



# FORTUNE MINERALS LIMITED

TSX: FT OTCQX: FTMDF



## Fortune Minerals Limited

is focused on building the next diversified mining company. Fortune operates the Revenue Silver Mine in Colorado and is developing the fully vertically integrated NICO gold-cobalt-bismuth-copper project that comprises a mine and mill in the Northwest Territories that will produce a bulk concentrate for shipment to a refinery in Saskatchewan for processing to high value metal products. In addition, Fortune is developing the Arctos anthracite metallurgical coal project in British Columbia and owns the Sue-Dianne copper-silver-gold deposit and other exploration projects in the Northwest Territories.

Fortune is establishing a diversified production profile of precious, base and specialty metals and premium coals. The Company is positioned to become a reliable North American producer of commodities critical to a growing world economy. This is particularly important given the risk to the global supply chain with geographic concentration of three of its commodities - cobalt, bismuth and anthracite metallurgical coal - in countries that present supply concerns. Fortune's primary assets also contain significant resources and reserves of gold and silver that provide a precious metal countercyclical hedge.

Leveraging its strategic relationships, experienced team and asset base, Fortune is positioned to grow through organic development of its late-stage development assets, and through acquisitions in mining-friendly jurisdictions in politically stable countries.

## WHY INVEST?

- Proven management team with experience acquiring, financing, developing & operating mines
- Low-risk producer with two late stage development assets in North America
- Cash flow generation from silver mine in Colorado
- Well-defined two tier growth strategy
  - i. Development projects and exploration
  - ii. Growth through acquisition
- Strategic investments by Procon Resources & POSCO

## North American Focus

- **The Revenue Silver Mine** is a producing silver mine with gold, lead & zinc by-product credits. Located in southwest Colorado, U.S.A., this historical 14 million oz silver producer has M&I Resources containing 16.3 million ounces of Ag & Inferred Resource containing 10.1 million ounces of Ag.
- **The NICO** deposit in the Northwest Territories contains 1.1 million ounces of gold, significant cobalt and 12% of global bismuth reserves with by-product copper. Positive feasibility studies, test mining, pilot plants and environmental assessments have already been completed. Negotiations are underway for project financing.
- **The SMPP** is a proposed refinery near Saskatoon in western Canada that will process metal concentrates from NICO. Together with NICO, the SMPP is positioned to become a reliable fully integrated North American producer of gold, bismuth metals & chemicals, cobalt chemicals and copper.
- **The Arctos Anthracite Project** is one of the world's premier metallurgical coal projects with very large resources and reserves of high rank anthracite metallurgical coal in northwest British Columbia, Canada. Arctos is an international collaboration between Fortune & POSCO and is currently in the environmental assessment process.
- ★ **Head Office** in London, Ontario.

## THE REVENUE SILVER MINE

Producing silver, gold, lead & zinc

In May 2014, Fortune announced the staged acquisition of the fully permitted and constructed Revenue Silver Mine in southwestern Colorado, U.S.A. Fortune is the operator of this mine that had historical production of ~14 million ounces of silver and is ramping up production to 400 tons per day. The mine is situated on 147 patented and unpatented mining claims, totaling approximately 1,080 acres. High-grade, narrow silver-gold-lead-zinc-copper veins are being mined by underground mining methods to feed a 400 ton per day underground crushing and grinding plant, and concentrator. The concentrates are sold under off-take agreements with Teck Resources Limited and Johnson Matthey. The mine is serviced by roads connected to the Colorado highway system, electrical grid, and other services. There is an operating team of ~90 people already in place leveraging a pool of skilled mine labour in this historic mining district. Fortune currently owns a 12% participating interest in the Revenue Silver Mine and can earn a 100% interest by making a cash payment of US\$ 14 million to the majority owner by July 31, 2014.

## Virginius Vein Mineral Resources

Area	Category	Tons	Ag (opt)	Au (opt)	Pb (%)	Cu (%)	Zn (%)	Contained Metal				
								Ag (M oz)	Au (oz)	Pb (M lb)	Cu (M lb)	Zn (M lb)
Revenue Virginius	Indicated	485,600	26.95	0.044	4.30	0.25	1.37	13.1	21,000	41.8	2.4	13.3
Revenue Virginius	Inferred	646,100	14.93	0.038	3.04	0.13	0.99	9.65	24,500	39.25	1.6	12.8

- Mineral Resources 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 have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- \*Cut-off is based on a minimum total recovered metal based on a mining and milling cost provided by Silver Star Resources LLC of \$150/t and diluted to a minimum mining width of 3 feet.
- Recovered block model metal value = (Ag oz/t • Ag recovery • US\$/oz Ag) + (Au oz/t • Au recovery • US\$/oz Au) + (2000 • Pb% / 100 • Pb recovery • US\$/lb Pb) + (2000 • Zn% / 100 • Zn recovery • US\$/lb Zn).
- The metal price and recovery assumptions include a silver ("Ag") price of US\$20/oz and recovery of 95%; gold ("Au") price of US\$1250/oz and recovery of 90%; a copper ("Cu") price of US\$3.15/lb and recovery of 80%; a lead ("Pb") price of US\$1/lb and recovery of 90%; and a zinc ("Zn") price of US\$1/lb and recovery of 85%.
- Resources by SRK Consulting with Dorinda Bair B.S. (Geology), CPG, Mark Jorgensen, B.S. (metallurgy), MMSA, and James Beck P.E. as Qualified Persons for the purposes of National Instrument 43-101

## Yellow Rose Vein Mineral Resources

Area	Category	Tons	Ag (opt)	Au (opt)	Pb (%)	Zn (%)	Contained Metal			
							Ag (M oz)	Au (oz)	Pb (M lb)	Zn (M lb)
Yellow Rose	Measured	215,300	10.08	0.034	1.71	1.69	2.17	6,400	7.37	7.28
Yellow Rose	Indicated	100,700	10.92	0.036	1.96	1.74	1.10	4,000	3.95	3.5
Yellow Rose	Measured & Indicated	316,100	10.35	0.035	1.79	1.71	3.27	10,490	11.31	10.78
Yellow Rose	Inferred	38,100	11.01	0.025	1.69	0.92	0.49	700	1.28	0.701

- Mineral Resources 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 have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- \*Cut-off is based on a minimum total recovered metal based on a mining and milling cost provided by Silver Star Resources LLC of \$150/t and diluted to a minimum mining width of 3 feet.
- Recovered block model metal value = (Ag oz/t • Ag recovery • US\$/oz Ag) + (Au oz/t • Au recovery • US\$/oz Au) + (2000 • Pb% / 100 • Pb recovery • US\$/lb Pb) + (2000 • Zn% / 100 • Zn recovery • US\$/lb Zn).
- The metal price and recovery assumptions include a silver ("Ag") price of US\$20/oz and recovery of 95%; gold ("Au") price of US\$1250/oz and recovery of 90%; a lead ("Pb") price of US\$1/lb and recovery of 90%; and a zinc ("Zn") price of US\$1/lb and recovery of 85%.
- Resources by SRK Consulting with Dorinda Bair B.S. (Geology), CPG, Mark Jorgensen, B.S. (metallurgy), MMSA, and James Beck P.E. as Qualified Persons for the purposes of National Instrument 43-101





## THE NICO PROJECT & SMPP Fully integrated project with gold, cobalt, bismuth & copper

The NICO Project comprises a proposed mine and mill in the Northwest Territories that will produce a bulk concentrate for shipment to the planned Saskatchewan Metals Processing Plant (SMPP) for processing to high value metal products. \$110 million of work has been completed at NICO including test mining, pilot plant processing and a positive Feasibility Study. Together with the SMPP, NICO is positioned to become a fully integrated North American source of gold, bismuth metals & chemicals, and cobalt chemicals.

The mine and SMPP have also received their respective Environmental Assessment approvals, Fortune has secured Procon Resources as a strategic investor, and negotiations for project financing are advancing with the objective of commencing construction activities as soon as project financing is completed.

### Over one million ounces of gold reserves as counter cyclical hedge

#### Cobalt

- Needed to manufacture rechargeable batteries
- Supply concerns with 61% of mined cobalt sourced from Congo and 43% of it refined in China
- NICO is positioned to become the only fully integrated North American cobalt chemical source, and potential key supplier to rechargeable battery industry including companies such as Tesla Motors

#### Bismuth

- Used primarily in automotive sector and medical products
- Increased use as environmentally friendly non-toxic lead replacement supported by legislation banning lead
- High risk of supply disruptions with 80% of mine production concentrated in China
- NICO contains 12% of global bismuth reserves

#### NICO Mineral Reserves

Underground Mineral Reserves	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	282,000	4.93	0.14	0.27	0.03
Probable	295,000	5.00	0.07	0.07	0.01
Total	577,000	4.96	0.10	0.17	0.02

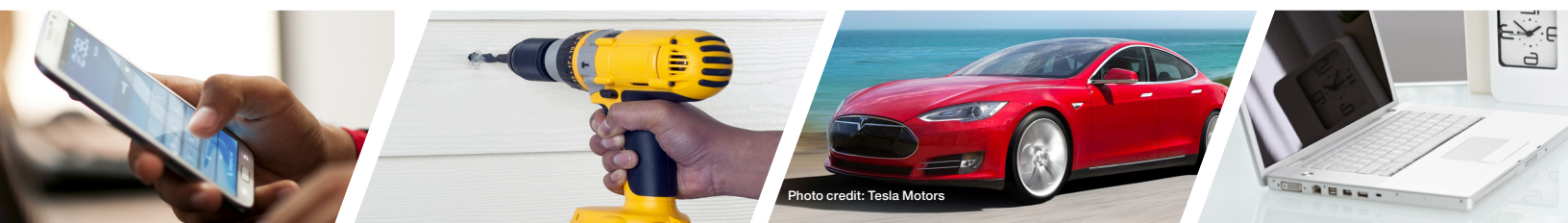
Open Pit Mineral Reserves	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	20,453,000	0.92	0.11	0.15	0.04
Probable	12,047,000	1.03	0.11	0.13	0.04
Total	32,500,000	0.96	0.11	0.14	0.04

Combined Mineral Reserves	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	20,735,000	0.97	0.11	0.15	0.04
Probable	12,342,000	1.13	0.11	0.13	0.04
Total	33,077,000	1.03	0.11	0.14	0.04
Contained Metal		1,100,000 ounces	82,300,000 pounds	102,100,000 pounds	27,200,000 pounds

#### MICON Feasibility Study

- **15.6% levered Base Case pre-tax IRR**
- **\$254 million Levered Base Case pre-tax 7% NPV**
- **Negative to low cash costs for metals net of by-product credits**
- **CAPEX \$589 million (includes \$243 million for SMPP)**

Sums of the combined reserves may not exactly equal sums of the underground and open pit reserves due to rounding error. The mineral reserve estimates were prepared by Eugene Puritch, P.Eng., Fred H. Brown, P.Geo., and James L. Pearson, P.Eng. of P&E, who are the Qualified Persons responsible for the 2012 FEED mineral reserves as defined by NI 43-101. Procon identified additional high-grade mineral reserves outside of the open pit design from the 2012 P&E mineral resources and have been included into a combined mineral reserve statement. Henry Wulkan, P.Eng. Manager of Projects for Procon is the Qualified Person responsible for the additional underground mineral reserves as defined by NI-43-101.



## THE ARCTOS ANTHRACITE PROJECT

Anthracite metallurgical coal

The Arctos Anthracite Project is one of the world's premier metallurgical coal developments and an international collaboration between Fortune Minerals (80%) and the Canadian subsidiary of South Korea's POSCO (20%). Arctos is currently in the BC Environmental Assessment Process for the expansion of the railway infrastructure and for the development of an open pit mine and wash plant to produce at the initial rate of 3 million tonnes of coal products per annum over 25 years.

Arctos has safely advanced with \$110 million invested to date including work on resource delineation, environmental & feasibility studies, test mining, pilot plants and trial cargos to customers in North America, Asia and Europe.

### Marston Feasibility Study

- Railway transportation solution to deep sea port
- 17% pre-tax IRR
- C\$ 616 million pre-tax 8% NPV
- LOM FOB cash cost \$128/tonne
- CAPEX C\$788.6 million

### Anthracite

- Highest quality coal, represents only 1% of world coal reserves
- Metallurgical coal with diverse applications such as carbon filters for water purification
- Supply concerns as China is the dominant producer & net importer

### HISTORICAL ARCTOS GLOBAL RESOURCES (Million tonnes)<sup>(1)</sup>

Area	Measured	Indicated	M&I	Inferred
Lost Fox	107.9	109.5	217.4	91.5
Hobbit-Broatch	–	13.5	13.5	258.4
Summit	–	–	–	9.6
Lost Fox Extension	–	–	–	–
<b>Total</b>	<b>107.9</b>	<b>123.0</b>	<b>230.9</b>	<b>359.5</b>

1) The Arctos Mineral Resource & Mineral Reserve estimates were prepared in 2002, 2005, & 2007, respectively, by Marston & Marston Inc. in compliance with NI 43-101. Richard Marston, P.E. is the Qualified Person responsible for the estimates.

Historical Resources include 2.2 billion tonnes in the Speculative class. The historical resource estimate was developed by Gulf in 1988 and updated in 2002 by Marston-Golder to reflect changes in the estimation of Inferred Resources under Paper GSC 88-21. The Speculative portion of the resources is not compliant with current reporting standards. A qualified person has not done the work necessary to classify the historical estimate of Speculative resources as current mineral resources under NI 43-101 and the estimate should not be relied upon. Speculative Resources were developed based on estimated average coal thickness applied to the projected aerial extent of the coal.

### LOST FOX METALLURGICAL COAL RESERVES AND RESOURCES (Million tonnes)<sup>(2)</sup>

Coal Resources			Run-of-Mine Coal Reserves			10% Ash Product Reserves		
Measured	Indicated	Inferred	Proven	Probable	Total	Proven	Probable	Total
172.4	20.4	12.1	115.0	9.9	124.9	64.4	4.8	69.2

Further information regarding the Arctos Coal Resource & Reserve estimates is available from the Company's disclosures under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)

2) The 2012 DFS utilized updated Resource & Reserve estimates for the Lost Fox Deposit, which Edward Minnes, P.E. is the Qualified Person.

The disclosure of scientific and technical information contained in this document 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 National Instrument 43-101.

This document contains certain forward-looking information. This forward-looking information includes statements with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, timing and cost for placing the Company's mineral projects into production, costs of production, amount and quality of metal products recoverable from the Company's mineral resources, internal rates of return to be generated by and net present values of the Company's mineral projects, demand and market outlook for metals and coal and future metal and coal prices. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the information is given (including, in respect of the forward-looking information contained in this document, assumptions regarding the Company's ability to arrange necessary financing for its projects, including without limitation the financing necessary to acquire a 100% interest in the Revenue Silver Mine, and obtain all necessary permits for the Arctos project, the NICO project and the SMPP and assumptions regarding future metal and coal prices, the capital and operating costs of the Arctos project, the NICO project and the SMPP, the anticipated production from the Arctos project, the NICO project and the SMPP and the ability of the Company to increase production at the Revenue Silver Mine). However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the risk that the Company may not be able to arrange the necessary financing to complete the acquisition of the Revenue Silver Mine or construct and operate the Arctos project, the NICO mine or the SMPP, uncertainties with respect to the receipt or timing of required permits and regulatory approvals, the risk that the Company may not be able to increase production at the Revenue Silver Mine, the risk that production from the Arctos project, the NICO project and the SMPP may be less than anticipated, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal and coal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to metal recoveries and other factors. In addition, the risk factors described or referred to in the Company's Annual Information Form for the year ended December 31, 2013, which is available on the SEDAR website, should be reviewed in conjunction with the information contained in this document. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update them or revise it to reflect new events or circumstances, except as required by law.

#### KEY PERSONNEL:

- Robin Goad (President, CEO & Director)
- Adam Jean (Vice President Finance & CFO)
- Mike Romaniuk (Vice President Operations & COO)
- Rick Schryer (Director Regulatory & Environmental Affairs)

#### CONTACT INFORMATION:

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#### MARKET INFORMATION:

Basic Shares Outstanding (July 8, 2014).....190 M  
 Fully Diluted Shares (July 8, 2014).....199 M  
 Working Capital (Q1 2014) .....\$7.4 M

July 2014

#### OWNERSHIP:

Procon Resources Inc. ....19%  
 Directors, Officers & Insiders  
 (including Procon) .....35%



**FORTUNE**  
**MINERALS LIMITED**