

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Fortune Minerals Limited (the “Company”)
140 Fullarton Street
Unit 1902
London, Ontario
N6A 5P2

2. **Date of Material Change**

July 2, 2012.

3. **News Release**

The news releases attached hereto as Schedule “A” announcing the material change and correction to the material change described herein were released through CNW Group at London, Ontario on July 2, 2012 and July 5, 2012.

4. **Summary of Material Change**

The material change is described in the Company’s news releases attached hereto as Schedule “A”, which news releases are incorporated herein.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

See the news releases attached hereto as Schedule “A”.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change in this report.

Robin Goad
President
(519) 858-8188

9. **Date of Report**

July 16, 2012.



FORTUNE MINERALS LIMITED

148 Fullarton Street, Suite 1600, London, Ontario, Canada N6A 5P3
Tel. 519-858-8188 ~ Fax. 519-858-8155

July 2, 2012

Issued Capital: 117,076,976

Schedule "A" NEWS RELEASE

FORTUNE MINERALS ANNOUNCES UPDATED MINERAL RESERVES AND POSITIVE FEED STUDY RESULTS CONFIRMING NICO ECONOMICS

Deposit gold content increased by 19.7% to 1.1 million ounces, 3.9 million equivalent gold ounces with Base Case cobalt sulphate, bismuth and copper credits

Fortune Minerals Limited (TSX-FT) (OTCQX-FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) is pleased to announce the results of the Front End Engineering and Design ("FEED") study for its 100% owned NICO gold-cobalt-bismuth-copper project. NICO is a planned vertically integrated project consisting of an open pit and underground mine and mill near Yellowknife in the Northwest Territories ("NT") and a hydrometallurgical refinery near Saskatoon, the Saskatchewan Metals Processing Plant ("SMPP"), where Fortune will process concentrates from the mill to high value metal products. This study, by Jacobs Minerals Canada Inc. ("Jacobs"), a subsidiary of Jacobs Engineering Group Inc., and including several other engineering companies, culminates more than three years of geological modelling, mine, infrastructure and process plant engineering, and metallurgical test work to improve the project and reduce risk from capital cost escalation and commodity price volatility. Fortune plans to be a reliable Canadian-based producer of gold doré, 99.8% cobalt cathode ("cobalt metal") and/or cobalt sulphate heptahydrate, containing 20.9% cobalt ("cobalt sulphate"), 99.99% bismuth ingot, and a copper metal precipitate.

With this FEED study now complete, Fortune is well positioned to advance its pursuit of strategic partners and secure project financing to develop the NICO Project. Fortune has already engaged Deloitte & Touche Corporate Finance Canada ("Deloitte") as its financial advisor to help identify potential partners and assist with negotiations. NICO presents an attractive opportunity for potential partners that need to secure a reliable source of supply of cobalt and bismuth that is also strongly leveraged to gold and has very low cash cost for metals net of by-product credits. Cobalt has growing consumption in superalloys and cobalt sulphate needed to manufacture high performance lithium-ion and nickel-metal hydride rechargeable batteries used in portable electronic devices and hybrid-electric cars. NICO also contains 15% of global bismuth reserves, which has growing use as a non-toxic and environmentally safe replacement for lead in a number of important industrial materials as well as other products that leverage its unique properties. The new expanded mineral reserve for the NICO deposit contains approximately 1.1 million troy ounces of gold, which is a countercyclical hedge that can also be used to help finance the project. NICO contains similar in-situ values of gold, cobalt and bismuth co-products, plus by-product copper, depending on metal price assumptions, but gold has the greatest in-situ value at current metal prices. At the FEED Base Case metal price assumptions, NICO contains 3.65 million equivalent ounces of gold for the cobalt metal option and 3.90 million equivalent ounces for the cobalt sulphate option when the values of the other metals are converted into equivalent gold values and then added together with the gold values.

Robin Goad, Fortune's President and CEO commented, "As we approach the end of the Environmental Assessment processes in both the NT and Saskatchewan, completion of this FEED study will allow us to return to Asia with Deloitte to communicate the advantages of this project to potential strategic partners."

Updated Mineral Reserve Highlights:

- **6.5% (2 million tonne) increase in mineral reserves to 33.0 million tonnes;**
- **13.3% reduction in open pit waste to ore strip ratio from 3.4:1 to 3.0:1;**
- **Gold content increased by 178,000 ounces (19.7%) to 1,085,000 troy ounces;**
- **Gold grade increased by 12.1% to 1.02 g/t;**
- **Mine life increased from 18 to 19.8 years, excluding marginal sub-economic material.**

FEED Study Highlights:

- **Base Case pre-tax IRR for cobalt sulphate option of 14.0%;**
- **Base Case pre-tax 7% discounted NPV of \$C 309 million for cobalt sulphate option;**
- **Negative to low cash cost for metals net of by-product credits, including;**
 - **\$US (0.85/lb) for cobalt at Base Case and \$US (1.10/lb) at Current Metal Price Case;**
 - **\$US (13.45/lb) for bismuth at Base Case and \$US (8.20/lb) at Current Metal Price Case and cobalt sulphate option;**
 - **\$US 800.26/equivalent gold oz at Base Case and \$US 943.04/equivalent gold oz at Current Metal Price Case and cobalt sulphate option;**
- **Metal recoveries verified from pilot plants;**
 - **Gold recovery ranges from 56 to 85%, with a 125 m³ block weighted 73.7% average;**
 - **Cobalt recovery of 84%;**
 - **Bismuth recovery of 72%;**
 - **Copper recovery of 41%;**
- **Pre-production capital costs of C\$ 441 million.**

For the NICO FEED study, Jacobs was responsible for most of the plant and ancillary building designs and capital costs, and the process metallurgy. P&E Mining Consultants Inc. ("P&E") updated the geological model and prepared the updated mineral reserve estimates, as well as the mine plan, mining fleet selection, mine operating and capital costs, and production scheduling. Golder Associates Ltd. ("Golder") completed geotechnical engineering, environmental baseline studies and modelling, the design of the water treatment and mine rock and thickened tails co-disposal facilities in the NT, and they are the lead consultants for the environmental assessment ("EA") process in the NT. EBA Engineering Consultants Ltd. completed the NICO site infrastructure geotechnical work and design of the NICO access road. MDH Engineered Solutions Corp. ("MDH") was responsible for the SMPP environmental baseline studies and site geotechnical work, the design of the process residue storage facility and is the lead consultant for the EA review process in Saskatchewan. SGS Lakefield Research Limited ("SGS Lakefield") completed the metallurgical test work and contributed to the SMPP design engineering. Dan Mackie Associates designed the bismuth process building and equipment. A number of additional engineering consultants contributed to specific parts of the grinding, flotation and hydrometallurgical circuit designs and the metal marketing analysis. All of the work was conducted to an accuracy of +/- 15% variance, except for the cobalt sulphate solvent extraction option, which was conducted with an overall accuracy of -10% to +25%. The accuracy of the process up to the cobalt sulphate circuit remains the same as the cobalt metal case. NICO was previously assessed in a positive definitive feasibility study by Micon International Limited that was updated in 2008 (see Fortune news release, dated May 8, 2008), but that is now out of date as a result of changes to the project. The mineral reserves and FEED study confirm project economics and a summary will be compiled in a technical report that will be filed on the SEDAR website (www.sedar.com) within 45 days of this news release.

The NICO deposit is located in the NT, 160 km northwest of the City of Yellowknife and 50 km northeast of the community of Whati. An access road will be constructed that will join a new all-weather road proposed from Whati to the highway at Behchoko, 85 km south of NICO in order to truck concentrates from the mill to Hay River, NT where they will be trans-loaded onto rail for delivery to the

SMPP. Fortune has an option to purchase 194 hectares of lands straddling the Canadian National (“CN”) railway line near Langham, Saskatchewan, 26 km northwest of Saskatoon in order to construct the SMPP.

Updated Mineral Reserves:

NICO is an Iron Oxide Copper-Gold (“IOCG”) class deposit, also commonly referred to as Olympic Dam-type after the dominant “Super Giant” deposit in South Australia that defines this class. Ore is hosted in three, 40-50 degree dipping stratabound lenses of brecciated ironstone up to 1.3 km in length, 550 metres in width and with individual lenses up to 70 metres in true thickness. The recoverable metals are associated with the approximate 5% sulphide fraction consisting primarily of cobaltian arsenopyrite, cobaltite, bismuthinite, chalcopyrite, pyrite and pyrrhotite, as well as native gold and native bismuth.

P&E prepared a new geological block model for the NICO deposit based on 327 drill holes and surface trenches, including 38 new holes drilled in 2010. The mineral reserves were then determined on operating cost net smelter return (“NSR”) cut-off values with revenues determined using metal price assumptions that were more conservative than those used in the economic analysis. The proven and probable mineral reserves are shown in the table below and total 33.0 million tonnes. At the planned mill throughput rate of 4,650 tonnes of ore/day, the mineral reserves will sustain operations for 19.8 years.

In addition to the mineral reserves, only about 100 tonnes of inferred resource was identified in the study and demonstrates that the NICO deposit is determined at a very high confidence level. There is also 5.5 million tonnes of marginal sub-economic material that has been identified and will be mined and stockpiled for processing during periods of higher metal prices. This material has the potential to be processed at a profit and extend the mine life up to an additional 3.2 years.

Underground Mineral Reserves

Class	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	282,000	4.93	0.14	0.27	0.03
Probable	94,000	5.60	0.11	0.19	0.01
Total	376,000	5.09	0.13	0.25	0.02

Open Pit Mineral Reserves

Class	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	20,513,000	0.94	0.11	0.15	0.04
Probable	12,099,000	1.05	0.11	0.13	0.04
Total	32,612,000	0.98	0.11	0.14	0.04

Underground and Open Pit Combined Mineral Reserves

Class	Tonnes	Au (g/t)	Co (%)	Bi (%)	Cu (%)
Proven	20,795,000	0.99	0.11	0.15	0.04
Probable	12,193,000	1.09	0.11	0.13	0.04
Total	32,988,000	1.02	0.11	0.14	0.04
In-Situ Contained Metal		1,085,000 Ounces	82,268,000 pounds	102,053,000 pounds	27,179,000 pounds

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

The geological block model consists of the aggregate of five metre cubed individual blocks with grades assigned by the interpolation of composited assay data using Indicator Kriging. The resource estimate was also verified using Nearest Neighbor interpolation, which generated similar results. The composite database was subjected to geostatistical analysis to limit the influence of grades that were considered statistically anomalous, and established grade caps of 24 grams/tonne (“g/t”) for gold, 0.94% for cobalt, 1.40% for bismuth and 0.71% for copper. The mineral reserve estimates were prepared by Eugene Puritch, P.Eng., Fred H. Brown, CPG PrSciNat, and James L. Pearson, P.Eng. of P&E, who are the Qualified Persons responsible for the updated mineral reserves as defined by NI 43-101.

Economic Analysis:

The internal rate of return (“IRR”), and 7% and 5% discounted net present value (“NPV”) for the NICO project have been determined for a variety of commodity price and U.S. dollar (“\$US”) to Canadian dollar (“C\$”) exchange rate cases, and also for two separate cobalt product options, including metal and sulphate. The flow sheet for both options is similar, except for the use of electro-winning or solvent extraction followed by crystallization, to precipitate the metal or sulphate product, respectively and it is therefore conceivable that both products could also be produced concurrently. The Base Case and Escalated Metal Price Case metal price assumptions were established from a marketing report prepared by Skybeco Inc. The Current Metal Price Case and 3-Year Trailing Average Metal Price Case use metal prices that were obtained from Metals Bulletin and Kitco as at May 31, 2012. These cases reflect the currently low prices for cobalt in the economic analysis. The Skybeco report and Company marketing information were used to support the average 22% premium price for cobalt sulphate over high grade cobalt metal cathode. The Escalated Metal Price Case and Optimistic Metal Price Case use a par U.S. to Canadian dollar exchange rate. Notably, the NICO project demonstrates robust economics in a strong commodity price environment, particularly for the cobalt sulphate option, and also generates positive NPV at low metal prices. The significant increase in NPV when the discount rate is lowered to 5% is indicative of the higher project revenues in later years of production that are impacted more by the higher 7% discount rate for all cases.

NICO Economics

Metal Price & Exchange Rate Case	Cobalt Metal Option						Cobalt Sulphate Option					
	Pre-Tax			After Tax			Pre-Tax			After Tax		
	IRR %	\$M NPV (7%)	\$M NPV (5%)	IRR %	\$M NPV (7%)	\$M NPV (5%)	IRR %	\$M NPV (7%)	\$M NPV (5%)	IRR %	\$M NPV (7%)	\$M NPV (5%)
Base Case Prices	10.8	164.5	293.2	9.6	101.0	207.1	14.0	308.5	466.0	12.4	212.6	338.7
3-yr Trailing Average Prices	7.4	17.1	114.6	6.6	(15.3)	69.0	10.5	146.8	270.0	9.3	86.7	188.4
Current Prices	7.1	2.1	99.7	6.2	(30.6)	53.4	9.6	109.5	228.2	8.5	57.6	156.8
Escalated Prices	13.9	315.2	477.8	12.3	214.9	344.7	17.1	467.1	660.1	15.2	332.4	483.7
Optimistic Prices	18.3	539.5	749.8	16.3	387.5	551.3	21.6	707.0	951.1	19.3	514.5	702.3

Base Case Price assumptions are US\$1,450/troy ounce (“oz”) for gold, US\$20/pound (“lb”) for cobalt, US\$11/lb for bismuth and US\$3.50/lb for copper at an exchange rate of US\$ 0.95 = C\$ 1. The 3-year Trailing Average Prices Case are as at May 31, 2012 and are US\$1,359.94/oz for gold, US\$18.53/lb for cobalt, US\$9.83/lb for bismuth and US\$3.51/lb for copper and an exchange rate of US\$ 0.98 = C\$ 1. The Current Price Case uses prices as at May 31, 2012 and are US\$1,558.00/oz for gold, US\$15.23/lb for cobalt, US\$10.55/lb for bismuth and US\$3.40/lb for copper and an exchange rate of US\$ 0.97 = C\$ 1. The Escalated Price Case uses metal price assumptions of US\$1,800.00/oz for gold, US\$22.50/lb for cobalt, US\$12.50/lb for bismuth and US\$4.00/lb for copper and an exchange rate of US\$ 1 = C\$ 1. For the Optimistic Price Case uses US\$2,000.00/oz for gold, US\$25.00/lb for cobalt, US\$15.00/lb for bismuth and US\$4.50/lb for copper at an exchange rate of US\$ 1 = C\$ 1. Mr. Alexander Duggan, P.Eng. and Mr. Graham Peter Holmes, P.Eng. of Jacobs are the Qualified Persons for Jacobs and Mr. Eugene Puritch, P.Eng. is the Qualified Person responsible for the work by P&E under NI 43-101.

The following table shows the projected average annual metal production for each of NICO’s component commodities.

Average Metal Production

	Average Metal Production						
	Gold (oz)	Cobalt		Bismuth		Copper	
		(lbs)	(tonnes)	(lbs)	(tonnes)	(lbs)	(tonnes)
Average Annual	40,500	3,473,586	1,576	3,681,824	1670	559,397	254
LOM Total	800,091	69,471,715	31,512	73,636,474	33,401	11,187,946	5,079

The cash cost net of by-product credits for gold, cobalt and bismuth were determined for several of the metal price cases and are shown in the table below. Notably, the cash costs per pound of cobalt and bismuth net of by-product credits are negative, except for the 3-Year Trailing Average Metal Price case for cobalt, which has a very low \$2.03/lb cash cost net of by-product credits. This demonstrates that NICO has very low operating costs for all metals net of by-product credits and that after capital has been repaid, operations can be sustained during periods of very low metal prices and volatility.

Cash Cost Net of By-Product

Metal Price Case	Gold \$US/equivalent oz		Cobalt \$US/lb	Bismuth \$US/lb	
	Cobalt Metal	Cobalt Sulphate		Cobalt Metal	Cobalt Sulphate
	Base Case	872.23	800.26	(0.85)	(9.08)
3-Year Trailing Average	877.10	804.51	2.03	(5.92)	(9.86)
Current	1,013.41	943.04	(1.10)	(4.96)	(8.20)
Escalated	940.89	865.86	(4.58)	(13.05)	(17.72)

The capital costs for the NICO project were determined by the engineering companies that were responsible for their respective components of the study and totals \$441 million for the first 2 years of the project, including all direct and indirect costs and contingencies. The underground mining fleet is assumed to be provided by contracted service and the cost of the equipment is built into the operating costs for the underground part of the mine. The open pit mine fleet is planned to be sourced under a lease purchase from the supplier and therefore only the deposit is included in project capital, whereas most of the cost of this equipment is built into the open pit mining costs. Payback of capital is 6.3 years for the Base Case cobalt sulphate option.

Summary of Capital Costs

Site Location	Capital Cost Amount
NICO Site	C\$ 210,163,953
SMPP Site	C\$ 230,357,274
Total Direct / Indirect & contingencies	C\$ 440,521,228
Sustaining Capital LOM	C\$ 113,588,383

The life of mine ("LOM") average operating costs for the NICO project are shown in the table below.

Summary of Operating Costs

Activity	Unit Costs
Open Pit Mining	C\$ 2.17/tonne of rock mined
Open Pit Mining Including Stripping	C\$ 8.67/tonne of ore processed
Underground Mining	C\$ 99.34/tonne of rock mined
Average LOM Mining Cost	
Processing (includes milling, transportation & refining)	C\$ 43.91/tonne of ore processed
General and Administrative Costs / Shared Services / Camp	C\$ 8.36/tonne of ore processed
Total Costs LOM	C\$ 61.97/tonne of ore processed

Mining:

NICO is planned to be mined primarily by open pit methods with underground ores contributing 22% of the mill feed during the second year of operations. The open pit part of the mine will be a conventional truck and shovel / loader operation, accomplished in four phases at an average waste to ore strip ratio of 3.0:1. The underground portion of the mine will be mined by retreat blasthole open stoping using a contractor and provides access to gold-rich, higher grade ores. Notably, most of the underground pre-production development work for the underground part of the mine has previously been constructed from the test mining programs that were conducted in 2006 and 2007 at a total cost of approximately \$20 million.

Processing:

The NICO ore will be processed in two stages at the NICO site and SMPP, respectively. At the NICO site, 4,650 dry tonnes per day (average) of ore will be processed in a crushing, grinding and flotation concentrator to produce approximately 180 tonnes of wet bulk concentrate per day. The high concentration ratio (low mass pull) of NICO ores is a significant economic attribute to the deposit, which allows the Company to transport a high-value concentrate to southern Canada where significant process cost savings can be achieved. Some of the crushing, grinding and other equipment that will be required at NICO has already been purchased by Fortune from its acquisition of the Golden Giant Mine mill at Hemlo, Ontario that has already been dismantled and is in storage awaiting relocation. This equipment is treated as a sunk cost in the capital cost estimate.

The NICO bulk concentrate will be bagged and transported by truck to Hay River, NT for transfer to rail and delivery to the Company's proposed SMPP on the CN main line near Saskatoon. At the SMPP, the bulk concentrate will undergo additional grinding and flotation to produce separate gold-bearing cobalt and bismuth concentrates. The cobalt concentrate will be processed by pressure acid leach in an autoclave to dissolve the metals. The pregnant solution that is produced will then be treated with lime sequential neutralization to remove impurities and then sodium carbonate to precipitate cobalt carbonate. This carbonate is re-leached in sulphuric acid to produce cobalt sulphate solution, which is then purified further by ion exchange and the cobalt precipitated using electro-winning to cobalt cathode that is 99.8% purity. Alternatively, the cobalt that is present as a sulphate in solution can be processed further by solvent extraction to remove metal impurities followed by crystallization to generate 20.9% cobalt sulphate heptahydrate crystals. Copper that is removed from the cobalt solution during neutralization is re-leached in acid and is then precipitated onto iron fines as a copper metal precipitate or "cement". The bismuth concentrate is treated by atmospheric acid leach, followed by electro-winning to produce 99.5% bismuth cathode, which is then melted and poured to make 99.99% bismuth ingots. The bismuth leach residue is fed into the autoclave together with the cobalt concentrate and gold is recovered from the combined leach residue using cyanide and then precipitated by Merrill Crowe process followed by melting to pour gold doré bars. The process flow sheet, production of high value metal products and metal recoveries have all been verified in three pilot plants as well as laboratory scale test work that was carried out at SGS Lakefield in Lakefield, Ontario between 1997 and 2012.

The decision to move the downstream processing of metals to Saskatchewan was driven primarily by the availability of lower cost power and the proactive support of the Government of Saskatchewan, which has also passed attractive tax legislation to encourage processing of raw materials that have been sourced from outside of the province. The location near Saskatoon also provides access to rail, as well as proximity to the Trans-Canada Highway, natural gas, lime and other reagents, and a skilled labour pool of engineers and process plant workers.

Commodities:

The NICO deposit contains similar in-situ values of gold, cobalt and bismuth co-products, depending on the metal price assumptions being used, plus by-product copper. The gold contained in the deposit is about 1.1 million in-situ ounces and at current metal prices, is the dominant metal in the deposit. The gold contained in the NICO deposit is a highly liquid product that mitigates project risk from cobalt and bismuth price volatility and can also be used as an attractive financing option to develop the project.

Cobalt is a high strength magnetic metal used to make steel alloys and chemicals. Metallic uses include superalloys for the aerospace industry to make power and jet engine turbines, cutting tools and cemented carbides used to machine steel, and electromechanical devices such as magnets, electric motors, generators, transformers and magnetic storage tape and hard disks. The most important factor contributing to the growth in demand for cobalt is its use in chemicals, and particularly for the manufacture of high performance lithium-ion and nickel-metal hydride rechargeable batteries used in portable electronic devices such as cellular telephones and computers and in plug-in and hybrid-electric cars. Cobalt sulphate heptahydrate is preferred by many battery manufacturers for this purpose and sells for an approximate 22% premium over 99.8% specification high grade cobalt metal cathodes. Cobalt chemicals are also used to make catalysts for petroleum refining and to manufacture plastics. They are also used as pigments and as the source of Vitamin B12. The cobalt market is approximately 82,000 tonnes per year and has had average annual growth of approximately 8% per year over the past 10 years. More than 50% of the current cobalt supply is mined in the Democratic Republic of the Congo and 12% from Zambia, which are politically unstable countries. Significant cobalt is also mined from nickel-cobalt laterite deposits, which have much higher capital and processing costs relative to sulphide deposits such as NICO, which is also planned to be reliable Canadian-based supplier.

Bismuth is a soft metal with very high density and low melting temperature, and is scientifically recognized as one of the safest elements for human consumption. This, together with antibacterial properties, is why bismuth is used in pharmaceuticals and medicines, including Pepto-bismol®, bandage dressings, cosmetics, and some medical devices. The physical properties of bismuth are otherwise similar to lead, but unlike lead, bismuth is not toxic and is therefore used to replace lead in paint pigments, free-machining steel, galvanizing alloys, ceramic glazes, radiation shielding, ammunition, greases, plumbing solders and brasses, and electronics solders. Many of these new applications result from legislation that has banned the use of lead, particularly in potable water plumbing sources in developed countries as well as electronics in the European Union. Bismuth is also one of the few elements that expand when cooled making it important in the manufacture of dimensionally stable alloys and compounds, including metal castings and coatings that could crack from shrinkage during cooling such as automotive anti-corrosion alloys electro-plated on premium automobiles and galvanizing. Bismuth is also used for frit coatings on automotive glass to protect windshield seals from degradation from exposure to ultraviolet radiation and changing temperatures. Some super conductors, fire sprinkler systems, fire retardants, compact discs, and heat transfer alloys used to generate electricity all use bismuth. The bismuth market is between 15,000 and 20,000 tonnes, with 70% of the supply currently sourced from China. Demand is growing primarily due to concerns for the environment and lead-toxicity and also to take advantage of bismuth's unique physical properties.

The NICO project is in the latter stages of the EA review processes to permit the mine and concentrator in the NT and the SMPP in Saskatchewan. For the mine and concentrator, public hearings are scheduled to start in late July, following which the Mackenzie Valley Review Board will prepare its report of the EA and make its recommendation to the Minister of Aboriginal Affairs and Northern Development Canada for his approval. Fortune is set to submit its addendum to the Environmental Impact Statement ("EIS") that will address questions submitted by the Saskatchewan

Environmental Assessment Branch (“SEAB”). The EIS and addendum will then be posted for public comment, followed by SEAB’s recommendation to the Minister.

About Fortune Minerals:

Fortune is a diversified resource company with several mineral deposits and a number of exploration projects, all located in Canada. The Company is focused on the development of the Mount Klappan anthracite metallurgical coal deposits in British Columbia and the NICO gold-cobalt-bismuth-copper deposit in the NT. As part of the development of the NICO deposit, Fortune is developing the SMPP in Saskatchewan to process NICO concentrates to high value metal products. The Company has acquired and dismantled equipment from the Golden Giant Mine at Hemlo, Ontario for relocation to NICO. In addition, the Company owns the Sue-Dianne copper-silver-gold deposit and other exploration projects in the NT. Fortune is focused on outstanding performance and growth of shareholder value through assembly and development of high quality mineral resource projects.

For further information please contact:

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This press release contains forward-looking information. This forward-looking information includes statements with respect to, among other things, proposed development of the NICO project, the proposed development of the SMPP, the anticipated production and recoveries of metals from the NICO project and the anticipated sale of products from the NICO project. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and 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 inherent volatility of metal prices, the risk that the Company may not be able to arrange the necessary financing to construct and operate the NICO mine and the SMPP, uncertainties with respect to the receipt or timing of required permits for the development of the NICO project and the SMPP, the possibility of delays in the commencement of production from the NICO project and construction of the SMPP, the risk that actual production and recoveries of metals from the NICO project may not be consistent with test results, the possibility that the Company may not be able to secure supply contracts with users of products generated from the NICO project and other factors. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.



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July 5, 2012

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Schedule "A" NEWS RELEASE

FORTUNE MINERALS REPORTS CORRECTION TO OPERATING CASH COSTS FOR GOLD EQUIVALENT OUNCES AND METALS NET OF BY-PRODUCTS FOR PREVIOUSLY REPORTED NICO FEED STUDY

Fortune Minerals Limited (TSX-FT) (OTCQX-FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) announces corrections to the operating cash costs for metals net of by-product credits and for gold equivalent ounces that were reported in its July 2, 2012 news release that announced the results of the Front End Engineering and Design ("FEED") study for its 100% owned NICO gold-cobalt-bismuth-copper project. NICO is a planned vertically integrated project consisting of an open pit and underground mine and mill near Yellowknife in the Northwest Territories ("NT") and a hydrometallurgical refinery near Saskatoon, the Saskatchewan Metals Processing Plant ("SMPP"), where Fortune will process concentrates from the mill to high value metal products. Fortune plans to be a reliable Canadian-based producer of gold doré, 99.8% cobalt cathode ("cobalt metal") and/or cobalt sulphate heptahydrate, containing 20.9% cobalt ("cobalt sulphate"), 99.99% bismuth ingot, and a copper metal precipitate.

The cash costs net of by-products and gold equivalent ounces that were reported in the July 2 news release had minor errors due to application of currency exchange rate assumptions and adjustments to the sale price of copper to reflect a discounted copper precipitate product. In addition, what was shown in the release as the cash cost for gold net of by-products was in fact the cash cost for gold equivalent ounces, the former being significantly lower and economically more attractive than what was previously reported. NICO has very low operating costs for all metals net of by-product credits. The cash costs net of by-products and gold equivalent ounces were calculated subsequently to, and independently from, the FEED internal rates of return ("IRRs") and net present values ("NPVs") reported for the project at various metal price and currency exchange rate assumptions, and accordingly the IRRs and NPVs remain the same as reported July 2. The correct operating cash costs for gold, cobalt and bismuth are shown in the table below.

Operating Cash Costs

	Cash Cost Equivalent Gold Oz		Cash Cost Net of By-Product Credits				
	Gold		Gold		Cobalt \$US/lb	Bismuth	
	\$US/equivalent oz		US\$/oz			\$US/lb	
Metal Price Case & Cobalt Product Option	Cobalt Metal	Cobalt Sulphate	Cobalt Metal	Cobalt Sulphate		Cobalt Metal	Cobalt Sulphate
Base Case	831.30	762.50	(356.70)	(738.75)	(0.81)	(8.63)	(12.78)
3-Year Trailing Average	859.94	788.54	(77.23)	(431.20)	1.98	(5.79)	(9.63)
Current	990.44	921.45	142.52	(148.42)	(1.07)	(4.83)	(7.99)
Escalated	943.87	868.38	(551.70)	(981.51)	(4.58)	(13.05)	(17.72)

Base Case Price assumptions are US\$1,450/roy ounce ("oz") for gold, US\$20/pound ("lb") for cobalt, US\$11/lb for bismuth and US\$3.50/lb for copper at an exchange rate of US\$ 0.95 = C\$ 1. The 3-year Trailing Average Prices Case are as at May 31, 2012 and are US\$1,359.94/oz for gold, US\$18.53/lb for cobalt, US\$9.83/lb for bismuth and US\$3.51/lb for copper and an exchange rate of US\$ 0.98 = C\$ 1. The Current Price Case uses prices as at May 31, 2012 and are US\$1,558.00/oz for gold, US\$15.23/lb for cobalt, US\$10.55/lb for bismuth and US\$3.40/lb for copper and an exchange rate of US\$ 0.97 = C\$ 1. The Escalated Price Case uses metal price assumptions of US\$1,800.00/oz for gold, US\$22.50/lb for cobalt, US\$12.50/lb for bismuth and US\$4.00/lb for copper and an exchange rate of US\$ 1 = C\$ 1. Mr. Alexander Duggan, P.Eng. and Mr. Graham

Peter Holmes, P.Eng. of Jacobs are the Qualified Persons for Jacobs and Mr. Eugene Puritch, P.Eng. is the Qualified Person responsible for the work by P&E under NI 43-101.

About Fortune Minerals:

Fortune is a diversified resource company with several mineral deposits and a number of exploration projects, all located in Canada. The Company is focused on the development of the Mount Klappan anthracite metallurgical coal deposits in British Columbia and the NICO gold-cobalt-bismuth-copper deposit in the NT. As part of the development of the NICO deposit, Fortune is developing the SMPP in Saskatchewan to process NICO concentrates to high value metal products. The Company has acquired and dismantled equipment from the Golden Giant Mine at Hemlo, Ontario for relocation to NICO. In addition, the Company owns the Sue-Dianne copper-silver-gold deposit and other exploration projects in the NT. Fortune is focused on outstanding performance and growth of shareholder value through assembly and development of high quality mineral resource projects.

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This press release contains forward-looking information. This forward-looking information includes statements with respect to, among other things, proposed development of the NICO project, the proposed development of the SMPP, the anticipated production and recoveries of metals from the NICO project and the anticipated sale of products from the NICO project. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and 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 inherent volatility of metal prices, the risk that the Company may not be able to arrange the necessary financing to construct and operate the NICO mine and the SMPP, uncertainties with respect to the receipt or timing of required permits for the development of the NICO project and the SMPP, the possibility of delays in the commencement of production from the NICO project and construction of the SMPP, the risk that actual production and recoveries of metals from the NICO project may not be consistent with test results, the possibility that the Company may not be able to secure supply contracts with users of products generated from the NICO project and other factors. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.