



**FORTUNE**  
**MINERALS LIMITED**

---

**NOTICE OF ANNUAL AND SPECIAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

---



## FORTUNE MINERALS LIMITED

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of shareholders of Fortune Minerals Limited (the “**Corporation**”) will be held at Fairmont Royal York Hotel, Upper Canada Room (18<sup>th</sup> Floor), 100 Front Street West, Toronto, Ontario, M5J 1E3 on Tuesday, June 7, 2011, at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2010 and the auditors’ report thereon;
2. to elect directors;
3. to appoint auditors and to authorize the directors to fix the auditors’ remuneration;
4. to re-approve the Corporation's stock option plan, as set out in further detail in the accompanying Management Information Circular; and,
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

A Management Information Circular and form of proxy accompany this notice. This Notice and the accompanying circular have been sent to each director of the Corporation, each shareholder of the Corporation entitled to notice of the Meeting and the auditors of the Corporation.

Shareholders who are unable to attend the Meeting are requested to date, complete, sign and return the endorsed form of proxy in order to ensure their representation at the meeting. In order to be effective, properly completed proxies must be deposited with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 not later than 4:30 p.m. (Toronto time) on June 3, 2011 or, in the case of an adjournment, on the last business day prior to which the Meeting is adjourned.

**DATED** at Toronto, Ontario this 15<sup>th</sup> day of April, 2011.

By Order of the Board

(Signed) David A. Knight  
Secretary



# MANAGEMENT INFORMATION CIRCULAR

## Table of Contents

GENERAL PROXY INFORMATION .....	1
VOTING SHARES AND PRINCIPAL HOLDERS THEREOF .....	3
PARTICULARS OF MATTERS TO BE ACTED UPON .....	3
Election of Directors .....	3
Appointment of Auditors .....	8
Re-approval of Stock Option Plan .....	8
STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....	10
EXECUTIVE COMPENSATION .....	13
Compensation Discussion and Analysis .....	13
Compensation of Named Executive Officers in 2010.....	15
Contracts with Named Executive Officers.....	19
Compensation of Directors .....	19
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	23
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	25
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON .....	25
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	25
ADDITIONAL INFORMATION.....	25
GENERAL.....	26
CHARTER AND TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS OF FORTUNE MINERALS LIMITED .....	A-1

## GENERAL PROXY INFORMATION

This information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Fortune Minerals Limited (the “**Corporation**” or “**Fortune**”) for use at the annual and special meeting of the shareholders of the Corporation (the “**Meeting**”) to be held at the Fairmont Royal York Hotel, Upper Canada Room (18<sup>th</sup> Floor), 100 Front Street West, Toronto, Ontario, M5J 1E3, on Tuesday, June 7, 2011, at 4:30 p.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the notice of the Meeting.

### *Proxies*

**The enclosed proxy is being solicited by or on behalf of the management of the Corporation** and the cost of such solicitation will be borne by the Corporation. The solicitation will be primarily by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by the officers and directors of the Corporation.

### *Voting By Registered Shareholders*

**A shareholder has the right to appoint as his proxyholder a person or company (who need not be a shareholder) to attend and act on his behalf at the Meeting other than the persons designated in the proxy accompanying this circular.** A shareholder may do so by inserting the name of such other person in the blank space provided in the proxy or by completing another proper form of proxy, and in either case returning the completed proxy to Computershare Investor Services Inc. at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 not later than 4:30 p.m. (Toronto time) on June 3, 2011 or, in the case of an adjournment, on the last business day prior to which the Meeting is adjourned.

A shareholder executing a proxy has the power to revoke it. A shareholder may revoke a proxy: (i) by depositing an instrument in writing executed by him or by his attorney authorized in writing at the registered office of the Corporation at any time up to the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (ii) in any other manner permitted by law.

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **In the absence of such directions, it is intended that such shares will be voted: (i) for the election of the directors named in this circular; (ii) for the reappointment of Ernst & Young LLP, Chartered Accountants as auditors of the Corporation and for the authorization of the directors to fix the auditors’ remuneration; and (iii) for the approval of the stock option plan.**

If any amendments or variations to matters identified in the notice of the Meeting are proposed at the Meeting or if any other matters properly come before the Meeting, the enclosed proxy confers discretionary authority to vote on such amendments or variations or other such matters according to the best judgment of the person voting the proxy at the Meeting, or an adjournment thereof.

## ***Voting By Non-Registered Shareholders***

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares owned by a person (a “**non-registered holder**”) are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators (the “**CSA**”), the Corporation has distributed copies of this Management Information Circular and the accompanying Notice of Meeting together with the form of proxy for the meeting (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of common shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the common shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares (“**Shares**”) of which 107,219,427 are issued and outstanding at the date hereof. Each Share carries the right to one vote.

The Corporation has fixed May 3, 2011, as the record date for the purpose of determining shareholders entitled to receive notice of and vote at the Meeting. In accordance with the provisions of the *Business Corporations Act* (Ontario), (the “**OBCA**”) the Corporation will prepare a list of shareholders as of such record date. Each holder of Shares named in the list will be entitled to vote the Shares shown opposite his name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to the issued Shares of the Corporation except as follows:

Name	Number Of Shares	Percentage
China Mining Resources Group Limited	15,317,800 <sup>(1)</sup>	14.29%
MFC Global Investment Management (U.S.), LLC	10,741,537 <sup>(2)</sup>	10.02%

**Notes:**

- (1) This reflects the number of Shares owned or controlled by China Mining Resources Group Limited (“**CMRGL**”) as of March 28, 2011, as disclosed by CMRGL. In addition, as of the same date, CMRGL has disclosed it owned or controlled 4,550,000 common share purchase warrants.
- (2) This reflects the number of Shares over which MFC Global Investment Management (U.S.), LLC (“**MFC GIM US**”) exercises control or direction on behalf of accounts fully managed by it as of February 9, 2010, as disclosed by MFC GIM US. In addition, as of the same date, MFC GIM US has disclosed it exercises control or direction over 865,806 common share purchase warrants on behalf of accounts managed by it. There has been no public disclosure since February 9, 2010 updating this information.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### *Election of Directors*

The number of directors of the Corporation to be elected at the Meeting will be nine. The following table presents the names of the persons who are proposed as nominees for election as directors of the Corporation, all of whom are currently members of the board of directors (the “**Board**”). The term of office for each person elected to the Board will be until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his, her, or its Shares are to be withheld from voting in respect of the election of directors.



**William Breukelman, M.B.A., B.A.Sc., P.Eng.** is Chairman and Principal of Gedex Inc., a unique company with a high definition airborne gravity gradiometer technology that will empower a new discovery industry. Bill is also Chairman and Principal of Business Arts Inc., a technology incubation firm. Bill co-founded and previously Chaired Imax Corporation and helped it grow into a multinational entertainment company.

**Tenure:** Director from May 1995 to present

**Status:** Independent

<b>William A. Breukelman</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>
Age: 78 Mississauga, Ontario, Canada	Board of Directors	7 of 7 100%	•None
	Audit	3 of 5 60%	
	Compensation	3 of 3 100%	
	Special	1 of 1 100%	
	Combined Total	14 of 16 88%	

<b>Securities Held at Year End<sup>(1)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	500,000	—	215,000	\$ 1,014,800



**Shou Wu (Grant) Chen, M.B.A., M.Sc.** is the Deputy Chairman and CEO of China Mining Resources Group Limited, a Hong Kong based company that mines and processes molybdenum, copper, zinc and other metal products in China, and invests in Canadian mining companies. Grant previously worked as a geologist in the precious metals sector in China, and then as a mining analyst and merchant banker, and subsequently, Senior Vice President in the Mining and Metals Division for Standard Bank.

**Tenure:** Director from April 2010 to present

**Status:** Independent

<b>Shou Wu (Grant) Chen</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>
Age: 47 Hong Kong, China	Board of Directors	4 of 7 57%	•China Mining Resources Group Limited

<b>Securities Held at year End<sup>(1) (3)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	—	—	100,000	\$ 104,000



**Carl Clouter** is a commercial pilot and President of Clouter Enterprises Ltd. a real estate investment Company. Carl was the former owner of a charter airline in the Northwest Territories. He has been active in mineral exploration in conjunction with more than 35 years of flying in Canada. Carl previously served as a Sentencing Justice of the Peace and on the board for the mineral development assistance program for the Government of the Northwest Territories.

**Tenure:** Director from August 1988 to present

**Status:** Non-independent

<b>Carl Clouter</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>
Age: 67 Gander, Newfoundland, Canada	Board of Directors	5 of 7 71%	•None

<b>Securities Held at Year End<sup>(1)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	936,369	—	200,000	\$ 1,748,955



**James Currie, B.Sc. (Hons.), P.Eng.** is Executive Vice President Operations and COO for New Gold Inc. With over 30 years of mining engineering and management experience, Jim has worked on gold, base metals, coal and industrial minerals projects. Jim was previously Vice President Operations with Miramar Mining Corp., General Manager in Mauritania for First Quantum Minerals Ltd., and has worked for major mining companies, including Placer-Dome Inc., Noranda Inc. and Fording Coal Limited.

**Tenure:** Director from July 2008 to present

**Status:** Independent

<b>James Currie</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>	
Age: 57 Abbotsford, British Columbia, Canada	Board of Directors	5 of 7 71%	<ul style="list-style-type: none"> <li>•Dajin Resources Corp.</li> <li>•NMC Resource Corp.</li> <li>•ProAm Exploration Corporation</li> </ul>	
<b>Securities Held at Year End<sup>(1)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	—	—	350,000	\$ 138,000



**George M. Doumet, M.Sc., M.B.A.** is a chemical and nuclear engineer and President and CEO of Federal White Cement Ltd., a specialty cement manufacturer. George is also a principal in other businesses involved in the mining, production, marketing and distribution of specialty building products, chemicals and industrial minerals. George also serves as a director of the Portland Cement Association.

**Tenure:** Director from September 1995 to present

**Status:** Independent

<b>George M. Doumet</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>	
Age: 58 Vancouver, British Columbia, Canada	Board of Directors Audit Combined Total	6 of 7 86% 5 of 5 100% 11 of 12 92%	<ul style="list-style-type: none"> <li>•None</li> </ul>	
<b>Securities Held at Year End<sup>(1)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	4,456,324	200,000	275,000	\$ 7,865,077



**James D. Excell, B.A.Sc.,** is President and CEO of Abucus Mining and Exploration Corp., a mineral exploration and development company with advanced-stage projects. Jim was previously President and CEO of North American Palladium Inc., and a senior executive at BHP-Billiton. Jim is a metallurgical engineer with more than 35 years of mining experience, and has managed coal operations in Australia and the USA, and the Ekati Diamond and Island Copper mines in Canada. Jim is also a director of the Prospectors and Developers Association of Canada.

**Tenure:** Director from April 2005 to present

**Status:** Independent

<b>James D. Excell</b>	<b>Board and Board Committees</b>	<b>Meeting Attendance</b>	<b>Other Public Company Boards</b>	
Age: 61 Kelowna, British Columbia, Canada	Board of Directors Compensation Combined Total	6 of 7 86% 3 of 3 100% 9 of 10 90%	<ul style="list-style-type: none"> <li>•Advanced Explorations Inc.</li> <li>•Canterra Minerals Corporation</li> <li>•Abacus Mining &amp; Exploration</li> <li>•Rainy River Resources Ltd.</li> </ul>	
<b>Securities Held at Year End<sup>(1)</sup>:</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>At Risk Value<sup>(2)</sup></b>
2010	—	—	210,000	\$ 139,500



**Robin E. Goad, M.Sc., P.Geo.** is a geologist and President and CEO of Fortune Minerals Limited. With nearly 30 years of experience in the mining and exploration industries in Canada and internationally, Robin has worked for major mining companies and as a consultant to resource companies and government. Robin is a director of the NWT and Nunavut Chamber of Mines and has served as President and director of other TSX listed mineral exploration and development companies.

**Tenure:** Director from October 1988 to present

**Status:** Non-independent

Robin E. Goad	Board and Board Committees	Meeting Attendance	Other Public Company Boards
Age: 53 Arva, Ontario, Canada	Board of Directors Special Combined Total	7 of 7 100% 1 of 1 100% 8 of 8 100%	• Klondex Mines Limited • Andor Mining Inc.

Securities Held at Year End <sup>(1)</sup> :	Common Shares	Warrants	Options	At Risk Value <sup>(2)</sup>
2010	3,417,280	—	535,000	\$ 6,260,122



**David A. Knight, B.A., LL.B.** is a partner with Macleod Dixon LLP, Barristers and Solicitors, a major Canadian law firm with extensive experience in the resource sector. David specializes in securities law, including public and private financings, take-overs, stock exchange listings, mergers and acquisitions and regulatory compliance and acts for investment dealers and issuers. David is a member of the Law Society of Upper Canada and the Canadian Bar Association.

**Tenure:** Director from June 2000 to present

**Status:** Non-independent

David A. Knight	Board and Board Committees	Meeting Attendance	Other Public Company Boards
Age: 56 Oakville, Ontario, Canada	Board of Directors	7 of 7 100%	• Freegold Ventures Limited • Aureus Mining Inc.

Securities Held at Year End <sup>(1)</sup> :	Common Shares	Warrants	Options	At Risk Value <sup>(2)</sup>
2010	106,600	—	200,000	\$ 321,752



**Mahendra Naik, B.Comm., C.A.** is a Chartered Accountant and CFO of Fundeco Inc., a private investment company. Mahendra is a founding director of IAMGOLD Corporation, a TSX and NYSE listed mid-tier gold mining company. As former CFO, Mahendra led negotiations for the Sadiola Mine and Yatela Mine joint ventures with Anglo American and was responsible for raising more than US\$ 550 million in project debt and equity financings. Mahendra is also a director of several private companies.

**Tenure:** Director from March 2006 to present

**Status:** Independent

Mahendra Naik	Board and Board Committees	Meeting Attendance	Other Public Company Boards
Age: 52 Unionville, Ontario, Canada	Board of Directors Audit Compensation Special Combined Total	6 of 7 86% 5 of 5 100% 3 of 3 100% 1 of 1 100% 15 of 16 94%	• Iamgold Corporation

Securities Held at Year End <sup>(1)</sup> :	Common Shares	Warrants	Options	At Risk Value <sup>(2)</sup>
2010	177,000	—	360,000	\$ 484,140

---

**Notes:**

- (1) The information as to Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The “At Risk Value” was determined as the sum of: (i) the value of the Common Shares owned; (ii) the value of unexercised in-the-money warrants; and, (iii) the value of the unexercised in-the-money options. These values are based on the closing price of the Corporation’s Shares on the Toronto Stock Exchange on December 31, 2010 of \$1.72 compared to the respective exercise prices of the warrants and options.
- (3) China Mining Resources Group Limited owns or controls 15,317,800 Shares and 4,550,000 common share purchase warrants

*Corporate Cease Trade Orders or Bankruptcies*

Except as described below, no proposed director is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (a) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

David A. Knight, the Secretary and a director of the Corporation, resigned as a director of Armstrong Corporation (“**Armstrong**”), a manufacturer and distributor of specialty chemicals, on September 26, 2002. On January 20, 2003, Deloitte & Touche was appointed by a secured creditor of Armstrong as receiver manager of the assets of Armstrong and, on March 13, 2003, Armstrong was petitioned into bankruptcy by such creditor.

*Personal Bankruptcies*

No proposed director has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

### *Personal Penalties or Sanctions*

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

### *Appointment of Auditors*

It is intended to vote the Shares represented by the proxies solicited in respect of the Meeting, on any ballot that may be called for, unless authority to do so is withheld, in favour of the reappointment of the firm of Ernst & Young LLP, Chartered Accountants, as the auditors of the Corporation and in favour of the authorization of the directors to fix the remuneration of the auditors.

### *Re-approval of Stock Option Plan*

The Corporation's current stock option plan (the “**Plan**”) was last approved by the shareholders of the Corporation at the annual and special meeting of shareholders of the Corporation held on May 27, 2008. The principal terms of the Plan, as amended, are described in this circular under the heading “Securities Authorized for Issuance Under Equity Compensation Plans”.

The Plan is an “evergreen” or “rolling” stock option plan which provides that the aggregate of: (i) the number of Shares which may be issuable pursuant to the exercise of options outstanding at any particular time; and (ii) the number of Shares previously issued pursuant to the exercise of options granted within the three years prior to such time, may not exceed 10% of the number of Shares outstanding at such time. The rules of the Toronto Stock Exchange (the “**TSX**”) require that all unallocated options, rights or other entitlements under such plans must be approved by a majority of the relevant issuer’s directors and by shareholders every three years after institution.

In light of the requirements of the TSX, the directors of the Corporation have unanimously re-approved the Plan and all unallocated options thereunder and shareholders of the Corporation will be asked at the Meeting to do the same. Such re-approval will require the affirmative vote of a majority of the votes cast thereon at the Meeting. Whether or not the resolution is approved, all options currently outstanding under the Plan will remain in effect in accordance with their terms. If the resolution is not approved, any currently unallocated options under the Plan will no longer be available for grant.

The form of resolution to be submitted to shareholders at the Meeting to re-approve the Plan is as follows:

**WHEREAS:**

1. the Board of Directors of the Corporation adopted on May 13, 2005 a Stock Option Plan (the “**Plan**”) which does not have a fixed maximum number of common shares issuable;
2. the shareholders of the Corporation originally approved the Plan, by a majority of votes cast, on June 22, 2005;
3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three years; and
4. the unallocated options under the Plan were most recently approved by shareholders at the Corporation’s annual and special meeting of shareholders held on May 27, 2008;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. all unallocated options under the Plan be and are hereby approved;
2. the Corporation have the ability to continue granting options under the Plan until June 7, 2014, being the date that is three years from the date of the shareholders’ meeting at which shareholders’ approval is being sought; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In June 2005, National Policy 58-201 *Corporate Governance Guidelines* (the “**Governance Guidelines**”) and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the “**Governance Disclosure Rule**”) were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Board recognizes the importance of corporate governance to the effective management of the Corporation. The Corporation’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation’s affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation’s operations at these meetings as well as through reports and discussions with management.

The Corporation’s corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. The Corporation will continue to monitor developments in this area with a view to further revising its governance policies and practices as appropriate.

The following is a description of the Corporation’s corporate governance practices.

### ***Board of Directors***

#### *Independence of the Board of Directors*

A majority of the Board (being six of the nine members) are independent within the meaning of the Governance Disclosure Rule. The independent members are William Breukelman, James Currie, George Doumet, James Excell, Mahendra Naik and Grant Chen.

Robin Goad is a non-independent director because of his position as President and Chief Executive Officer of the Corporation, David Knight is a non-independent director because the firm of which he is a partner receives fees from the Corporation for legal services and Carl Clouter is a non-independent director because he received direct compensation for consulting services in excess of \$130,000 in 2010.

To facilitate the Board functioning independently of management, the following structures and processes are in place:

- there are no members of management on the Board, other than the President and Chief Executive Officer;
- time is set aside at each meeting of the Board for the directors to hold discussions without management present; and
- the Corporation’s regular standing committees, being the Audit Committee and the Compensation Committee are made up entirely of independent directors.

### *Chairman of the Board*

The Chairman of the Board, George Doumet, is an independent director. The primary roles of the Chairman are to chair all meetings of the Board and shareholder meetings, and to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman's responsibilities include, among other things, reviewing and assessing director attendance and performance at meetings of the Board, ensuring effective relations and communications among Board members, leading the Board in ensuring implementation of management succession and development plans, providing assistance on major strategic and policy issues and acting as liaison with all committees of the Board.

### *Meetings of the Board of Directors*

The Board meets quarterly on a regular basis and holds additional meetings as considered appropriate to deal with the matters arising from developments in the business and affairs of the Corporation from time to time. During the financial year ended December 31, 2010, the Board met seven times. In addition to the business conducted at such meetings, various other matters were approved by written resolution signed by all members of the Board.

### *Board Mandate*

The text of the Charter and Terms of Reference of the Board is attached as Schedule "A" to this information circular.

### *Position Descriptions*

Written position descriptions have been developed by the Board for the Chairman of the Board, the Chairman of each of the Audit Committee and the Compensation Committee, the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation.

### *Orientation and Continuing Education*

Prior to any new director joining the Board, they are provided with detailed information with respect to the Corporation's assets and operations by management. New directors also generally meet with some or all of the existing Board members, who advise the new appointees on the function and processes of the Board and its committees. Management updates the Board regularly on the Corporation's business and affairs. The Corporation's legal counsel advises the Board on any changes in laws or regulations relevant to the duties and responsibilities of directors to ensure that the directors maintain the skills and knowledge necessary to meet their obligations as directors.

### *Code of Business Conduct*

The Board has adopted a Code of Business Conduct (the "**Code**") which is available on SEDAR at [www.sedar.com](http://www.sedar.com) or may be obtained in paper format from the Corporation. To ensure and monitor compliance with the Code, the Board has adopted a whistleblower policy. Such policy and the Code are distributed to all officers and employees of the Corporation.

If a director or executive officer has a material interest in a transaction or agreement being considered by the Corporation, such individual is precluded from voting on the matter and the Board considers such matter without the individual present.

### *Nomination of Directors*

The Board has not appointed a formal nominating committee and does not believe that such a committee is warranted at the present time. The Board discusses regularly the competencies and skills that the Board as a whole should possess in order to fulfill its duties and further the strategic objectives of the Corporation. Any member of the Board is free to recommend additional members where weaknesses or gaps are identified by the Board as a group or by such individual director. All such recommendations are considered by the Board as a whole.

### *Compensation*

The Compensation Committee is composed entirely of independent directors, being William Breukelman, James Excell and Mahendra Naik.

The Compensation Committee is responsible for, among other things, evaluating the performance of the Corporation's executive officers, determining or making recommendations to the Board with respect to the compensation of the Corporation's executive officers, making recommendations to the Board with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations to the Board with respect to the compensation policy for the employees of the Corporation or its subsidiaries and ensuring that the Corporation is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

### *Committees of the Board of Directors*

The Board has no regular standing committees other than the Audit Committee and the Compensation Committee. The Special Committees are formed as and when required.

### *Assessments*

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing the effectiveness and contribution of the Board as a whole, its committees or individual directors to be unnecessary at this time. In light of the fact that the Board and its committees meet on numerous occasions during each year, each director has regular opportunity to assess the Board as a whole, its committees and other directors in relation to the Board's and such director's assessment of the competencies and skills that the Board and its committees should possess. The Board plans to continue to evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner.

## EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

It is the intention of the Corporation to provide its officers, managers and employees, including its Named Executive Officers (“NEOs”) as that term is defined under NI 51-102 – Continuous Disclosure Obligations (“NI 51-102”), with a compensation mix that is competitive, equitable, and recognizes individual and team efforts. As at December 31, 2010, the Corporation had three senior officers: Mr. Robin Goad, President and Chief Executive Officer; Mr. Julian Kemp, Vice President Finance and Chief Financial Officer; and, Mr. Thomas Rinaldi, Vice President Operations. During 2010, Robin E. Goad, Julian B. Kemp, and Thomas R. Rinaldi were the Corporation’s only NEOs.

### *Compensation Elements*

Fortune is committed to developing, for all levels of personnel, compensation strategies that attract, retain and motivate those types of individuals that will help the Corporation achieve its mission and vision. Currently, the total compensation mix includes base pay (either in the form of salary or fees), benefits and stock options. Given the growth in the Corporation’s workforce over the last number of years and its anticipated continued growth, the compensation mix is being modified to continue to meet the Corporation’s needs, including developing an annual bonus plan (as described below). A description of each element of compensation and the link to the Corporation’s compensation and corporate objectives is set out below.

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
<i>Base Salary and Fees</i>	<ul style="list-style-type: none"> <li>• Attract and retain</li> <li>• Reward short-term performance</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pay ensures access to skilled employees necessary to achieve corporate objectives</li> <li>• Yearly review of NEOs’ performance</li> </ul>
<i>Annual Bonuses</i>	<ul style="list-style-type: none"> <li>• Motivate and reward short- and medium-term performance</li> <li>• Align interests of individual with that of co-workers and Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pay ensures access to skilled employees</li> <li>• Directly links motivations to corporate objectives</li> <li>• Promotes a cooperative workforce focus on medium-term strategies and performance</li> <li>• Yearly review and communication of expectations and performance of NEOs</li> </ul>
<i>Stock Option Rewards</i>	<ul style="list-style-type: none"> <li>• Align interest with shareholders</li> <li>• Motivate and reward long-term performance</li> </ul>	<ul style="list-style-type: none"> <li>• Motivate NEOs to increase shareholder value by achieving long-term corporate strategies and objectives</li> <li>• Encourages long-term tenure and performance</li> </ul>
<i>Benefit Plan</i>	<ul style="list-style-type: none"> <li>• Mitigate participants personal health risks</li> <li>• Encourage healthy behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Increases focus and productivity of NEOs</li> <li>• Decreases absenteeism</li> </ul>

*Base Salary and Fees:* The use of base pay serves the purpose of rewarding ongoing short-term performance. As a result of the growth in the Corporation’s business, the Compensation Committee proactively established annual compensation ranges to guide the President and Chief Executive Officer in setting specific annual compensation rates for the Corporation’s officers, managers and employees. The process undertaken and factors considered by the Compensation Committee in establishing executive compensation, including setting base salaries and fees, is described under “Compensation Process” below.

*Annual Bonuses:* The use of bonuses serves the purpose of rewarding NEOs for exemplary performance and to motivate and reward short- and medium-term performance. To remain competitive, the Compensation Committee and Board has authorized a formal bonus plan, as recommended by management, to provide a variable pay opportunity that will reflect the individual's impact on the Corporation's success to enhance the short- to medium-term performance. The compensation program is intended to be internally equitable, externally competitive, within the financial capacity of the Corporation, capable of being reshaped for the future, and appropriate for the organization. As of the date hereof, this bonus plan has not been fully implemented. The bonus plan, when fully implemented, will include financial rewards to be paid annually, based on achieving certain corporate and individual objectives. Corporate objectives are to be determined based on the Corporation's strategic and business plans as approved by the Board. Individual objectives for employees other than the Chief Executive Officer are to be determined jointly between each individual and his or her supervisor and approved by senior management. The President and Chief Executive Officer's personal objectives will be determined by the Compensation Committee and the Board. Although the bonus plan is still in the process of being refined and implemented, bonuses for the NEOs in respect of 2010 performance were recommended by the Compensation Committee and approved by the Board as described under "Compensation of Named Executive Officers in 2010". The Compensation Committee has also instructed management to develop specific 2011 performance goals for executives and employees of the Corporation for review by the Committee.

*Stock Option Rewards:* Stock options are granted to reward long-term performance. Historically, as the Corporation has been in an exploration and development phase with respect to its properties and has had to operate with limited financial resources, the Board has attempted to keep the cash compensation paid to the Corporation's NEOs relatively modest, while providing significant long-term incentives through the granting of stock options. Generally, stock options are granted to participants upon hire to provide an initial opportunity to participate in the equity of the Corporation. Consideration is given annually to grant additional stock options to all participants in the plan to continue to provide the opportunity to benefit from the long-term success of the Corporation. Senior management makes recommendations to the Compensation Committee and Board for all potential grants. See "Securities Authorized for Issuance Under Equity Compensation Plans" below for a description of the Corporation's stock option plan.

*Benefit Plan and Perks:* The Corporation's benefit plan is basic in nature, requires participants to contribute to the premium costs and includes certain co-pay requirements. The benefit plan is designed to assist the participant with regular health related expenses and supporting them in the case of a catastrophic life event. The Corporation does not currently have standard senior officer perks, but may provide such perks as is considered appropriate by the Compensation Committee.

As discussed under "Statement of Corporation Governance Practices – Compensation" above, the Compensation Committee is responsible for, among other things, evaluating the performance of the Corporation's NEOs, determining or making recommendations to the Board with respect to the compensation of the Corporation's NEOs, making recommendations to the Board with respect to director compensation, company-wide incentive compensation plans and equity-based plans, making recommendations to the Board with respect to the compensation policy for the employees of the Corporation or its subsidiaries and ensuring that the Corporation is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary. At this time, neither the Corporation nor the Compensation Committee has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer or director compensation.

## *Compensation Process*

Each year, the Compensation Committee reviews actual performance and the achievements of the Corporation and the NEOs for the prior fiscal year. Although the Compensation Committee did not establish any quantifiable criteria in 2010 with respect to base salaries payable or the amount of equity compensation granted to NEOs, it assessed past performance based on the achievement of the Corporation's business plan and considering items such as the quality and progress of the Corporation's exploration and development projects, the Corporation's success in raising required capital, stock market performance of the Corporation's Shares, development of strategic corporate alliances and similar achievements.

The Compensation Committee relies on the knowledge and experience of its members and the recommendations of the President and Chief Executive Officer and the Vice President Finance and Chief Financial Officer to set appropriate levels of compensation for its officers, managers and employees. The Committee uses all the data available and reviews the elements of the NEOs' compensation in the context of the total compensation package (including base salary or fees, bonuses, benefits, and stock option awards, including prior awards under the stock option plan) to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain key personnel. In reviewing the comparative data, the Compensation Committee does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Compensation Committee's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Corporation's performance and business strategy, and general economic considerations.

## ***Compensation of Named Executive Officers in 2010***

During 2010, Mr. Goad's and Mr. Kemp's base remuneration was approximately \$295,000 per annum and \$5,217 per week of service, respectively. Mr. Rinaldi's base remuneration was \$250,000 per annum.

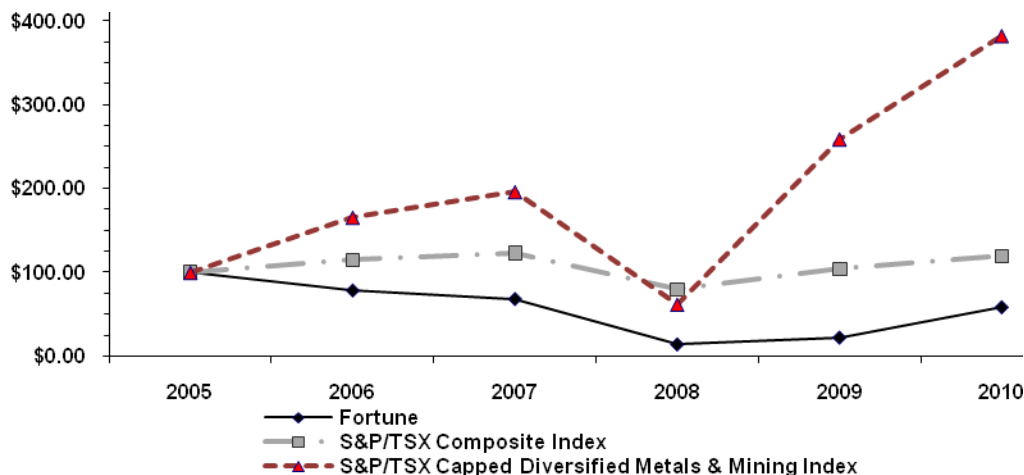
Bonuses were awarded to each of the NEOs for 2010 performance. The Compensation Committee reviewed recommendations for NEO and employee bonuses based on the Committee's previously authorized guidelines. The Committee made certain adjustments to the recommendations and the Board approved the bonus awards. In assessing the bonuses, various factors were considered including improving economic conditions, increasingly competitive labour market conditions, especially for senior mining executives, and individual and management team performance based on the stage of completion of the scope of work of each project. Mr. Goad was awarded a bonus of \$25,000 and Mr. Kemp and Mr. Rinaldi were each awarded a bonus of \$20,000 payable, in the case of Mr. Rinaldi, in 2010 and in the cases of Mr. Goad and Mr. Kemp, in early 2011. Mr. Goad, Mr. Kemp and Mr. Rinaldi were also awarded 130,000, 80,000 and 80,000 stock options, respectively, in 2010.

The options granted to NEOs during 2010 have a term of 5 years to reflect an anticipated business cycle that will include significant changes to the nature and structure of the Corporation as it transforms itself into a producing mining company. Further, all options granted to NEOs vested immediately. Junior mining company shares, including Fortune's, generally have very volatile market prices reflecting the potential short-term effects of significant achievements of the Corporation. Investors in junior companies often look for these short-term gains and in order to align the interests of NEOs with those of shareholders, the Board believes extended vesting periods are not justified at this time. The option grants in 2010 were modest and related to their ongoing commitment to the organizations goals.

A summary of the NEOs' compensation is set forth below in the summary compensation table.

### Performance Graph

The following graph and table illustrate the Corporation’s cumulative shareholder return (assuming the re-investment of dividends of which there have been none) based upon a \$100 investment from December 31, 2005 to December 31, 2010, compared to the cumulative total shareholder return from a similar investment in the Total Return Index Values of the S&P/TSX Composite Index and the S&P/TSX Capped Diversified Metals and Mining Index over the same period.



	2005	2006	2007	2008	2009	2010
<b>Fortune</b>	\$100.00	\$78.04	\$67.91	\$13.85	\$21.96	\$58.11
<b>S&amp;P/TSX Composite Index</b>	\$100.00	\$114.51	\$122.72	\$79.73	\$104.20	\$119.26
<b>S&amp;P/TSX Capped Diversified Metals &amp; Mining Index</b>	\$100.00	\$165.70	\$196.13	\$61.98	\$258.95	\$382.18

As described above, the Compensation Committee considers various factors in determining the compensation of the NEOs. The Corporation’s Share performance is one performance measure that is reviewed but there is no direct correlation between Share performance and executive compensation.

The Corporation operates in a commodity business and the Share price is directly impacted by the market price of gold and other metals, which may fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Corporation’s control. The Share price is also affected by other factors beyond the Corporation’s control, including general and industry-specific economic and market conditions. The Compensation Committee evaluates performance by reference to its business plan rather than by short-term changes in Share price based on its view that its long-term operating performance will be reflected by stock price performance over the long term, which is especially important when current stock price may be temporarily depressed by short-term factors, such as recessionary economies. The trend shown by the performance graph represents a decline in cumulative total shareholder return from 2005 to 2008, followed by a modest recovery. Over the same five year period, the total compensation received by the NEOs, in aggregate, has increased considerably; although, the Compensation Committee considers total compensation to be modest and reasonable in the circumstances.

## NEO Compensation Summary

The following executive compensation table summarizes, for the fiscal years indicated, the compensation of the NEOs for services rendered in all capacities.

Name and Principal Position	Year	Salary Paid in Year (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension Value <sup>(4)</sup> (\$)	All other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Robin E. Goad President & CEO	2010	293,096	—	46,800	25,000	—	—	3,984	368,880
	2009	240,001	—	61,500	50,000	—	—	4,217	355,718
	2008	240,001	—	63,200	—	—	—	3,505	306,706
Julian B. Kemp Vice President Finance & CFO	2010	223,305	—	28,800	20,000	—	—	3,985	276,090
	2009	183,312	—	37,500	30,000	—	—	4,217	255,029
	2008	191,352	—	55,300	—	—	—	3,388	250,040
Thomas R. Rinaldi Vice President Operations	2010	249,238	—	28,800	20,000	—	—	17,430	315,468
	2009	225,000	—	30,000	30,000	—	—	22,416 <sup>(6)</sup>	307,416
	2008	75,000	—	108,000	—	—	—	20,106 <sup>(6)</sup>	185,462

### Notes:

- (1) Includes the dollar value of any common shares, restricted shares, DSUs, PSUs, etc. granted based on grant date fair value. The Corporation did not issue any compensation of this nature during 2010.
- (2) Includes the aggregate amount of \$104,400 for stock options granted during 2010, based on the grant date fair value. The fair value of the options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Named Executive Officer	Number of options granted #	Assumptions						Estimated grant date fair value \$
		Risk free interest rate %	Expected dividend yield %	Expected volatility %	Expected option life [years]	Estimated fair value per option \$		
<i>2010 Grants:</i>								
Robin E. Goad	130,000	2.55	—	59	5	0.36	46,800	
Julian B. Kemp	80,000	2.55	—	59	5	0.36	28,800	
Thomas R. Rinaldi	80,000	2.55	—	59	5	0.36	28,800	
<i>2009 Grants:</i>								
Robin E. Goad	205,000	0.44	—	58	5	0.30	61,500	
Julian B. Kemp	125,000	0.44	—	58	5	0.30	37,500	
Thomas R. Rinaldi	100,000	0.44	—	58	5	0.30	30,000	
<i>2008 Grants:</i>								
Robin E. Goad	80,000	2.68	—	59	5	0.79	63,200	
Julian B. Kemp	70,000	2.68	—	59	5	0.79	55,300	
Thomas R. Rinaldi	150,000	2.64	—	63	5	0.72	108,000	

The Black-Scholes model, used by the Corporation to calculate option values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options, which significantly differ from the Corporation's stock option awards. 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, the Compensation Committee believes that these models do not necessarily provide a reliable single measure of the fair value of the Corporation's stock option awards.

- (3) Includes bonuses declared in the year. In the case of Mr. Rinaldi, his bonus was paid in the 2010 and in the cases of Mr. Goad and Mr. Kemp the bonuses were paid in 2011.
- (4) Includes all compensation related to a corporation's defined benefit and defined contribution plans, including service costs, plan changes and above market earnings. The Corporation does not have any long-term incentive programs other than its stock option plan and does not have any defined or actuarial plans.
- (5) Includes all perks, post-retirement benefits, "gross-ups" and reimbursements on payment of taxes, life insurance premiums paid by the Corporation. The Corporation contributes amounts to premiums for certain health, dental, travel and other benefit plans.
- (6) Mr. Rinaldi was reimbursed for certain moving expense for relocating to London, Ontario.

*Outstanding share-based awards and option-based awards Table:*

The following table provides details regarding outstanding NEO option and share based awards as at December 31, 2010:

<i>Outstanding share-based awards and option-based awards</i>						
	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised (#)	Option exercise price (\$)	Option expiration date (dd/mm/yy)	Aggregate value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)
<b>Robin E. Goad</b> President & CEO	205,000	0.60	11/05/14	229,600	—	—
	130,000	0.68	25/05/15	135,200	—	—
	80,000	1.50	11/08/13	17,600	—	—
	120,000	2.30	22/12/11	Nil	—	—
<b>Julian B. Kemp</b> Vice President Finance & CFO	125,000	0.60	11/05/14	140,000	—	—
	80,000	0.68	25/05/15	83,200	—	—
	70,000	1.50	11/08/13	15,400	—	—
	70,000	2.30	22/12/11	Nil	—	—
<b>Thomas R. Rinaldi</b> Vice President Operations	100,000	0.60	11/05/14	112,000	—	—
	80,000	0.68	25/05/15	83,200	—	—
	150,000	1.30	05/09/13	63,000	—	—

**Notes:**

- (1) The value of the unexercised in-the-money options is based on the closing price of the Corporation's Shares on the Toronto Stock Exchange on December 31, 2010 of \$1.72 per share.
- (2) The Corporation has no share-based award plans and has not issued any share-based awards.

*Incentive plan awards - value vested or earned during the year:*

The following table provides details regarding outstanding NEO option based awards, share based awards and non-equity incentive plan compensation, which vested and/or was earned during the year ended December 31, 2010:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
<b>Robin E. Goad</b>	Nil	—	—
<b>Julian B. Kemp</b>	Nil	—	—
<b>Thomas R. Rinaldi</b>	Nil	—	—

**Note:**

- (1) Identifies the aggregate dollar value that would have been realized by the NEO if the NEO had exercised all options exercisable under the option-based award on the vesting date(s) thereof.

### *Option Grants during the Financial Year Ended December 31, 2010*

Name	Shares under Options Granted	% of Total Options Granted in Financial Year	Exercise Price	Market Value of Shares Underlying Options on Date of Grant	Expiration Date
Robin E. Goad	130,000	10.9	\$0.68	\$0.68	May 25, 2015
Julian B. Kemp	80,000	6.7	\$0.68	\$0.68	May 25, 2015
Thomas R. Rinaldi	80,000	6.7	\$0.68	\$0.68	May 25, 2015

See “Compensation Discussion and Analysis” above for details regarding options granted in 2010. All outstanding options are fully vested and are for a term of five years. See “Securities Authorized for Issuance under Equity Compensation Plans” below for a discussion of the Corporation’s stock option plan.

### *Contracts with Named Executive Officers*

Each of Messrs. Goad and Kemp is engaged by the Corporation under a consulting agreement. Mr Goad’s contract (the “**Goad Agreement**”) provides that the Corporation may terminate the Goad Agreement by providing a lump sum amount equal to 12 months of fees at the then applicable rate. In the event of a change of control and the Goad Agreement is subsequently or contemporaneously terminated by the Corporation without just cause within 6 months of the date of such Change of Control or the services provided by Mr. Goad do not continue at a level of responsibility or a level of compensation at least commensurate with his then-existing level of responsibility and compensation immediately prior to the Change of Control, Mr. Goad may elect within six months of the date of the Change of Control to terminate the Goad Agreement. In the event of such an election the Corporation would be obligated to pay Mr. Goad a lump sum amount equal to 12 months of fees at the then applicable rate plus the prorated annual performance plan bonus within one month of the election. As at December 31, 2010, pursuant to these termination provisions, the lump sum amounts payable would equal \$295,100 plus the prorated annual performance plan bonus determined at the time.

Mr. Kemp’s consulting agreement with the Corporation may currently be terminated by the Corporation upon payment of a lump sum amount equal to 12 months of fees at the applicable rate. As at December 31, 2010, pursuant to this termination provision, the lump sum amount payable would equal \$271,305.

Mr. Rinaldi’s employment agreement with the Corporation requires, in the event of a loss of employment resulting from a change in control of the Corporation, a payment of a lump sum amount equal to six months of salary during the initial year of service and subsequent to the first anniversary of the commencement of employment, the lump sum payment required increases at the rate equal to one month of salary per year of additional service, to a maximum of 12 months of salary. As at December 31, 2010, pursuant to this termination provision, the lump sum amount payable would equal \$166,667.

### *Compensation of Directors*

Commencing in 2008, non-executive directors are paid fees for their services as directors. The fees include a base retainer of \$20,000 per annum. Additional retainers in the amounts of \$5,000, \$10,000 and of \$20,000 are provided to the Chairmen of the Compensation and Special Committees, the Chairman of the Audit Committee and Chairman of the Board, respectively, to reflect the additional contributions made in those roles. A meeting fee of \$1,000 is paid for each committee or board meeting attended. If a director is required to travel in excess of three hours to attend a meeting in person an additional fee of \$500 is paid. Directors are also reimbursed for any out-of-pocket expenses.

Non-executive directors are entitled to receive compensation to the extent that they provided third-party services to the Corporation at rates equal to or less than what would otherwise be charged by such directors for such services to arm's length parties.

Non-executive directors receive options, as longer-term compensation incentives, to purchase shares in the Corporation as recommended by the Compensation Committee and determined by the Board. The exercise price of such options is determined by the Board, but shall in no event be less than the market price of the shares of the Corporation at the time of the grant of the options. Fees earned, options granted and other consulting fees are summarized in the following table.

### Director Compensation Summary

Name <sup>(1)</sup>	Fees Paid in Year <sup>(2)</sup> (\$)	Share-based awards <sup>(3)</sup> (\$)	Option-based awards <sup>(4)</sup> (\$)	Non-equity incentive plan compensation <sup>(5)</sup> (\$)	Pension Value <sup>(6)</sup> (\$)	All other Compensation <sup>(7)</sup> (\$)	Total Compensation (\$)
William A. Breukelman	34,000	—	23,400	—	—	—	57,400
Shou Wu (Grant) Chen	17,037	—	36,000	—	—	—	53,037
Carl L. Clouter <sup>(8)</sup>	25,000	—	21,600	—	—	130,970 <sup>(8)</sup>	177,570
James A. Currie	25,000	—	18,000	—	—	—	43,000
George M. Doumet	50,000	—	30,600	—	—	—	80,600
James D. Excell	34,000	—	21,600	—	—	—	55,600
David A. Knight <sup>(9)</sup>	— <sup>(9)</sup>	—	21,600	—	—	— <sup>(9)</sup>	21,600
Mahendra Naik	50,000	—	27,000	—	—	—	77,000

#### Notes:

- (1) Mr. Goad is the President and CEO of the Corporation and does not receive additional compensation for his services as a director. Compensation received by Mr. Goad, in his capacity as President & CEO, is reported in the "NEO Summary Compensation Table" above.
- (2) Amounts reported include retainers and meeting fees paid by directors in 2010, including the aggregate amount of \$20,000 with respect to outstanding fees paid to the directors in 2010, for services performed in 2009. Outstanding at December 31, 2010 is \$22,667 payable for services performed in 2010.
- (3) Includes the dollar value of any common shares, restricted shares, DSUs, PSUs, etc. granted based on grant date fair value. The Corporation did not issue any compensation of this nature during 2010.
- (4) Includes the dollar amount of \$199,800 for stock options granted based on the grant date fair value. The fair value of the options granted during the year ended December 31, 2010 was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Named Executive Officer	Number of options granted #	Assumptions				Expected option life [years] #	Estimated fair value per option \$	Estimated grant date fair value \$
		Risk free interest rate %	Expected dividend yield %	Expected volatility %				
William A. Breukelman	65,000	2.55	—	59	5	0.36	23,400	
Shou Wu (Grant) Chen	100,000	2.55	—	59	5	0.36	36,000	
Carl L. Clouter	60,000	2.55	—	59	5	0.36	21,600	
James A. Currie	50,000	2.55	—	59	5	0.36	18,000	
George M. Doumet	85,000	2.55	—	59	5	0.36	30,600	
James D. Excell	60,000	2.55	—	59	5	0.36	21,600	
David A. Knight	60,000	2.55	—	59	5	0.36	21,600	
Mahendra Naik	75,000	2.55	—	59	5	0.36	27,000	

The Black-Scholes model, used by the Corporation to calculate option values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options, which significantly differ from the Corporation's stock option awards. 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, the Compensation Committee believes that these models do not necessarily provide a reliable single measure of the fair value of the Corporation's stock option awards.

- (5) Includes the dollar value of all amounts earned for services performed in the financial year.
- (6) Includes all compensation related to a corporation's defined benefit and defined contribution plans, including service costs, plan changes and above market earnings. The Corporation does not have any long-term incentive programs other than its stock option plan and does not have any defined or actuarial plans.
- (7) Includes all perks, post-retirement benefits, "gross-ups" and reimbursements on payment of taxes, life insurance premiums paid by the Corporation. Directors are not eligible to participate in the Corporation's health, dental, travel or other benefit plans.
- (8) Mr. Clouter provides certain consulting services to the Corporation. Fees earned by Mr. Clouter pursuant to these services are reported as other compensation.
- (9) Mr. Knight is a partner with the law firm Macleod Dixon LLP. The law firm provides legal services to the Corporation. The Corporation incurred aggregate fees of \$98,333 to Macleod Dixon LLP for services received in 2010, including \$9,667 of outstanding fees payable at December 31, 2010. Included in these amounts are \$25,333 and \$1,667, respectively related to Directors fees.

*Outstanding Share-based Awards and Option-based Awards Table:*

The following table provides details regarding outstanding director option and share based awards as at December 31, 2010:

<b>Outstanding share-based awards and option-based awards</b>						
<b>Name</b>	<b>Option-based Awards</b>				<b>Share-based Awards</b>	
	<b>Number of securities underlying unexercised (#)</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date (dd/mm/yy)</b>	<b>Aggregate value of unexercised in-the-money options<sup>(1)</sup> (\$)</b>	<b>Number of shares or units that have not vested<sup>(2)</sup> (#)</b>	<b>Market or payout value of share-based awards that have not vested<sup>(2)</sup> (\$)</b>
<b>William A. Breukelman</b>	70,000	0.60	11/05/14	78,400	—	—
	65,000	0.68	25/05/15	67,600	—	—
	40,000	1.50	11/08/13	8,800	—	—
	40,000	2.30	22/12/11	Nil	—	—
<b>Shou Wu (Grant) Chen</b>	100,000	0.68	25/05/15	104,000	—	—
<b>Carl L. Clouter</b>	60,000	0.60	11/05/14	67,200	—	—
	60,000	0.68	25/05/15	62,400	—	—
	40,000	1.50	11/08/13	8,800	—	—
	40,000	2.30	22/12/11	Nil	—	—
<b>James A. Currie</b>	50,000	0.60	11/05/14	56,000	—	—
	50,000	0.68	25/05/15	52,000	—	—
	250,000	1.60	31/03/13	30,000	—	—
<b>George M. Doumet</b>	90,000	0.60	11/05/14	100,800	—	—
	85,000	0.68	25/05/15	88,400	—	—
	50,000	1.50	11/08/13	11,000	—	—
	50,000	2.30	22/12/11	Nil	—	—
<b>James D. Excell</b>	60,000	0.60	11/05/14	67,200	—	—
	60,000	0.68	25/05/15	62,400	—	—
	45,000	1.50	11/08/13	9,900	—	—
	45,000	2.30	22/12/11	Nil	—	—
<b>David A. Knight</b>	60,000	0.60	11/05/14	67,200	—	—
	60,000	0.68	25/05/15	62,400	—	—
	40,000	1.50	11/08/13	8,800	—	—
	40,000	2.30	22/12/11	Nil	—	—

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised (#)	Option exercise price (\$)	Option expiration date (dd/mm/yy)	Aggregate value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)
Mahendra Naik	80,000	0.60	11/05/14	89,600	—	—
	75,000	0.68	25/05/15	78,000	—	—
	55,000	1.50	11/08/13	12,100	—	—
	50,000	2.30	22/12/11	Nil	—	—
	100,000	2.84	27/03/11	Nil	—	—

**Notes:**

- (1) The value of the unexercised in-the-money options is based on the closing price of the Corporation's Shares on the Toronto Stock Exchange on December 31, 2010 of \$1.72 per share.
- (2) The Corporation has no share-based award plans and has not issued any share-based awards.

*Incentive plan awards - value vested or earned during the year:*

The following table provides details regarding outstanding director option based awards, share based awards and non-equity incentive plan compensation, which vested and/or was earned during the year ended December 31, 2010:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
William A. Breukelman	Nil	—	—
Shou Wu (Grant) Chen	Nil	—	—
Carl L. Clouter	Nil	—	—
James A. Currie	Nil	—	—
George M. Doumet	Nil	—	—
James D. Excell	Nil	—	—
David A. Knight	Nil	—	—
Mahendra Naik	Nil	—	—
James A. Currie	Nil	—	—

**Note:**

- (1) Identifies the aggregate dollar value that would have been realized by the director if the director had exercised all options exercisable under the option-based award on the vesting date(s) thereof.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for further issuance under equity compensation plans (excluding securities referenced in column (a)) (c)
Equity compensation plans approved by securityholders	4,245,000 <sup>(1)</sup>	\$1.22	6,427,823 <sup>(2)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	4,245,000	\$1.22	6,427,823

**Notes:**

- (1) As of the date of this information circular the total number of Shares issuable under outstanding options is 4,150,000, which is 3.87% of the number of Shares issued and outstanding. Prior to the date of this information circular a total of 1,950,000 Shares have been issued pursuant to the exercise of options.
- (2) The Plan provides for the issuance of options to purchase up to an aggregate of 10% of the issued and outstanding shares of the Corporation less the number of Shares issued pursuant to the plan for options granted within the previous 3 years. As at the date of this information circular the Corporation may issue up to an additional 6,551,943 options.

The Corporation's current stock option plan (the “**Plan**”) was originally approved by the shareholders of the Corporation at the annual and special meeting of shareholders of the Corporation held on June 20, 2005. Certain amendments to the Plan were approved at the annual and special meeting of shareholders of the Corporation held on May 29, 2007. As is required by the rules of the TSX, the Plan was reapproved by the shareholders on May 27, 2008.

The material terms of the Plan are as follows:

- The Plan is an “evergreen” or “rolling” stock option which provides that the aggregate of: (i) the number of Shares which may be issuable pursuant to the exercise of options outstanding at any particular time; and (ii) the number of Shares previously issued pursuant to the exercise of options granted within the three years prior to such time, may not exceed 10% of the number of Shares outstanding at such time.
- The persons eligible to receive options to purchase Shares of the Corporation (“**Options**”) under the Plan are the directors, officers and employees of the Corporation or affiliates of the Corporation, and any person or company engaged by the Corporation to provide consulting, technical, management or other services (unrelated to the distribution of securities) (“**Eligible Individuals**”) and permitted assigns of such persons (“**Permitted Assigns**”). Permitted Assigns include trustees acting on behalf of Eligible Individuals, corporations controlled by Eligible Individuals, registered retirement savings plans or registered retirement income funds of Eligible Individuals and spouses of Eligible Individuals.
- The Board may grant Options to any of the foregoing (an “**Eligible Person**”), as determined by the Board in its discretion. At the time of the grant of an Option, the Board, in its discretion, must fix the number of Shares being optioned to the Eligible Person (in this capacity the “**Optionee**”), the exercise price of the Option, the extent to which each Option is exercisable from time to time during the term of the Option and the expiration date of the Option. The Plan does not specify a maximum term for Options granted thereunder.
- If the termination date of an option falls during or within three business days of a blackout period during which the policy of the Corporation prevents certain persons from trading in the securities

of the Corporation, the expiry date for such option will be extended for an additional period expiring on the 10th business day following the end of the blackout period.

- The aggregate of: (i) the number of Shares which may be issuable pursuant to the exercise of Options outstanding at any particular time; and (ii) the number of Shares previously issued pursuant to the exercise of Options granted within the three years prior to such time, may not exceed 10% of the number of Shares outstanding at such time.
- The exercise price of an Option may not be less than the market price of the Shares on the date on which the grant of the Option is approved by the Board. For this purpose the market price is the closing sale price of the Shares on the last trading day preceding the date of grant on which the Shares traded on the TSX or another exchange on which the Shares are listed.
- Once granted, the Options may only be assigned by the Optionee to Permitted Assigns.
- The number of Shares that may be issued to any one person, under the Plan and any other share compensation arrangement of the Corporation, may not exceed 5% of the outstanding Shares.
- No Options may be granted by the Board where such grant could result in the number of Shares issuable to Insiders (as defined in the Plan) under all share compensation arrangements exceeding 10% of the issued and outstanding Shares or in the issuance to insiders, within a one-year period, of a number of Shares exceeding 10% of the issued and outstanding Shares.
- An Optionee's entitlement to shares under the Plan may cease prior to the expiration date of the Option, as follows:
  - Options will terminate six months after an Optionee retires or terminates his or her employment or directorship under circumstances equating to retirement;
  - Options will terminate on the date that the Optionee (or in the case of an Optionee who is not an employee, officer, director or service provider, the Eligible Individual associated with such Optionee) is terminated for cause by the Corporation;
  - Options shall terminate on the date that an Optionee commits an act of bankruptcy, where such proceeding remains undismissed for 30 days; and
  - Options shall terminate three months after the death of an Optionee. Under the Plan, the Board retains the discretion to waive the above cessation of rights in respect of any particular Optionee.
- The Corporation has no security purchase arrangement or stock appreciation rights plan, and the Corporation does not have authority to transform Options into stock appreciation rights.
- By its terms, the Plan may be amended by the Board without the consent of the shareholders, including amending the terms and conditions of options, amending the categories of persons who are Eligible Persons and entitled to be granted options, allowing the grant of financial assistance to Optionees for the purpose of exercising options, authorizing the addition of a cashless exercise feature (payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve), changing the assignability or transferability of options, and amendments of a housekeeping nature. However, pursuant to TSX rules, the extension of the term of an option for the benefit of an insider must be approved by disinterested shareholders.
- The Board may terminate the Plan at any time. In the event of termination of the Plan, all Options may be exercised for 30 days from notice of termination.

In connection with amendments to the Income Tax Act (Canada) requiring issuers to make withholdings in respect of exercised options under stock option plans such as the Plan, the Corporation made appropriate housekeeping amendments to the Plan, effective January 6, 2011, with the consent of the TSX. Pursuant to the amendments, the Corporation has the authority to take steps for the deduction and

withholding, or for the advance payment or reimbursement by the Optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with the Plan, or any issuance of Shares.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the Corporation's most recently completed financial year, there is no, and there has not been any, outstanding indebtedness owing to the Corporation, any subsidiary of the Corporation, or any other entity, in connection with a purchase of securities or otherwise, by: (i) any director, executive officer or employee of the Corporation or any of its subsidiaries; (ii) any former director, executive officer or employee of the Corporation or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Corporation; (iv) any associate of any individual who is, or at any time during the Corporation's most recently completed financial year was, a director or executive officer of the Corporation; or (v) any associate of any proposed nominee for election as a director of the Corporation.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year or any associate or affiliate of any such director, executive officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the directors and officers of the Corporation, no director or executive officer of the Corporation or any subsidiary of the Corporation, no person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, no proposed director of the Corporation and no associate of affiliate of any of the foregoing persons have had or has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis ("MD&A") for its financial year ended December 31, 2010. Shareholders who wish to receive copies of the Corporation's financial statements and MD&A may contact the Corporation in writing at 140 Fullarton Street, Suite 1902, London, Ontario N6A 5P2, by email at [info@fortuneminerals.com](mailto:info@fortuneminerals.com), or by telephone at (519) 858-8188.

## **GENERAL**

Information contained herein is given as of April 15, 2011 except as otherwise noted. If any matters which are not known should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person voting it. The content and sending of this Management Information Circular have been approved by the Board of the Corporation.

Dated the 15<sup>th</sup> day of April, 2011.

By order of the Board

(Signed) David A. Knight  
Secretary



## SCHEDULE “A”

### Charter and Terms of Reference for the Board of Directors of FORTUNE MINERALS LIMITED

#### 1. MANDATE

The board of directors (the “**Board**”) of Fortune Minerals Limited (the “**Company**”) is elected by the Company’s shareholders to supervise the business and affairs of the Company. The primary responsibility of the Board is to foster the long term success of the Company and to maximize shareholder value in a manner that recognizes the interests of other stakeholders including the Company’s clients and employees.

#### 2. COMPOSITION AND BOARD ORGANIZATION

2.1 The Board will be comprised of a minimum number of directors and a maximum number of directors as specified in the articles of the Company.

2.2 Nominees for directors may be recommended by any member of the Board, will be considered and approved by the Board as a whole and will be elected annually by the shareholders of the Company. Between annual meetings, the Board may appoint additional directors to serve until the next annual meeting.

2.3 The directors will be elected by the shareholders of the Company at every annual meeting for a term expiring at the next annual meeting.

2.4 A majority of the directors comprising the Board must be “independent” directors. “Independence” is defined by securities regulations as “having no direct or indirect material relationship with the issuer.”<sup>1</sup>

2.5 There is no retirement age for directors.

2.6 The Board will appoint its chair (the “**Chair**”) from among its members. The Chair should generally be an independent director. In the event that the Chair is also a member of management of the Company, the Board will also elect a “lead director” from among the independent directors to chair the Board at all meetings where management members are absent. The Chair’s responsibilities are outlined in terms of reference approved by the Board.

#### 3. MEETINGS

3.1 The Board will meet at least four times a year. Special meetings may be called by the Chair, the President and Chief Executive Officer of the Company (the “**CEO**”) or any two directors as required.

3.2 The quorum for a meeting of the Board is a majority of members in attendance.

3.3 The Chair, in consultation with the CEO, will set the agenda for each Board meeting, which will be circulated to members of the Board. Each Board member is free to suggest agenda items to be discussed during the meeting.

---

<sup>1</sup> see National Policy 58-201 *Effective Corporate Governance* and National Instrument 52-110 *Audit Committees*

3.4 Directors will receive agenda materials prior to the meetings in order for the directors to have a reasonable time to review the materials prior to the meeting. The materials will assist the Board members to understand and evaluate the matters to be discussed in the agenda.

3.5 Persons who are not board members may attend Board meetings or parts of meetings at the invitation of the Chair and with agreement of the Board.

3.6 Members may attend meetings of the Board by teleconference, videoconference, or by similar communication equipment by means of which all persons participating in the meeting can communicate with each other.

3.7 At the end of each quarterly Board meeting, the independent directors shall meet without members of management present.

3.8 Minutes of the Board meetings will be accurately recorded, with such minutes recording the decisions reached by the Board. Minutes of each meeting will be distributed to members of the Board, the CEO and the Chief Financial Officer of the Company (the “CFO”).

#### **4. RESPONSIBILITIES OF THE BOARD AND ITS MEMBERS**

4.1 The Board is required by law to manage or supervise the management of the business and affairs of the Company.<sup>2</sup> In discharging this duty, with the assistance of committees established by the Board from time to time, the Board will:

##### **Strategic Planning and Major Transactions**

- (a) oversee the strategic planning process within the Company;
- (b) review the overall corporate strategy presented by management and monitor its implementation;
- (c) approve the entering into, or withdrawing from, lines of business or activities that are or likely to be material the Company;
- (d) approve any acquisition, disposition or expenditure in excess of \$500,000;
- (e) approve any loan agreement or guarantee for an amount in excess of \$500,000;

##### **Policies and Procedures**

- (f) monitor compliance with all significant policies and procedures by which the Company is operated, including the Company’s Code of Business conduct;
- (g) review significant new corporate policies or material amendments to existing policies;

---

<sup>2</sup> *Business Corporations Act* (Ontario) s. 115

## **Business and Risk Management**

- (h) identify, with management, the principal risks of the Company's business and review, approve and monitor the implementation of appropriate systems to manage and reduce those risks;

## **Oversight of Management**

- (i) appoint the CEO and monitor the CEO's performance, approve the CEO's compensation and outline the CEO's responsibilities and duties;
- (j) review the CEO's performance at least annually against agreed upon objectives;
- (k) establish a succession plan for the CEO and other executive officers of the Company, including programs to train and develop management;
- (l) approve decisions related to executive officers, including the:
  - (i) appointment and discharge of senior executive officers;
  - (ii) compensation and benefits for the senior executive officers; and
  - (iii) the CEO's acceptance of public service commitments or outside directorships (other than not for profit organizations);
- (m) satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company;
- (n) provide a source of advice to the CEO and senior management on critical issues and matters faced by the Company;

## **Corporate Governance**

- (o) develop the Company's approach to corporate governance, including a set of corporate governance principles and guidelines for the Company;

## **Financial and Corporate Issues**

- (p) oversee the quality and integrity of the Company's accounting and financial reporting systems, disclosure and internal controls and management information systems;
- (q) monitor operational and financial results;
- (r) approve annual and quarterly financial statements and MD&A disclosure;
- (s) declare dividends at such times and in such amounts as they consider advisable;
- (t) recommend for shareholder approval any changes to the Company's share structure;
- (u) approve financings including the issue and repurchase of shares, issuing of debt securities, listing of shares, and other securities;

- (v) review response strategies to any possible takeover bid in order to maximize shareholder value;

### **Corporate and Compliance Reporting**

- (w) ensure that the Company has in place effective communications processes with shareholders and other stakeholders;
- (x) approving the annual report and annual information form of the Company and any prospectuses that may be issued;
- (y) ensure the financial results are reported fairly and in accordance with generally accepted accounting principles;
- (z) ensure timely reporting of any developments that have a material impact on the value of Company and/or its securities;
- (aa) report annually to the shareholders on the Board's corporate governance practices in accordance with applicable regulatory guidelines;

### **Affairs of the Board**

- (bb) assess on a regular basis:
  - (i) the effectiveness of the Board, its committees and directors in fulfilling their responsibilities;
  - (ii) the competencies and skills of the individual directors and a Board as a whole in relation to the Company's operations and strategic plan; and
  - (iii) this charter and the charters of all Board committees; and
- (cc) ensure that new directors are provided with adequate education and orientation as to their role and responsibilities.

4.2 As a member of the Board, each director will:

- (a) act honestly and in good faith with a view to the best interests of the Company<sup>3</sup>;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances<sup>4</sup>;
- (c) demonstrate high ethical standards and integrity in their personal and professional dealings;
- (d) disclose any material interest in a proposed contract or transaction that is material to the Company;

---

<sup>3</sup> *Business Corporations Act* (Ontario) section 134(1)(a)

<sup>4</sup> *Business Corporations Act* (Ontario) section 134(1)(b)

- (e) be an available resource to management and the Board;
- (f) maintain confidentiality;
- (g) advise the CEO and/or Chair when introducing significant and/or previously unknown information or material at a Board meeting;
- (h) identify potential conflict areas and ensure they are appropriately identified and reviewed; and
- (i) assist in maximization of shareholder value.

4.3 To enhance the effectiveness of the Board and committee meetings, each director will:

- (a) maintain an excellent Board and committee attendance record;
- (b) prepare for Board and committee meetings by reading the agenda and background materials prepared for each meeting prior to the meeting;
- (c) participate fully and frankly in Board deliberations and discussions;
- (d) participate as required on Board committees and become knowledgeable about the role and objectives of each Board committee;
- (e) participate in director orientation and development programs developed by the Company from time to time;
- (f) become generally knowledgeable of the Company's business and industry;
- (g) maintain an understanding of the regulatory, legislative, and business, environments within which the Company operates;
- (h) establish an effective, independent and respected presence and a collegial relationship with other directors;
- (i) remain knowledgeable about the Company's facilities and visit them when appropriate; and
- (j) respect that the CEO is the chief spokesperson for the Company and individual directors are only involved with external communications at the request of, and/or approval of and in coordination with, the CEO.

## **5. COMMITTEES**

5.1 Certain of the Board's responsibilities may be delegated to Board committees. The composition, responsibilities and authority of those committees will be set forth in their charters and terms of reference as approved by the Board from time to time. Currently the Board has approved one committees being the Audit Committee.

## **6. COMPENSATION**

6.1 The Board as a group will consider and establish from time to time the compensation and benefits for non-management directors.

6.2 The Board will review the compensation of its members based on the responsibilities and risks involved in being a director of the Company, industry standards, and ensure that compensation is align with the best interests of the Company.

## **7. COMMUNICATION WITH THE BOARD**

7.1 Shareholders and other stakeholders may communicate with the Board and individual members by contacting the head office of the Company.

## **8. ACCESS TO INDEPENDENT ADVISORS**

8.1 The Board will have the resources and authority appropriate to discharge its duties and responsibilities. The Board may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.

Any director may, subject to the approval of the Chair, retain an outside advisor at the expense of the Company.





# **FORTUNE**

## **MINERALS LIMITED**

---

140 Fullarton Street, Suite 1902, London, Ontario N6A 5P2  
TEL: 519-858-8188 FAX: 519-858-8155 EMAIL: [info@fortuneminerals.com](mailto:info@fortuneminerals.com)  
WEBSITE: [www.fortuneminerals.com](http://www.fortuneminerals.com)