



FORTUNE MINERALS LIMITED

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Dear Members of the Tahltan and Iskut First Nation Communities:

Introduction

Fortune Minerals is writing to provide information on its proposed Mount Klappan anthracite coal project in Tahltan territory and its environmental baseline studies planned for 2005. Fortune Minerals is based in London, Ontario, and is proposing to develop an environmentally, socially and economically sustainable coal mine at Mount Klappan that all parties can be proud. Fortune's coal project is distinct and unrelated to Shell's coalbed methane project.

Background

Fortune acquired the Mount Klappan project in 2002. Between 1981 and 2001, Gulf Canada Resources Limited identified significant resources of anthracite coal at Mount Klappan. They carried out exploration activities, test mining, pilot plant processing and trucking of product to Stewart for shipment to potential customers.

Anthracite is a clean coal with very high energy content. It has a variety of uses, including in the manufacture of steel and other metals, carbon filters for water purification, and fuels for cement making and power generation.

Where are we now?

Fortune is engaged in consultation with the Tahltan Central Council and the Tahltan and Iskut First Nations. Before a mine can be developed at Mount Klappan, the project must successfully complete an environmental assessment. This is the current stage of the project.

There is the need to collect additional environmental baseline information to meet the requirements of an environmental assessment. The collected information allows potential impacts to be assessed. Throughout the process, Fortune will continue to visit the communities to provide information on the project, to discuss business and employment opportunities, and hear community members' views so they can be addressed. Fortune is committed to the principles contained in the Tahltan Tribal Council Resource Development Policy Statement (1987) and development would include significant economic and social benefits for the Tahltan through a participation agreement.

Fortune's 2005 environmental program consists of collecting baseline information on wildlife, fisheries, water quality, vegetation, archaeology and Traditional Use. To complete this program, a small camp needs to be established to accommodate the people who will conduct field observations, install and record information from monitoring equipment and drill holes to collect rock and water samples. This program has been reviewed by representatives of the Tahltan and Iskut communities and was approved by the Province of British Columbia. These studies will not impact any of the camps in the area, including the Quock and Nole camps.

A significant part of the program is being conducted by Tahltan owned companies providing employment opportunities to people living in Iskut, Dease Lake and Telegraph Creek. These include Rescan Tahltan Environmental Consultants (RTEC) and the Tahltan Nation Development Corporation (TNDC). Other Tahltans will also be employed by contractors working at the site and services will be purchased from local businesses.

What's next?

After completion of the environmental baseline program, Fortune will submit all findings to the Environmental Assessment Office for a thorough public review process of all aspects of the mine proposal. Fortune is proposing to construct an open pit mine, process plant and related facilities to produce 1.5 million tonnes of coal per year for the steel industry. Coal product would be trucked to the port of Stewart over a new road to be constructed between the site and Bell II on Hwy 37. This will minimize traffic on the Ealue Lake road and BC Rail right-of-way and sub-grade used by members of the local communities. The mine would employ about 300 people, providing significant employment and business opportunities for the Tahltan and Tahltan owned companies and joint ventures such as RTEC, TNDC, Sodexo and Arrow-Tahltan Joint Venture. Fortune Minerals is committed to sustainable development of Mount Klappan and working with local communities to provide positive economic and social benefits to the Tahltan.

For further information, please contact us at:

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