

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

Year ended December 31, 2024

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 March 31, 2025 and should be read in conjunction with the Company's Annual Audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2024, 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

	2024	2023	2022
Revenue and Other Income	171,001	12,270	7,861
Net loss from continuing operations	(3,608,045)	(2,850,574)	(2,544,165)
Basic loss per common share	(0.01)	(0.01)	(0.01)
Fully diluted loss per common share	(0.00)	(0.01)	(0.01)
Total assets	4,815,025	1,560,845	898,080
Debt – current	10,278,992	9,274,663	7,976,943
Debt – non-current	—	—	60,000

Revenue and other income has increased over the three-year period as a result of recognizing flow through share premium in 2023 and 2024 as eligible expenditures are renounced. The net loss from continuing operations has increased year over year primarily due to an increase in exploration and evaluation expenditures. Total assets have increased year over year, mainly due to and increase in deposits made on capital assets related to the proposed hydrometallurgical facility in Alberta. The maturity of the current debt has been extended to December 31, 2025, the increase year over year is due to accrued interest which is payable at maturity.

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:

	2024				2023			
	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31	Sept-30	Jun-30	Mar-31
Revenue and Other Income	48,624	1,994	99,870	20,513	4,193	4,858	1,856	1,363
Net loss	(1,619,313)	(301,130)	(1,064,676)	(622,926)	(533,821)	(973,861)	(656,168)	(686,724)
Basic and fully diluted loss per common share⁽¹⁾	—	—	—	—	—	—	—	—

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, 2024 in support of corporate financing initiatives and the advancement and permitting for its wholly-owned, vertically integrated NICO cobalt-gold-bismuth-copper Critical Minerals project in Canada ("NICO Project"). The NICO Project consists of a planned open pit and underground mine and concentrator ("NICO Mine") in the Northwest Territories ("NWT") and a related hydrometallurgical processing facility ("Hydromet Facility") that the Company will construct in Lamont County, Alberta:

- At the end of 2023, Fortune announced that it had received contribution funding commitments totaling ~C\$890,000 from Natural Resources Canada ("NRCan") and Alberta Innovates through their Critical Minerals Research Development and Demonstration ("CMRDD") and Clean Resources Continuous Intake programs, respectively. These funds were awarded to support metallurgical test work and piloting of NICO ores to validate recent process optimizations and to provide more detailed information needed for the process design criteria for the concentrator and Hydromet Facility.
- In Q1, 2024, approximately 15 metric tonnes of NICO ores were collected from stockpiles at the mine site and transported to SGS Canada Inc. ("SGS") in Lakefield, Ontario for metallurgical testing.
- In Q2, 2024, the samples were crushed, ground and subjected to flotation concentration at SGS to produce cobalt and bismuth concentrates for hydrometallurgical tests and piloting. The hydrometallurgical parts of the piloting program are still in progress at SGS.
- On May 16, 2024, Fortune announced that it had been awarded a grant of US\$6,380,555 from the United States ("U.S.") Department of Defense ("DoD") pursuant to the Defense Production Act Title III program to expand the domestic capacity and production of cobalt for the battery and high strength alloy supply chains. The funds are being provided to support work in four focus areas needed to advance the NICO Project to a project finance decision. This work includes (i) completing metallurgical tests for cobalt and bismuth process design criteria; (ii) completing an updated Feasibility Study based on the new Alberta Hydromet Facility site, new Tlichio Highway and other recent project optimizations; (iii) securing the remaining authorizations, for construction and operation of the NICO mine and concentrator in the NWT, preparation of management plans, and completion of Indigenous Participation Agreements; and (iv) securing the permits needed to construct and operate the Hydromet Facility in Alberta.
- On May 16, 2024, Fortune also announced that it had secured additional funding from the Government of Canada ("GOC") through a contribution agreement for up to \$7.5 million through NRCan's Global Partnerships Initiative ("GPI") program. These funds will be used to support 75% of the costs for the following work: (i) expanding the test work program to assess NICO Project feed source variability and also blending of intermediates produced by Rio Tinto from Kennecott Smelter wastes in Utah with NICO Project process streams; (ii) completing Feasibility Study sensitivity analysis of engineering and the economic impacts of blending Rio Tinto feed sources; and (iii) completing a Front-End Engineering and Design ("FEED") Study.
- On May 21, 2024, the Company entered into a convertible security funding agreement ("Convertible Security") for an initial principal amount (the "First Tranche") of \$1,250,000 as part of an up to \$10,000,000 convertible securities facility. As part of the initial drawdown, the Company issued Lind Global Fund II, LP ("Lind") a Convertible Security with a face value of \$1,600,000, representing a principal amount of \$1,250,000 and an interest amount of \$350,000. The First Tranche is due two years from the date of issuance and matures on May 21, 2026. The First Tranche is secured by a lien against the Company's assets and bears interest at 14% per annum. Additional drawdowns can be made and are subject to the agreement of both parties. Most of the proceeds from the first drawdown were used to make a \$1 million downpayment on the brownfield site in Lamont County to extend the 2022 Option to June 28, 2024.
- On August 1, 2024, Fortune entered into a new option agreement (the "2024 Option") with JFSL to purchase the brownfield site in Lamont County, Alberta for the NICO Project Hydromet Facility. Pursuant to the 2024 Option, Fortune can acquire the site for \$6,000,000 prior to the end of November 2025, provided it makes monthly option payments of \$100,000. The monthly option payment and the deposits of \$1,437,500 previously paid by Fortune are deductible from the purchase price.
- Fortune has retained Worley Canada Services Ltd. ("Worley") to conduct additional engineering and lead the preparation of an updated Feasibility Study for the NICO Project. Worley is also retained to help permit the Hydromet Facility. This work will be partially funded through the DoD grant awarded on May 16, 2024.
- On December 23, 2024, the Company drew down an additional \$1,575,000 (the "Second Tranche") from its Convertible Security with Lind. The Second Tranche has a face value of \$1,890,000, representing a principal amount of \$1,575,000 and an interest amount of \$315,000. The Second Tranche is due two years from the date of issuance and matures on December 23, 2026. The Second Tranche is secured by a lien against the Company's assets and bears interest at 10% per annum. The proceeds from the Second Tranche will be used for general working capital purposes and to fund some of the government supported work on the NICO Project.

- 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 NICO Mineral Resource model, engineering, mining, 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.

OVERVIEW

Fortune's vision is to become a leading developer, miner, processor and refiner of Critical Minerals needed for the energy transition, new technologies and defense, together with gold and other by-products contained in the Company's mineral deposits. Supporting the vision is Fortune's mission to profitably produce technology 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 and the Company has spent approximately \$140 million advancing this in-house mineral discovery to a near construction ready development asset.

The Canadian and 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 important industrial and defense applications, cannot be easily substituted by other minerals, and their supply chains are vulnerable to disruption from geopolitical risks such as geographic concentration of production, political instability and/or sources of supply in jurisdictions that are unfriendly to western democracies or, have environmental-social-governance ("ESG") issues that are not aligned with western standards or values. Cobalt, bismuth and copper are identified as Critical Minerals by the U.S., European Union ("E.U.") and Canadian governments.

On April 7, 2022, the GOC announced \$3.8 billion of financial support for domestic production of Critical Minerals in its 2022 Budget. Cobalt, nickel and lithium are a priority for this support because of their use in lithium-ion rechargeable batteries to store power in electric vehicles ("EV")'s, portable electronics and stationary storage cells.

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 test work, engineering and permitting for the planned development as well as identifying future sources of development capital. The NICO Project comprises a proposed open pit and underground mine and concentrator in the NWT, with a dedicated Hydromet Facility that would be constructed in Lamont County, Alberta where concentrates from the mine, and other feed sources, would be processed to value-added products. The Alberta site is brownfield and has the requisite planning approvals in place for industrial operations as well as 42,000 square feet of serviced shops and buildings to materially reduce capital costs for the planned development. The Company entered into a revised option agreement with the vendor (JFSL) in 2024 ("the 2024 Option") in respect of acquiring this site.

In 2014, a Feasibility Study (the "2014 Feasibility Study") assessing the economics for the NICO Project prepared by Micon International Limited ("Micon") and is summarized in a Technical Report, dated May 5, 2014 and entitled "*Technical Report on the Feasibility Study for the NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada*" (the "Technical Report") and a summary is filed on the SEDAR+ website. Fortune has been investigating a number of opportunities to optimize the NICO Project to produce a more financially robust project and will be included in a new Feasibility Study by Worley and an updated Technical Report by Micon. They include:

- A new Mineral Resource model was developed with a more constrained mineralization wireframe boundaries to reduce internal and external modeling dilution and better differentiate higher grade resource blocks for earlier processing;
- The new model also identified additional high-grade drill intercepts that were not included in the previous Mineral Resource estimates and extended the wireframe boundaries to surface where the deposit is known to outcrop, reducing near-surface waste rock stripping;

- A new Mine Plan and Production Schedule has been prepared based on the new Mineral Resource model with a focus on earlier processing of high margin ores, additional high-grade underground ore mining, and a stockpiling strategy to defer processing of low margin ores;
- The Company is reviewing its equipment selection and has prepared tradeoff studies with Worley, replacing cone crushers and the ball mill with high pressure grinding rolls and vertical stir mill comminution to mitigate escalation of capital and operating costs;
- The completion of the new Tlicho Highway in the NWT, which will enable the Company to eliminate redundant facilities and accelerate the construction schedule;
- A new rail terminal in Enterprise, NWT to reduce trucking costs;
- The new brownfield Hydromet Facility site in Lamont County, Alberta, which has buildings and equipment to reduce capital costs and proximity to the human resources, reagents and services to reduce capital and operating costs
- Modifications to simplify the bismuth circuits at the Hydromet Facility and increase metal recoveries;
- The potential for sequential precipitation of gypsum to simplify the cobalt and copper circuits at the Hydromet Facility and potentially produce a by-product to increase revenues and/or reduce waste disposal costs.

Fortune has experienced personnel focused on advancing the NICO Project towards commercial production, while also minimizing the risks associated with its planned development. Fortune is committed to developing the NICO 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 and potential investment. The Company is also engaged with Canadian governments to access pools of capital available for Critical Minerals development related to enabling infrastructure, process innovation, Indigenous participation and construction.

The increasing demand for lithium-ion batteries needed to store energy in EV's, portable electronics and stationary storage cells, together with government concerns over the reliability of the current supply chains for Critical Minerals are expected to support strong Critical Minerals prices needed to enable the successful development of the NICO Project. Bismuth consumption is also increasing in the automotive, alloys, and pharmaceutical industries and there is also growing demand as non-toxic and environmentally safe replacement for lead in alloys and chemicals. There are also new applications for bismuth in plugging decommissioned oil and gas wells to prevent greenhouse gas leakage, blowouts and subsurface water contamination, manganese-bismuth magnets, radiation shielding and nuclear coolants, semiconductors and weapons systems. The NICO Project will also produce an important highly liquid and countercyclical gold co-product to help mitigate Critical Mineral price volatility as well as copper 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 in the Democratic Republic of the Congo and China.

RESULTS OF OPERATIONS

Summary

The Company's net loss for the three and twelve months ended December 31, 2024 was \$1,619,313 and \$3,608,045, respectively, or \$Nil and \$0.01 per common share, respectively, compared to a net loss of \$533,821 and \$2,850,574 or \$Nil and \$0.01 per common share, respectively, for the same periods in the prior year. The change year over year is primarily due to a decrease in interest expense and stock-based compensation, offset by an increase in exploration and evaluation expenditures, an increase in change in fair value and amortization of deferred day 1 loss related to the convertible security and an increase in interest and other income.

Revenue and Other Income

Revenue and other income increased in 2024 to \$48,624 and \$171,001 for the three and twelve months ended December 31, 2024, respectively, compared to \$4,193 and \$12,270 for the same periods in the prior year. The increase is primarily the result of a recognition of flow-through share premium income and an increase in interest income earned on cash and cash equivalent.

Expenses

Expenses, excluding gain on modification of debt, change in fair value of convertible security and amortization of deferred day 1 loss of convertible security, increased in 2024 to \$1,657,364 and \$3,693,581 for the three and twelve months ended December 31, 2024, respectively, compared to \$663,393 and \$2,988,223, respectively, for the same period in the prior year.

The increase year over year is primarily attributable to an increase in exploration and evaluation expenditures offset by a decrease in interest expenses related to interest accrued on the Company's debts as a result of the debt being modified in the prior year at a lower effective interest rate and stock based compensation related to an option grant in the prior year.

The change in modification of debt is due to the maturity date of the debt being extended from December 31, 2024 to December 31, 2025 effective September 30, 2024.

The change in fair value of convertible security and amortization of deferred day 1 loss of convertible security relates to the change in value from the time of issuance in May 2024 and December 2024, for the First and Second Tranche, respectively, to December 31, 2024 and recognition of the deferred loss for the period.

Deferred Taxes

The Company has not recognized a net deferred income tax recovery or provision for the three and twelve months ended December 31, 2024 and 2023. During the twelve months ended December 31, 2024, recognition of (i) \$956,000 from the estimated tax loss resulted in a tax recovery which was offset by a tax provision of (i) \$530,000 for a loss carryforward not recognized; (ii) \$393,000 for flow-through renunciation; and (iii) \$33,000 for non-deductible stock-based compensation and other expenses.

During the same period in 2023, recognition of \$756,000 from the estimated tax loss resulted in a tax recovery which was offset by: (i) a tax provision of \$380,000 for a loss carryforward not recognized; (ii) \$355,000 for other; and (iii) \$21,000 for non-deductible stock-based compensation and other expenses.

During the three months ended December 31, 2024, recognition of (i) \$429,000 from the estimated tax loss; and (ii) \$96,000 for a loss carryforward not recognized resulted in a tax recovery which was offset by a tax provision of (i) \$393,000 for flow-through renunciation; and (ii) \$132,000 for non-deductible stock-based compensation and other expenses. During the same period in 2023, recognition of \$229,000 from the estimated tax loss; and (ii) \$246,000 for a loss carryforward not recognised resulted in a tax recovery which was offset by a tax provision of (i) \$355,000 for other; and (ii) \$120,000 for non-deductible stock-based compensation and other expenses.

A valuation allowance of \$140,115,000 has been recognized related to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Cash Flow

Cash provided in operating activities during the three and twelve months ended December 31, 2024 was \$462,039 and \$186,522, respectively, compared to cash used of \$239,800 and \$1,233,793, respectively, for 2023. The decrease in use of cash in operating activities year over year is mainly attributed to an increase in exploration and evaluation expenditures as discussed above in "Expenses" offset by proceeds received and receivable from government grants.

Cash used in investing activities was \$305,644 and \$1,603,784 respectively, for the three and twelve months ended December 31, 2024 compared to \$26,503 and \$138,497, respectively, for the same periods in 2023. This increase is related primarily to an increase in amounts paid pursuant to the expired 2022 Option and the new 2024 Option.

Cash provided by financing activities for the three and twelve months ended December 31, 2024 was \$1,498,500 and \$2,709,000, respectively, compared to \$893,500 and \$1,993,778 for the three and twelve months ended December 31,

2023, respectively. The difference year over year is primarily a result of the receipt of proceeds from a convertible security in 2024 compared to proceeds on issuance of units in 2023.

Below is a summary of Common Shares issued and net cash proceeds from financing activities for the years ended December 31, 2024 and 2023:	2024		2023	
	Shares/Warrants Issued	Shares/Warrants Issued	Shares/Warrants Issued	Shares/Warrants Issued
	#	\$	#	\$
Common shares issued during the year				
Private offerings	—	—	39,892,356	1,784,077
Exercise of Convertible Securities ⁽¹⁾	11,875,408	—	—	—
Exercise of Options	—	—	—	—
Share issuance costs	—	—	—	(139,127)
Total	11,875,408	—	39,892,356	1,644,950
Average proceeds per share issued		—		0.04
Warrants issued during the year				
Private offerings	—	—	28,015,356	280,023
On Issuance of Convertible Securities	28,838,174	—	—	—
Share issuance costs	—	—	—	(29,552)
Total	28,838,174	—	28,015,356	250,471
Average proceeds per warrant		—		0.01
Cash Proceeds from Financing Activities Net		—		1,895,421

⁽¹⁾ The Convertible Securities can be converted to common shares of the Company at a rate of no more than 1/24th of the face value of the Convertible Security in any given month and at a price per share equal to 80% of the volume weighted average price ["VWAP"] per share for the five consecutive trading days immediately prior to the conversion date. Lind shall have the right at any time to increase the conversion limit to up to \$900,000 or \$250,000 per month, for the First Tranche and Second Tranche, respectively, providing that increased amount does not exceed 20% of the aggregate trading volume of the shares for the immediately preceding 20 days.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, Fortune had cash and cash equivalents of \$1,592,329 and negative working capital of \$13,506,564 compared to \$673,635 and negative working capital of \$8,957,205, respectively, for the prior year. The change in negative working capital is a result of the debt maturity date being extended from December 31, 2024 to December 31, 2025, the issuance of convertible securities and deferred government grants.

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 2025 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.

On May 10, 2024, the Company drew down an additional \$100,000 on one of its secured loans. On May 21, 2024, the Company entered into a Convertible Security for a First Tranche of \$1,250,000 and a potential additional amount of up to \$10,000,000 of convertible securities. Pursuant to the agreement, the Company issued a convertible security with a face value of \$1,600,000, representing a principal amount of \$1,250,000 and an interest amount of \$350,000. The First Tranche is due two years from the date of issuance and matures on May 21, 2026. The First Tranche is secured by a lien against the Company's assets and bears interest at 14% per annum. The First Tranche includes covenants typical and customary for secured convertible securities of this nature. In relation to the First Tranche, the Company issued 12,500,000 common share purchase warrants at an exercise price of \$0.065 for a term of 60 months from the date of issuance. The First Tranche can be converted to common shares of the Company at a rate of no more than 1/24th of the face value of the First Tranche in any given month and at a price per share equal to 80% of the volume weighted average price ["VWAP"] per share for the five consecutive trading days immediately prior to the conversion date. Lind shall have the right at any time to increase the conversion limit to up to \$900,000 per month, providing that increased amount does not exceed 20% of the aggregate trading volume of the shares for the immediately preceding 20 days. The Company has the right to buy-back the outstanding face value of the First Tranche at any time after 180 days following the closing date of the First Tranche for an amount equal to 105% of the amount outstanding. If the Company elects to exercise its buy-back rights, Lind would have the option to convert up to 33% of such face value to common shares of the Company at a price per share that is equal to 80% of the VWAP for the five consecutive days immediately prior. On December 23, 2024, the Company drew down an additional \$1,575,000 (the "Second Tranche") from its Convertible Security with Lind. The Second Tranche has a face value of \$1,890,000, representing a principal amount of \$1,575,000 and an interest amount of \$315,000. The Second Tranche is due two years from the date of issuance and matures on December 23, 2026. The Second Tranche is secured by a lien against the Company's assets and bears interest at 10% per annum. The Second Tranche includes covenants typical and customary for secured convertible securities of this nature. In relation to the Second Tranche, the Company issued 16,338,174 common share purchase warrants at an exercise price of \$0.0609 for a term of 60 months from the date of issuance. The Second Tranche can be converted to common shares of the Company at a rate of no more than 1/24th of the face value of the Convertible Security in any given month and at a price per share equal to 85% of the volume weighted average price ["VWAP"] per share for the five consecutive trading days immediately prior to the conversion date. Lind shall have the right at any time to increase the conversion limit to up to \$250,000 per month, providing that increased amount does not exceed 20% of the aggregate trading volume of the shares for the immediately preceding 20 days. The Company has the right to buy-back the outstanding face value of the Convertible Security at any time after 180 days following the closing date of the Second Tranche for an amount equal to 105% of the amount outstanding. If the Company elects to exercise its buy-back rights, Lind would have the option to convert up to 33% of such face value to common shares of the Company at a price per share that is equal to 80% of the VWAP for the five consecutive days immediately prior.

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
<i>Accounts payable and accrued liabilities</i>	\$ 588,203	\$ 588,203	\$ —	\$ —	\$ —
<i>Lease liability</i>	182,000	66,660	115,340	—	—
<i>Current debts</i>	8,258,651	8,258,651	—	—	—
<i>Interest on debt</i>	3,217,957	3,217,957	—	—	—
<i>Provision for environmental rehabilitation</i>	167,569	—	—	—	167,569
<i>Convertible security</i>	2,850,000	1,745,000	1,105,000	—	—
Total Contractual Obligations	\$ 15,264,380	\$ 13,876,471	\$1,220,340	\$ —	\$ 167,569

The current debts represent a debenture in the principal amount of \$5,298,651 held by a previous secured creditor of the Company, a \$2,750,000 secured loan, and a \$250,000 secured loan, of which \$210,000 has been drawn. The Canadian Emergency Business Account loan was repaid during the period when it matured, as a result, \$20,000 of the original principal of \$60,000 was forgiven. The debenture has an aggregate principal amount of \$5,298,651, matures

on December 31, 2025, 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, matures on December 31, 2025, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. The Loan is secured by the mining leases for NICO. The second secured loan ("Loan 2") for \$210,000, matures on December 31, 2025, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. Loan 2 is also secured by the mining leases.

The Loans and debentures balances have been recorded in the consolidated financial statements at their net present value using an effective interest rate of 12%, 14.5% and 14.5%, 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 \$25,693 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 completing the purchase of the lands and buildings for the Hydromet Facility and securing the requisite permits for construction and operations of this facility. An ideal site has been identified in Alberta, Canada. A significant risk to the NICO Project was removed with the completion of the Tlicho Highway to Whati, which opened to the public on 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 and make it more financially robust;
- completion of the purchase of the Hydromet Facility site;
- engaging with local governments and communities around the Hydromet Facility 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;
- complete an updated Feasibility Study to support project financing and construction;
- 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 Mine site;
- submitting applications to obtain the water licence and land use permit for the NICO Mine access road, renewal of land use permit for the mine, and amendments 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, 2024, Fortune continued its dialogue with potential strategic partners and advanced the metallurgical test work programs, engineering and permitting activities planned pursuant to its contribution funding from various government entities.

The Company has made significant progress towards achieving its milestones through the federal and Tlicho Government approvals for the NICO mine and concentrator environmental assessment, and the renewals for the land use permit and Type A water license for the NICO Mine site. The Company currently holds a land use permit for exploration and renew its other permits as required.

Activities undertaken during 2024 towards achieving the next major milestones for the NICO Project will remain the Company's focus through 2025. 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, 2024, the Company paid key management personnel, including officers, directors, or their related entities, an aggregate of \$532,681 for salaries and benefits and consulting and/or management services when compared to \$508,232 for the same period in the prior year. In addition, there were no stock options granted in the year ended December 31, 2024 when compared to \$277,500, using the Black-Scholes option pricing model, for the same period in 2023. At December 31, 2024, \$99,265 was owing to these related parties for services received during the period when compared to \$21,853 at December 31, 2023.

The following table summarizes the amounts paid and payable to related parties and the nature of the payments as at December 31, 2024:

Party ¹	Relationship	Business Purpose of Transaction				Total	
		Salaries and Benefits ⁴		Consulting Services		Paid/Awarded	Payable
		Paid	Payable	Paid	Payable		
Goad, Robin ²	President & CEO, Director	\$ 6,690	\$50,000	\$ 240,385	\$ 11,538	\$ 247,075	\$ 61,538
Naik, Mahendra	Director	8,527	-	-	-	8,527	-
Penney, Patricia	Interim CFO	140,395	8,827	-	-	140,395	8,827
Schryer, Richard ³	VP Environmental & Regulatory Affairs	8,524	20,000	128,160	8,900	136,684	28,900
Total		\$ 164,136	\$78,827	\$ 368,545	\$ 20,438	\$ 532,681	\$ 99,265

¹ No amounts were paid or payable for the year ended December 31, 2024 for Glen Koropchuk, John McVey, David Ramsay, Edward Yurkowski and David Knight.

² 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.

³ Richard Schryer is engaged to provide services of VP Environmental & Regulatory Affairs of the Company pursuant to an independent consultant agreement.

⁴ 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.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

Interests in Mining Properties and Exploration and Development Expenditures

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.

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 as well as contribution funding from the U.S. DoD, NRCAN and Alberta Innovates for up to C\$17.5 million at current exchange rates. 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 \$13,471,564 as a result of debt coming due in December 2025 and the issuance of convertible securities. 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 2025 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 2024, 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 \$140,115,000, 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 2024. 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 \$167,569, respectively.

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 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 by completion of: extensive exploration and drilling programs, environmental baseline studies and environmental assessments, metallurgical test work and piloting engineering and economic studies, assisting with the development of local public infrastructure, and the planned purchase of the Alberta Hydromet Facility site and buildings.

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 Hydromet Facility

The Company does not currently own any lands on which to build the Hydromet Facility, but has entered into an option agreement to purchase a brownfield site in Alberta. The Company will have until November 2025 to complete the purchase for \$6.0 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. The Company has a Socio Economic agreement with the GNWT. 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 Cooperative 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 and long-term debts, 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 convertible security 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, 2024 and 2023, profit and losses associated with each financial instrument are as follows:

	Impact on Profit (Loss)	
	2024	2023
Current debt	(1,102,062)	(1,282,436)
Convertible security	(243,198)	—

ADDITIONAL INFORMATION

Additional information relating to the Company, including its annual information form, is available on SEDAR+ at www.sedarplus.ca.

SHARE DATA

As at the date hereof, the Company has:

1. 528,136,865 common shares issued and outstanding;
2. 48,698,174 warrants outstanding which entitle the holders to purchase one common share at various prices between \$0.036 and \$0.10 and expiring at various dates between June 15, 2025 and December 23, 2029; and
3. stock options outstanding to purchase an aggregate of 22,800,000 common shares expiring at various dates until August 23, 2026 and exercisable at various prices between \$0.045 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, 2024. 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, 2024 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, 2024. 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, 2024 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, 2024 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 Hydromet Facility in western Canada, purchase of a brownfield site in Lamont County in Alberta's Industrial Heartland Association pursuant to the 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 site in Lamont County, Alberta for the NICO Project Hydromet Facility or acquire land suitable for the construction of such a facility, the Company's ability to obtain the necessary financing to develop and operate the NICO Project and the related Hydromet Facility, the ability of the Company to obtain all necessary regulatory approvals for the construction and operation of the NICO Project and the related Hydromet Facility, 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 Hydromet Facility or otherwise acquire land suitable for the for the construction of such a facility; uncertainties with respect to the receipt or timing of required permits and agreements for the development of the NICO Project, including the related Hydromet Facility; 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.