



FORTUNE MINERALS LIMITED

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EMERGING STRATEGIC METAL & COAL PRODUCER

MOUNT KLAPPAN

ANTHRACITE COAL PROJECT HIGHLIGHTS

- One of world's premier metallurgical coal development projects
- World-class JV partner secured with POSCO (South Korean based global steel producer ~US\$60 billion sales)
- JV owned 80% by Fortune Minerals and 20% by POSCO Canada Ltd. (POSCAN)
- POSCAN anticipated to make total payments and cash contributions of \$181 million (\$30 million upfront funding)
- Accelerated development strategy / Permitting stage
- \$601 million post-transaction levered after-tax NPV(8%) using \$175 per tonne PCI price
- Rail transportation strategy facilitates scalable expansion
- Global shortage of metallurgical coals - Growing demand

2010 DEFINITIVE FEASIBILITY STUDY (DFS) – OVERVIEW

- November 2010 DFS update to 2005 & 2008 DFS
- Based on railway transport of coal from mine to Ridley Coal Terminal in Prince Rupert
- Initial production from Lost Fox deposit open pit mine, wash plant & site infrastructure
- 60.8 Mt of product coal reserves – 20+ yrs production (only 3.6% of global resource)
- Production of 3 Mtpa clean coal
- Premium ultra-low volatile PCI product
- Can diversify product mix to produce premium products (charge carbon) & sinter

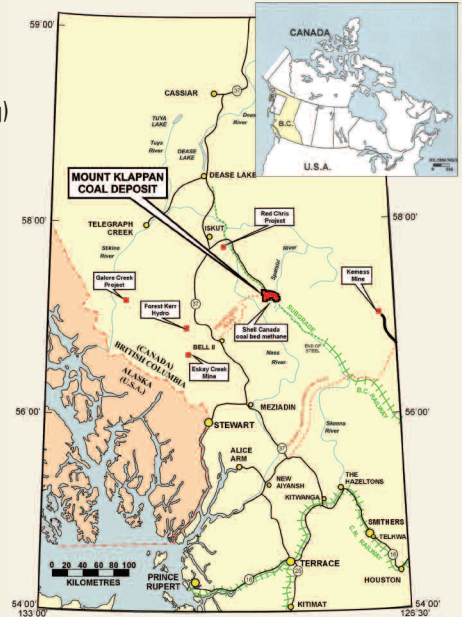
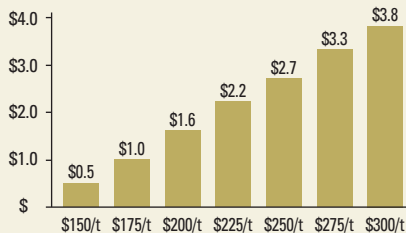
BASE CASE Ultra-Low Volatile PCI
US\$175 / tonne (C\$1 = US\$ 0.95)

| | PRE-TAX | AFTER TAX |
|---------------------|---------------------|-------------------|
| IRR | 25.4% | 20.7% |
| NPV (8%) | C\$ 1,027.8 Million | C\$ 667.4 Million |
| Capital (Years 1-4) | C\$ 768.4 Million* | |

* Includes railway

PRE-TAX NPV (8%)

Coal price sensitivity in billions



MOUNT KLAPPAN RESOURCES & RESERVES

Mount Klappan Resources & Reserves (Million tonnes) ⁽¹⁾

| AREA | Measured | Indicated | Demonstrated | Inferred |
|----------------|----------|-----------|--------------|----------|
| Lost Fox | 107.9 | 109.5 | 217.4 | 91.5 |
| Hobbit-Broatch | – | 13.5 | 13.5 | 258.4 |
| Summit | – | – | – | 9.6 |
| Nass | – | – | – | – |
| Total | 107.9 | 123.0 | 230.9 | 359.5 |

Lost Fox Metallurgical Coal Reserves (Million tonnes) ⁽¹⁾

| Run-of-Mine Coal Reserves | | | 10% Ash Product Reserves | | |
|---------------------------|-----------|---------------|--------------------------|----------|---------------|
| Measured | Indicated | Total In Situ | Proven | Probable | Total Product |
| 89.5 | 16.8 | 106.3 | 51.6 | 9.2 | 60.8 |



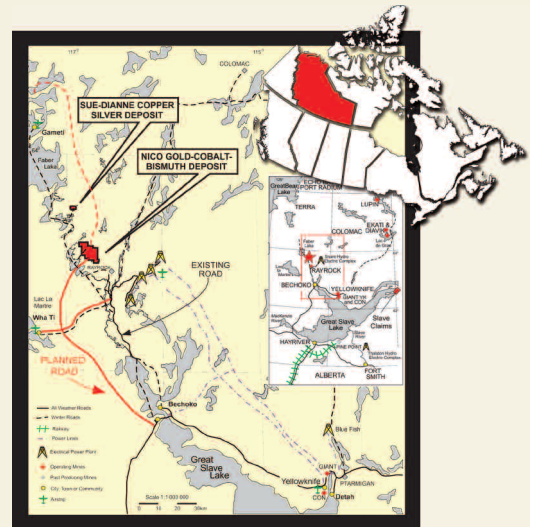
Railway sub-grade links mine site with CN mainline & Ridley Terminals

Historical resources included 2.2 billion tonnes in the speculative class, however, speculative resources are no longer considered NI 43-101 compliant and such resources should not be considered current. ⁽²⁾

⁽¹⁾ Richard Marston, PE is the Qualified Person as defined by NI 43-101

⁽²⁾ 2.8 billion tonne resource in all classes – estimates by Marston & Marston Inc. as of February 2007

- 100% Ownership – No 3rd party royalties
- Mine & mill in NWT
 - Open pit & underground mine & concentrator
- Saskatchewan Metals Processing Plant (SMPP)
 - Vertically integrated hydrometallurgical facility to produce gold doré, cobalt & copper cathodes & bismuth cathode or ingot
- \$100 million work completed to date, includes:
 - \$20 million test mining
 - \$12 million metallurgy & process pilot plants
- 2007 positive feasibility study & 2008 update
 - 32.3% Pre-tax IRR
 - Pre-tax \$ 361 million 8% NPV
 - Project enhancements not included
- 31 Million tonne reserve – 4 million eq gold ozs ⁽¹⁾ – Updated reserves pending
- Golden Giant (Hemlo) buildings & equipment purchased & dismantled to reduce CAPEX
- Environmental Assessments in progress for mine & SMPP permitting
- Co-operative Relationship Agreement with Tlicho Government



(1) Using Metal Price Assumptions: US \$ 900/oz Au, US \$ 20/lb Co, US \$ 10/lb Bi, US \$ 2.75/lb Cu

NICO MINERAL RESERVES

| Underground Mineral Reserves | Tonnes | Au (g/t) | Co (%) | Bi (%) | Cu (%) |
|------------------------------|-----------|----------|--------|--------|--------|
| Proven | 1,403,000 | 2.23 | 0.16 | 0.22 | 0.04 |
| Probable | 767,000 | 2.92 | 0.17 | 0.19 | 0.03 |
| Total | 2,170,000 | 2.47 | 0.16 | 0.21 | 0.03 |

| Open Pit Mineral Reserves | Tonnes | Au (g/t) | Co (%) | Bi (%) | Cu (%) |
|---------------------------|------------|----------|--------|--------|--------|
| Proven | 15,019,000 | 0.85 | 0.12 | 0.16 | 0.04 |
| Probable | 13,797,000 | 0.71 | 0.12 | 0.15 | 0.03 |
| Total | 28,816,000 | 0.79 | 0.12 | 0.15 | 0.04 |

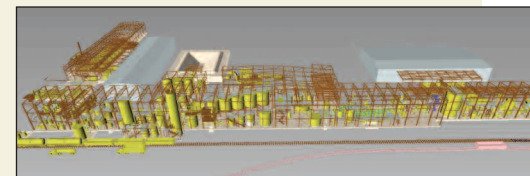
| Combined Mineral Reserves | Tonnes | Au (g/t) | Co (%) | Bi (%) | Cu (%) |
|---------------------------|------------|----------|--------|--------|--------|
| Proven | 16,422,000 | 0.97 | 0.12 | 0.16 | 0.04 |
| Probable | 14,564,000 | 0.83 | 0.12 | 0.15 | 0.03 |
| Total | 30,986,000 | 0.91 | 0.12 | 0.16 | 0.04 |

| Contained Metal | | Au (g/t) | Co (%) | Bi (%) | Cu (%) |
|-----------------|--|----------------|-------------------|--------------------|-------------------|
| | | 907,000 ounces | 82 million pounds | 109 million pounds | 27 million pounds |

Reserve estimate by P&E Mining Consultants Inc., Eugene Puritch, P.Eng. & Fred Brown, CPG PrSciNat, Qualified Persons as defined by NI-43-101

SASKATCHEWAN METAL PROCESSING PLANT (SMPP)

- Hydrometallurgical plant to process NICO concentrates to high value metal products
- Agreement to purchase lands near Saskatoon
 - Located on CN Rail line
 - Close to Trans-Canada Hwy
 - Inexpensive power (5.7 cents/kWh)
 - Close to natural gas & water
 - Close to reagent sources
 - Skilled worker/engineer pool – 85 employees
- High concentration ratio of NICO ores reduces 4,650 tonnes of ore to only 180 tonnes of concentrate/day for delivery to SMPP
- SMPP CAPEX ~ \$225 million



KEY PERSONNEL:

- **Robin Goad**, M.Sc., P.Geo., President, CEO & Director
- **Julian Kemp**, B.B.A., C.A., Vice President Finance & C.F.O.
- **Tom Rinaldi**, B.Sc., Vice President Operations
- **Richard Schryer**, Ph.D., Director of Regulatory & Environmental Affairs

INVESTOR RELATIONS:

- **Troy Nazarewicz**, CIM, FCSI, Investor Relations Manger
140 Fullarton Street, Suite 1902, London, Ontario N6A 5P2
tel: (519) 858-8188 • fax: (519) 858-8188
email: info@fortuneminerals.com
www.fortuneminerals.com

OWNERSHIP (As at December 31, 2011)

- China Mining Resources Group Ltd. ~ 13%
- Manulife Global Management US ~ 10%
- Officer & Director Holdings ~ 21% (includes China Mining)

ANALYST REPORTS

- David Davidson, Paradigm Capital
- Michael Fowler, Loewen Ondaatje McCutcheon

TSX-F.T

