copper:** Average annual production of 265 tonnes in cement (~90% Cu)
- Potential to diversify production with other cobalt & bismuth chemicals



Gold



Cobalt Sulphate



Copper Cement



Bismuth Ingot



Bismuth Needles

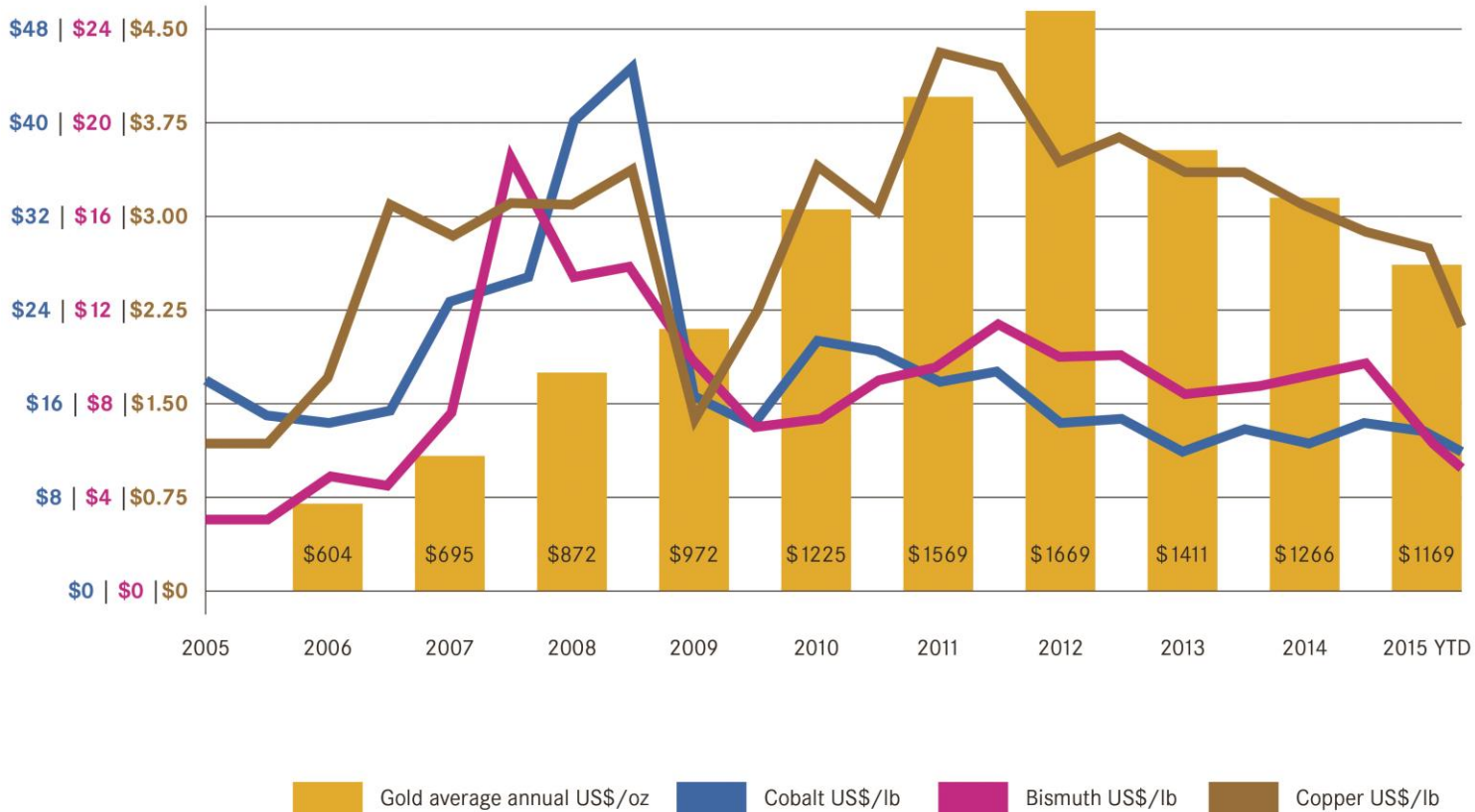


Bismuth Oxide



# Historical Metals Prices

HISTORICAL PRICES OF NICO METALS



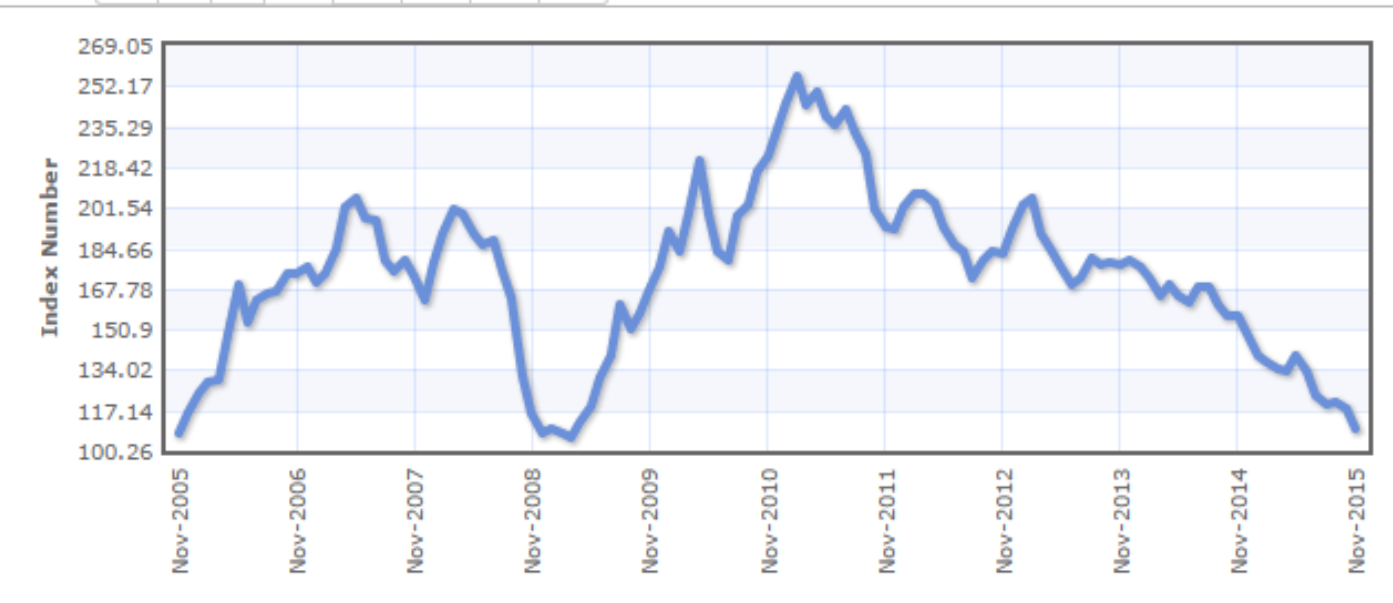
Sources: Metal Bulletin, Kitco | November 30, 2015

# Metals Price Index at 10-year low

## Commodity Metals Price Index Monthly Price - Index Number

Range

Nov 2005 - Nov 2015: 1.730 (1.61 %)



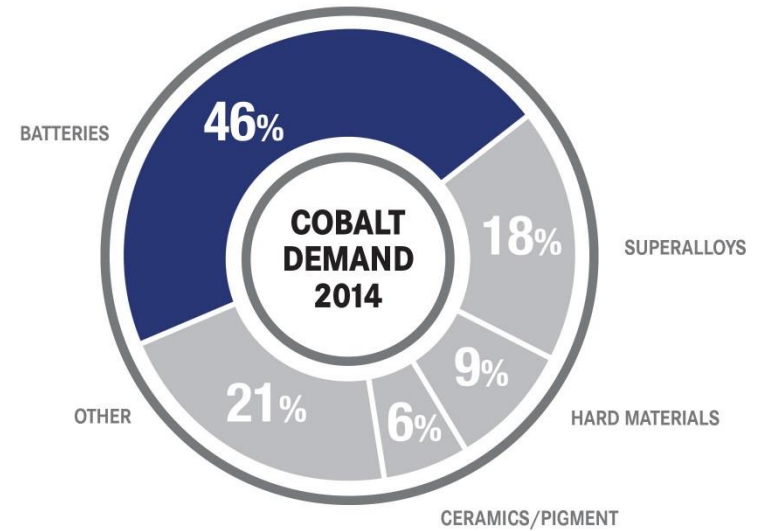
**Description:** Commodity Metals Price Index, 2005 = 100, includes Copper, Aluminum, Iron Ore, Tin, Nickel, Zinc, Lead, and Uranium Price Indices

**Unit:** Index Number

**Source:** [International Monetary Fund](#)

# Cobalt: Growing Demand, Supply Uncertainty & Legislated Responsible Sourcing

- Wide chemical & metallurgical markets
- Cobalt market ~100,000 tonnes & growing at ~6% per year
- Chemicals account for 58% of worldwide cobalt demand & driving future cobalt consumption
- Biggest market is for rechargeable batteries used in portable electronic devices, cars & stationary storage cells
- Supply concerns with 63% of mine production in politically unstable Congo & 43% of refinery production in China
- Rise of responsible sourcing & supply chain transparency (US Dodd Frank & EU conflict minerals legislation)
- CRU anticipates growing cobalt deficit starting in 2016

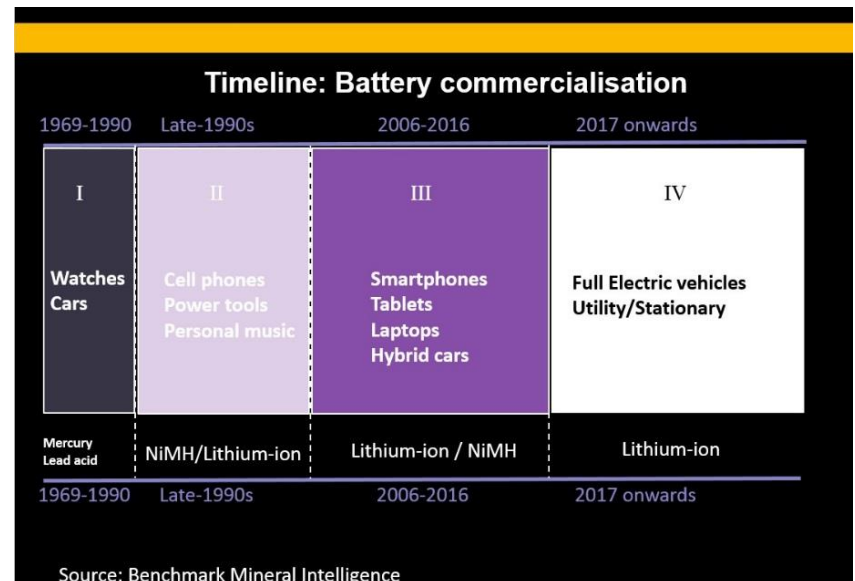
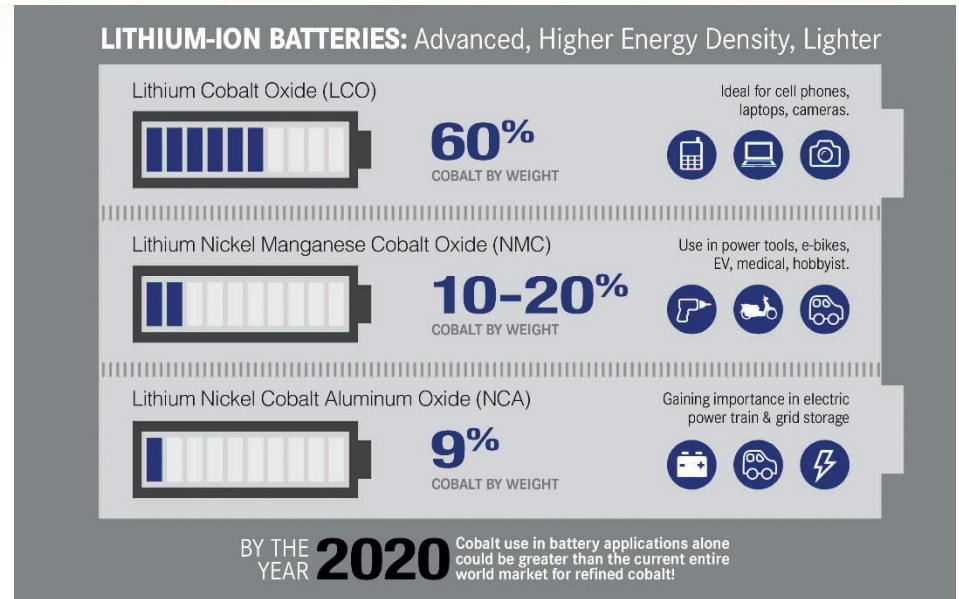


Sources: Darton Commodities, Cobalt Development Institute, Benchmark Mineral Intelligence



# Cobalt & Rechargeable Batteries

- Cobalt chemicals are used in lithium ion & nickel metal hydride batteries – primarily in the cathodes
- Growth in use of cell phones, power tools, toys, computers & electric & hybrid-electric cars from 1990s to 2014 has driven the demand for cobalt in batteries from 1% to 46% of total market
- Major lithium ion battery producers confirm cobalt-based chemistries will remain as the industry standard for the foreseeable future
- Electric vehicles & stationary power storage to drive phase IV of battery commercialization (2017 onwards)





# Cobalt: Battery Use Drives Demand

*“There will need to be many Gigafactories in the future...”*

Elon Musk – June 2015 Benchmark Minerals

- Battery sector cobalt demand grew by over 9% in 2014
- Battery megafactories announced : Tesla (35 GWh), LG Chem (7 GWh), FoxConn (15 GWh), BYD (20 GWh), Boston Power (10 GWh)
- By 2020 Tesla’s first Gigafactory in Nevada anticipated to produce more lithium-ion batteries annually than the world did in 2013
- Tesla’s Model S uses Nickel Cobalt Aluminum (NCA) cathode chemistry containing ~9% cobalt by weight
- Tesla has stated preference for a North American raw material supplier to minimize environmental impacts & cost
- Market estimates 5,000 – 10,000 t annual cobalt demand from Tesla’s first gigafactory (NICO to produce 1615 tpa)

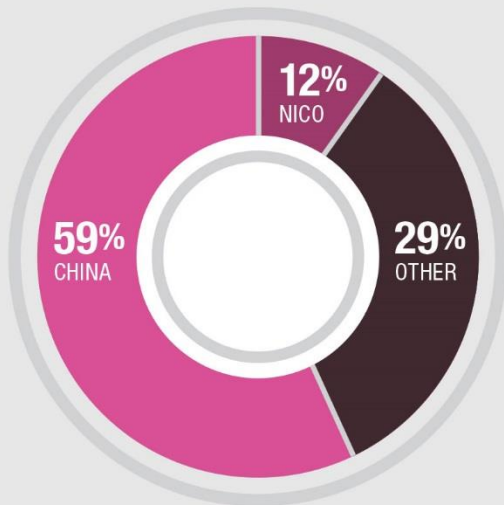
**NICO is positioned to become a reliable, vertically integrated North American source of battery grade cobalt in a market that has rising demand, supply uncertainty & a desire for supply chain transparency**



# Bismuth: Limited Supply

- World market ~20,000 tonnes per year
- China principal source of bismuth & accounts for 60% of world reserves & 80% of world production
- China closed 20% of its production due to environmental & mine safety issues & has policies to restrict exports
- NICO is World's largest deposit - 12% of global reserves
- NICO will be a reliable North American vertically integrated producer

## WORLD BISMUTH RESERVES



## WORLD BISMUTH MINE PRODUCTION



Bismuth has a crustal abundance similar to that of silver and its supply is concentrated in China, contributing to bismuth being identified by the British Geological Survey as an economically important metal at very high risk to supply disruptions.

# Bismuth: Automotive & Health Use



## Health

- Pepto-Bismol® & similar stomach settling medicines
- Cosmetics
- Lead replacement in potable water sources & electronics
- Catheters & bandages

## Other

- Castings, fire retardants, sprinkler systems, lubricating greases



## Automotive

- Rust protection undercoating
- Paint pigments & pearlescent coating
- Brake linings & clutch pads

## Electronics

- Electronic solders
- Free-machining steel lubricating greases



# Bismuth: Environmentally Friendly

- Traditional uses in low temperature & fusible alloys, cosmetics, chemicals, fire retardants & sprinkler systems
- New markets focus on non-toxic, environmentally safe replacement for lead in plumbing & electronic solders, brass, steel & aluminum, ceramic glazes, hot dip galvanizing, pigments, automotive anti-corrosion coatings, windshield frits & pearlescent paints:
  - Global framework to eliminate lead expected to drive increased bismuth consumption
  - European REACH & RoHS legislation to eliminate lead in electronics
  - Lead banned in US from wetted surfaces of potable drinking water sources (pipes, fixtures & solders)

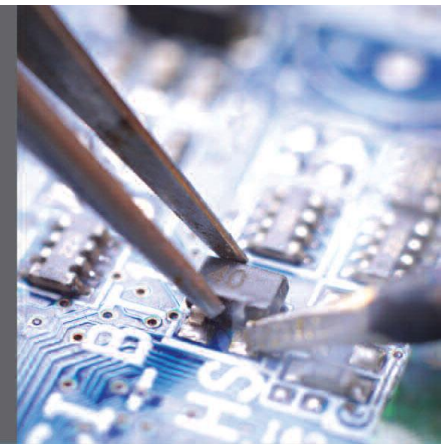
## Growing Number of Applications



Demand for bismuth is increasing in a variety of new products as a result of legislation, growing environmental awareness, and health & safety concerns of manufacturers



- U.S. Reduction of Lead in Drinking Water Act
- EU REACH, Restriction of Hazardous Substances Directives & Waste Electrical and Electronic Equipment Directive





# Gold: Countercyclical Hedge

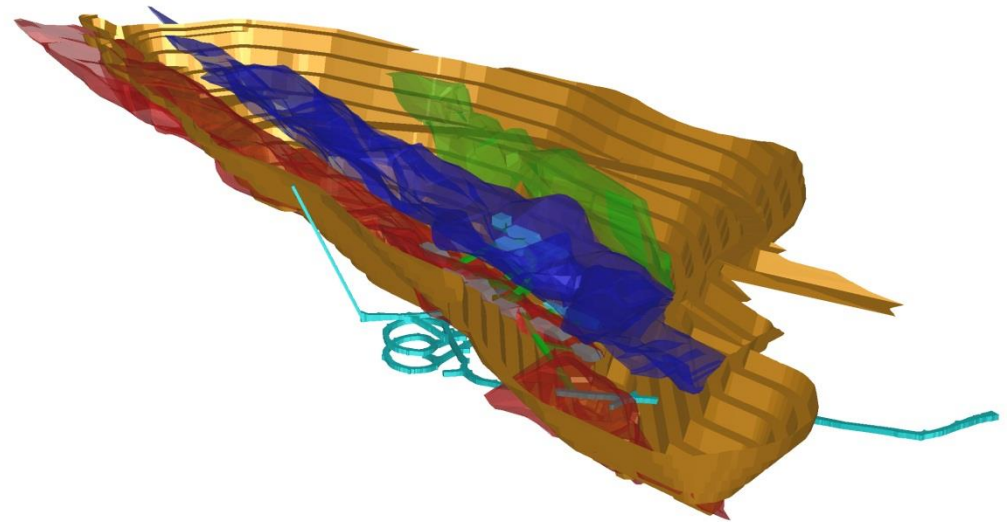
- Highly liquid gold co-product as countercyclical hedge to cobalt & bismuth price volatility
- Asian physical demand expanding
- Central Banks continue to buy
- Geopolitical stress & global debt crisis



# Known Geology & Risk Mitigation

The NICO mineral reserves are based on 327 drill holes, test mining & surface trenches

- Iron Oxide Copper Gold (“IOCG”) class (Olympic Dam-type) deposit
- Ore hosted in 3 lenses of ironstone breccia up to 1.3 km in length, 550 m in width, & 70 m in thickness
- Underground test mining has verified geometry & grade of deposit
- Pilot plants completed at SGS Lakefield to verify process designs, flow sheet & product quality
- Engineering & Feasibility Studies completed



Green = Upper Ore Zone, Blue = Middle Ore Zone, Red = Lower Ore Zone  
Brown = Open Pit, Cyan = Underground Development and Stopes

# NICO Mineral Reserves

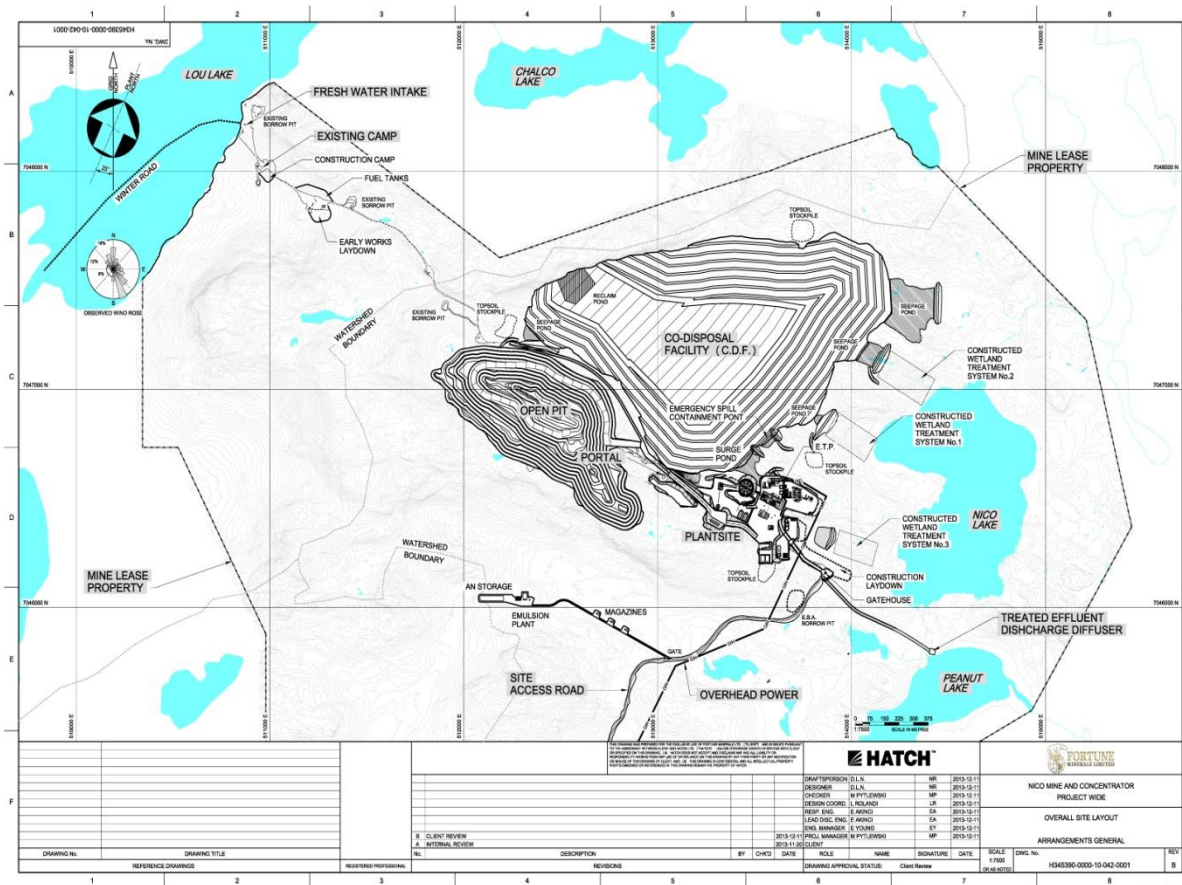
Support a 20 year mine life at 4650 tpd

Underground Mineral Reserves	Tonnes (Thousands)	Au (g/t)	Co (%)	Bi (%)	Cu (%)
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
Open Pit Mineral Reserves	Tonnes (Thousands)	Au (g/t)	Co (%)	Bi (%)	Cu (%)
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
Combined Mineral Reserves	Tonnes (Thousands)	Au (g/t)	Co (%)	Bi (%)	Cu (%)
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
Metal Contained		1.11 Moz	82.3 Mlb	102.1 Mlb	27.2 Mlb

Sums of the combined reserves may not exactly equal sums of the underground and open pit reserves due to rounding error.



# Mine & Concentrator in NT

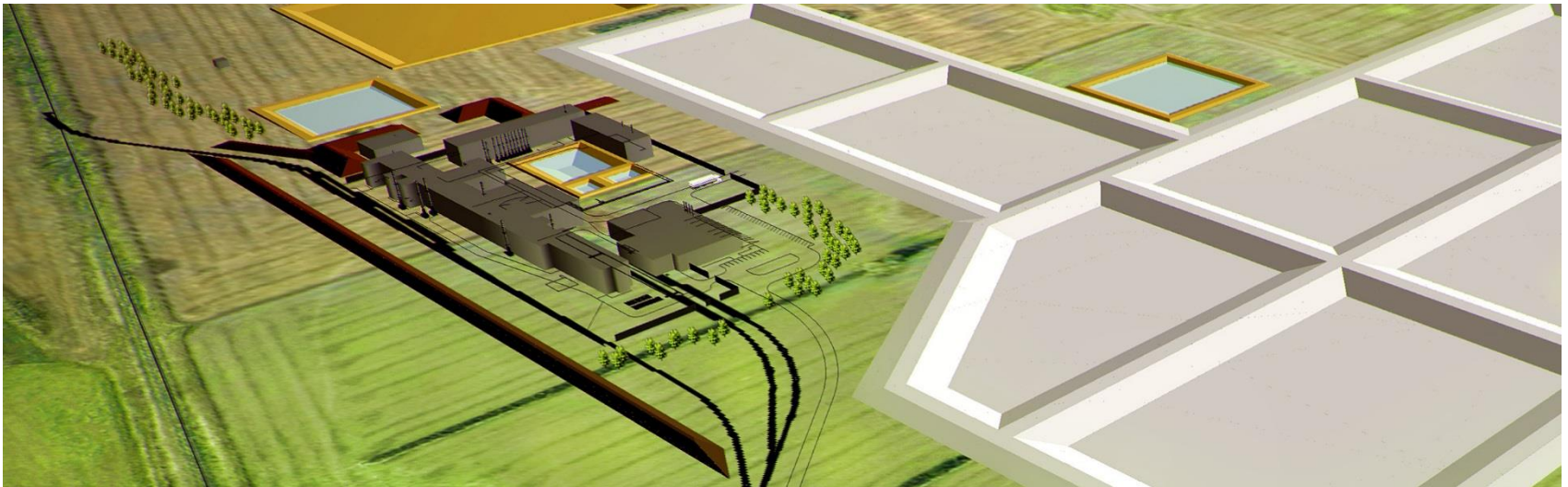


- 20 yr mine life at 4,650 tpd
  - Additional 5.5 Mt low grade to be stockpiled for future processing
- Primarily open pit mining
- Underground mining in first 2 years
  - Early access to high grade improves economics
- Co-mingled waste rock & mill tailings
- Plant site
  - Mill & flotation concentrator
  - Camp & ancillary buildings
- Access road
- 180 employees (270 during underground operations)



# SMPP Refinery in Sk

- Saskatchewan Metals Processing Plant (SMPP) is a hydrometallurgical refinery that will be built on land owned by Fortune 27 km north of Saskatoon near the Town of Langham
- High concentration ratio of NICO ores during flotation reduces mass to <4% in bulk concentrate for efficient transport to by truck & rail SMPP – Cost neutral for reagents otherwise sourced from southern Canada
- SMPP will process NICO concentrate to high value metals & chemicals in a low cost jurisdiction
  - Low cost power (~5.7 cents kWh)
  - Skilled labour pool
  - Proximity to reagents & services
  - 5-year tax holiday



# 2014 Micon Feasibility Study

## Positive Feasibility Study with strong economics

- Vertically integrated project consisting of open pit & underground mine & mill in NT & refinery in SK
- Low capital costs of C\$ 589 million
- Negative cash cost for products net of by-product credits
- Significant detailed engineering reducing risk
- Metal recoveries verified from pilot plants;
  - Gold recovery ranges from 56 to 85%, with an average ~73.7%
  - Cobalt recovery ~84%
  - Bismuth recovery ~72%
  - Copper recovery ~41%

## Feasibility Study Highlights – Base Case

<b>Mine type</b>	Open pit with underground in 2 <sup>nd</sup> year
<b>Mining method</b>	Open pit: conventional truck & loader Underground: blasthole open stoping
<b>Strip Ratio</b>	Waste to ore 3.0 : 1
<b>Processing rate</b>	4,650 tonnes of ore/day
<b>Mine life</b>	20 years (potential for additional 3.2)
<b>Processing</b>	Processed to high value metal products
<b>Levered pre-tax NPV (7%)</b>	C\$ 254 million
<b>Levered pre-tax IRR</b>	15.6%
<b>Capital costs</b>	C\$ 589 million
<b>LOM average revenue/yr</b>	C\$ 196 million
<b>LOM average operating cost/yr</b>	C\$ 98 million
<b>Cobalt operating cost (net of credits)</b>	Negative US\$ 5.03/lb at Base Case

# Shovel Ready

## Permitting substantially complete

- Environmental Assessments completed for mine & SMPP
- Land Use Permit & Class A Water License approvals received

## Advanced relationships with NT & Tlicho Governments

- 20 years of active community engagement with Tlicho
- Co-operative Relationship Agreement with Tlicho (aboriginal) Government (settled land claim)
- Infrastructure, Socio-Economic & Participation Agreements near completion

## Project Financing & Development

- Project financing & development options targeting project level joint venture
- Project Financing with strategic partner & banks
  - Partner equity investment
  - Commitment to arrange debt financing for construction
  - Pursuing off-take discussions with metal / chemical users

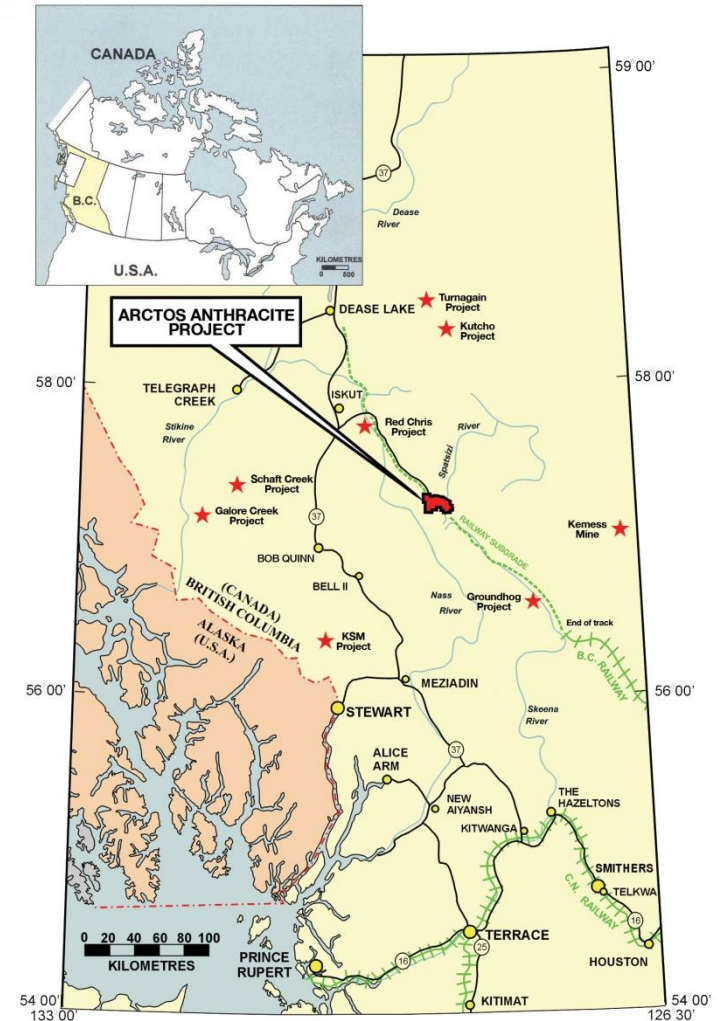




# Arctos Anthracite Project

## Summary Highlights

- One of world's premier metallurgical coal development projects
- Joint Venture partnership with South Korean steel producer POSCO (50%)
- C\$110 million of work completed including test mining, pilot plant processing & trial cargos
- Positive Feasibility Study with robust economics
- 125 Mt of run of mine coal reserves will support 25+ years of production (small fraction of total resource)
- Railway transport of coal to Ridley Terminal in Prince Rupert
- Premium lump coal, ultra-low volatile PCI & sinter products
- Sold to BC Government with a 10-year repurchase option





# Company Strategy

- **NICO & SMPP Project**
  - Complete detailed engineering & secure remaining permits for construction readiness
  - Complete re-zoning of SMPP lands
  - Complete Participation & Socio-economic agreements with NT & Tlicho Governments
  - Secure project financing
- **Sue-Dianne Project**
  - Satellite deposit ~25km north of NICO
  - Potential future source of incremental mill feed
- **Arctos Project**
  - World Class deposit with ~\$110 million of work carried out
  - 50% joint venture with South Korean steel company POSCO
  - Sold to BC Rail with 10-year repurchase option if coal prices & development environment improves
- **Project financing & development**
  - Identify strategic partners for project financing
  - Equity investment in projects

# Experienced Team

## Directors

**Mahendra Naik**, B Comm, CPA,CA *Chairman, Director*

**Robin Goad**, MSc, PGeo *President & CEO, Director*

**The Honorable Carl L. Clouter** *Director*

**Shou Wu (Grant) Chen**, MSc, MBA *Director*

**Ed Yurkowski**, BASc *Director*

CFO Fundeco - Founding director & former CFO, IAMGOLD

Geologist - 30 yrs mining & exploration experience

Commercial pilot - Former owner of charter airline in NWT

Geologist – Former Deputy Chairman & CEO, China Mining Resources Group

Civil Engineer & CEO Procon Mining & Tunneling

## Management

**Robin Goad**, MSc, PGeo *President & CEO, Director*

**Mahendra Naik**, B Comm, CPA,CA *Interim CFO*

**David Knight**, BA, LLB *Corporate Secretary*

**Dustin Reinders**, BSc, PEng *Projects Engineer*

**Richard Schryer**, PhD *Director Regulatory & Environmental Affairs*

**Troy Nazarewicz**, CIM, CPIR *Investor Relations Manager*

**Patricia Penney**, BComm, CPA, CA *Financial & Accounting Manager*

Geologist - 30 yrs mining & exploration experience

CFO Fundeco - Founding director & former CFO, IAMGOLD

Partner, Norton Rose Fulbright Canada LLP specializing in securities & mining law

7 yrs mining industry experience

Aquatic Scientist –20+ yrs experience in mine permitting & environmental assessments

20 yrs investment industry experience

15 yrs accounting & audit experience



# FORTUNE MINERALS LIMITED

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