

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

Six months ended June 30, 2024

This Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") of Fortune Minerals Limited ("Fortune" or the "Company") is dated August 13, 2024 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and the notes thereto for the six months ended June 30, 2024 and with the annual audited consolidated financial statements and the notes thereto for the year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion contains certain forward-looking information and is expressly qualified by the cautionary statement at the end of this MD&A. All dollar amounts are presented in Canadian dollars unless indicated otherwise. Unless the context otherwise requires, the terms "Fortune" and "the Company" where used herein refer to Fortune Minerals Limited and its subsidiaries on a consolidated basis.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected consolidated financial information that is derived from the unaudited interim condensed consolidated financial statements and audited consolidated financial statements of the Company. The amounts represent the three-month periods ended:

	2024		2023				2022	
	Jun-30	Mar-31	Dec-31	Sept-30	Jun-30	Mar-31	Dec-31	Sept-30
Revenue and Other Income	99,870	20,513	4,193	4,858	1,856	1,363	2,768	1,271
Net loss	(1,064,676)	(622,926)	(533,821)	(973,861)	(656,168)	(686,724)	(40,360)	(996,978)
Basic and fully diluted loss per common share⁽¹⁾	—	—	—	—	—	—	—	—

Notes:

(1) The sum of quarterly income (loss) per common share for any given period may not equal the year-to-date amount due to rounding

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that mineral property is commercially viable. Previously, the Company capitalized these amounts. The comparative consolidated financial statements for the three and six months ended June 30, 2023 have been restated to reflect adjustments made as a result of this change in accounting policy. Comparative balances in this MD&A have also been restated to reflect adjustments made as a result of the change in accounting policy.

Fortune has undertaken the following activities during the six months ended June 30, 2024 in support of corporate financing initiatives and its wholly owned NICO cobalt-gold-bismuth-copper deposit and proposed mine ("NICO") in the Northwest Territories ("NWT") and a related hydrometallurgical refinery ("Refinery") proposed to be constructed in Alberta, Canada (collectively, the "NICO Project"), as well as permitting and optimizations to produce a more financially robust development:

- At the end of 2023, Fortune announced that it had received contribution funding commitments totaling ~C\$890,000 from Natural Resources Canada ("NRCan") and Alberta Innovates through their Critical Minerals Research Development and Demonstration ("CMRDD") program and Clean Resources Continuous Intake program, respectively. These funds were awarded to support metallurgical test work and piloting of NICO ores to validate recent project optimizations and to provide more detailed information needed to design the bismuth circuit at Fortune's planned Alberta Refinery.
- In Q1, 2024, samples of NICO ores were collected from stockpiled ores at the mine site and transported to SGS Canada Inc. ("SGS") in Lakefield, Ontario for metallurgical testing.
- In Q2, 2024 the samples were crushed, ground and subjected to flotation concentration at SGS to produce cobalt and bismuth concentrates for hydrometallurgical tests and piloting. The hydrometallurgical tests have recently commenced at SGS.

- On May 16, 2024, Fortune announced that it had been awarded a grant of US\$6,380,555 from the U.S. Department of Defense (“DoD”) pursuant to the Defense Production Act Title III program to expand the domestic capacity and production of cobalt for the battery and high strength alloy supply chains. This award will allow Fortune to complete work in four focus areas needed to advance the NICO Project to a project finance decision. This work includes (i) completing metallurgical tests to optimize the Alberta Refinery site hydrometallurgical processes; (ii) completing an updated Feasibility Study based on the proposed new Alberta Refinery site, new Tlicho Highway and recent project optimizations; (iii) securing the remaining authorizations, for construction and operation of the NICO mine and concentrator in the NWT preparation of management plans, and completion of a Participation Agreement; (iv) and securing permits to construct and operate the hydrometallurgical refinery at its planned brownfield site in Lamont County, Alberta.
- On May 16, 2024, Fortune also announced that it had secured additional funding from the Government of Canada (“GOC”) through a contribution agreement for up to \$7.5 million through NRCan’s Global Partnerships Initiative (“GPI”) program. These funds will be used to support 75% of the costs for the following work: (i) expanding the test work program to assess NICO Project feed source variability and also blending of intermediates produced by Rio Tinto at their Kennecott Smelter in Utah with NICO Project process streams; (ii) completing Feasibility Study sensitivity analysis of engineering and the economic impacts of blending Rio Tinto feed sources; and (iii) completing a Front-End Engineering and Design (“FEED”) Study.
- On May 21, 2024, the Company entered into a convertible security funding agreement (“Convertible Security”) for an initial principal amount (the “First Tranche”) of \$1,250,000 and a potential additional amount of up to \$10,000,000 of convertible securities. Pursuant to the agreement, the Company issued to Lind Global Fund II, LP (“Lind”) a Convertible Security with a face value of \$1,600,000, representing a principal amount of \$1,250,000 and an interest amount of \$350,000. The First Tranche is due two years from the date of issuance and matures on May 21, 2026. The First Tranche is secured by a lien against the Company’s assets and bears interest at 14% per annum. Additional drawdowns can be made and are subject to the agreement of both parties. Most of the proceeds from the first drawdown was used to make a \$1 million downpayment on the brownfield site in Lamont County to extend the 2022 Option to June 28, 2024.
- Fortune is engaged with various municipal, territorial, provincial and federal governments to attract political and financial support for the vertically integrated NICO Project and strengthen domestic supply chains for Critical Minerals needed in new technologies and the growing green economy;
- Subsequent to June 30, 2024, Fortune has been in negotiations with JFSL Field Services LLC to structure a new option agreement to purchase the brownfield site in Lamont County, Alberta for the NICO Project hydrometallurgical refinery after the earlier agreement from January 2022 expired. The Company has negotiated an agreement in principle with JFSL (the “2024 Option”), subject to approval of minor amendments and execution of the final agreement. Fortune will provide further information on the 2024 Option terms after this agreement has been executed.
- Fortune continues to review the NICO Mineral Resource model, engineering, mining, and execution plans for the NICO Project to assess various opportunities to mitigate capital and operating cost escalation and accelerate processing of higher margin ores to improve project economics.

OVERVIEW

Fortune’s vision is to be a recognized developer, miner, processor and refiner of Critical Minerals needed in new technologies and the growing green economy, together with gold and other by-products contained in the Company’s mineral deposits. Supporting the vision is Fortune’s mission to profitably produce specialty and precious metals to meet the needs of our customers and partners, and to attract and develop an exceptional team of people motivated to acquire, explore, develop, mine and reclaim resource properties in a safe and responsible manner. The Company’s most significant asset is the NICO Project and the Company has spent approximately \$137 million on the project to date.

The Canadian and United States (“U.S.”) governments have signed a Joint Action Plan on Critical Mineral Collaboration to enable more North American production of Critical Minerals. Minerals considered critical for this purpose have use in important industrial and defense applications, cannot be easily substituted by other minerals, and

their supply chains are threatened by geographic concentration of production and/or geopolitical risks such as political instability in the source countries, and/or jurisdictions that are unfriendly to Canada or have poor environmental, social and governance (“ESG”). Cobalt and bismuth are identified as Critical Minerals by the U.S., European Union (“E.U.”) and the Canadian governments. The Canadian Critical Minerals List also includes copper.

On April 7, 2022, the Government of Canada (“GOC”) announced \$3.8 billion in financial support for Critical Minerals in its 2022 Budget in order to accelerate domestic production and processing of Critical Minerals. Cobalt, nickel and lithium are a priority for support because of their use in lithium-ion rechargeable batteries to power electric vehicles, portable electronics and stationary storage cells to make electricity use more efficient.

NICO Project

Fortune continues to advance its wholly-owned NICO Project and the Company’s business activities have been focused on certain priority critical path activities required to advance permitting and financing for the planned development. The NICO Project comprises a proposed open pit and underground mine and a mill and concentrator in the NWT, with a related Refinery planned to be constructed in Lamont County, Alberta. The proposed brownfield Alberta refinery site has the requisite planning approvals already in place and existing facilities, including 42,000 square feet of serviced shops and buildings to materially reduce capital costs for the refinery development. The Company has negotiated an agreement in principle to acquire this site, subject to completion of amendments and execution of a definitive agreement, the terms for which will be disclosed when it has been executed.

In 2014, a Feasibility Study (the “2014 Feasibility Study”) for the NICO Project was summarized in a Technical Report reflecting the planned development, dated May 5, 2014, prepared by Micon International Limited (“Micon”) and entitled “*Technical Report on the Feasibility Study for the NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada*” (the “Technical Report”) and filed on SEDAR. Before completing an updated Technical Report for the NICO Project, Fortune has been investigating a number of opportunities to optimize the NICO Project to produce a more financially robust project. They include:

- A new Mineral Resource model was developed with a more constrained approach to the mineralization boundaries to reduce internal and external modeling dilution and better differentiate higher grade resource blocks for earlier processing;
- The new model also identified some additional high-grade drill intercepts as well as mineralized material at the volcanic sedimentary rock interface that were not included in previous Mineral Resource estimates;
- The grade interpolation wireframe boundaries were also extended to surface where the deposit is known to outcrop and to depth where the gold zone had been too abruptly terminated;
- A new mine plan and schedule has been completed based on the new Mineral Resource model with a re-optimized open pit shell, an expansion of the gold-rich ores designated for underground mining near the existing decline ramp, which would be processed in years 2 to 4 of the planned mine life, and a stockpiling strategy to defer processing of low margin ores;
- The open pit mine fleet has been amended with smaller equipment to reduce dilution with waste rock and match the lower mining rate;
- The Company is reviewing equipment selection and installations to reduce capital costs;
- The Company’s planned new refinery site in Lamont County, Alberta; and,
- Producing a gypsum product at the Alberta Refinery as a by-product of the autoclave effluent.

The Tlicho Highway to the community of Wha Ti was opened to the public on November 30, 2021, which together with the spur road to the mine the Company plans to build, will enable the Company to construct the mine with all-season road access, reducing capital costs, reducing the construction schedule, and mitigating supply chain risks during construction.

Fortune has experienced personnel focused on advancing the NICO Project towards commercial production, while also minimizing the risks associated with its development. Fortune is committed to developing its project in a socially and environmentally responsible manner. Fortune continues to work with a number of private sector companies and potential strategic partners interested in the Critical Minerals and/or the gold contained in the NICO Project.

The increasing demand for batteries in electric vehicles (“EV’s”), portable electronics and stationary storage cells and government concerns over the supply chains for critical minerals are expected to support strong cobalt prices to enable the successful development of the NICO Project. Fortune expects to also produce environmentally friendly bismuth metal and oxide products used in the automotive and pharmaceutical industries and the growing demand for non-toxic and environmentally safe replacement metals for lead in alloys and compounds where lead-toxicity is a concern or banned from recent legislation. Bismuth demand is also growing in metal alloy plugs to properly decommission oil and gas wells and create a better seal to reduce greenhouse gas leakage, blowouts and migration of subsurface waters that can contaminate aquifers. The U.S. Department of Energy has also conducted test work validating the superior performance of manganese-bismuth magnets for use in electric vehicle motors. The NICO Project will also produce significant gold and copper as a minor by-product. Fortune will be able to demonstrate supply chain transparency and custody control of metals from ores through to the production of value-added products and mitigate risks from geographic concentration of supply from the Democratic Republic of the Congo and China.

RESULTS OF OPERATIONS

Summary

The Company’s net loss for the three and six months ended June 30, 2024 was \$1,064,676 and \$1,687,602, respectively, or \$Nil per common share for both periods compared to a net loss of \$656,168 and \$1,342,892 or \$Nil per common share for the same periods in the prior year. The change year over year is primarily due to an increase in interest and other income and exploration and evaluation expenditures offset by a decrease in interest expense and general and administrative expense as discussed in “Expenses” below.

Revenue and Other Income

Revenue and other income increased in 2024 to \$99,870 and \$120,383 for the three and six months ended June 30, 2024, respectively, compared to \$1,856 and \$3,219 for the same period in the prior year. The increase is primarily the result of a recognition of flow-through share premium income and an increase in interest income earned on cash and cash equivalent.

Expenses

Expenses, excluding gain on modification of debt, change in fair value of convertible security and amortization of deferred day 1 loss of convertible security, increased in 2024 to \$1,024,712 and \$1,668,151 for the three and six months ended June 30, 2024, respectively, compared to \$658,024 and \$1,346,111, respectively, for the same period in the prior year.

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

The change in fair value of convertible security and amortization of deferred day 1 loss of convertible security relates to the change in value from the time of issuance in May 2024 to June 30, 2024 and recognition of the deferred loss for the period.

Deferred Taxes

The Company has not recognized a net deferred income tax recovery or provision for the three and six months ended June 30, 2024 and 2023. During the six months ended June 30, 2024, recognition of (i) \$447,000 from the estimated tax loss; and (ii) \$18,000 for non-deductible stock-based compensation and other expenses resulted in a tax recovery which was offset by a tax provision of \$465,000 for a loss carryforward not recognized.

During the same period in 2023, recognition of \$356,000 from the estimated tax loss resulted in a tax recovery which was offset by: (i) a tax provision of \$274,000 for a loss carryforward not recognized; and (ii) \$82,000 for non-deductible stock-based compensation and other expenses.

During the three months ended June 30, 2024, recognition of (i) \$282,000 from the estimated tax loss; and (ii) \$19,500 for non-deductible stock-based compensation and other expenses resulted in a tax recovery which was offset by a tax provision of \$301,500 for a loss carryforward not recognized. During the same period in 2023, recognition of \$174,000 from the estimated tax loss resulted in a tax recovery which was offset by: (i) \$140,000 for a loss carryforward not recognized; and (ii) \$34,000 for non-deductible stock-based compensation and other expenses.

A valuation allowance of \$39,552,000 has been recognized related to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Cash Flow

Cash used in operating activities during the three and six months ended June 30, 2024 was \$443,218 and \$788,003, respectively, compared to \$253,191 and \$644,860, respectively, for 2023. The increase in use of cash in operating activities year over year is mainly attributed to an increase in exploration and evaluation expenditures as discussed above in "Expenses".

Cash used in investing activities was \$1,033,005 and \$1,080,124, respectively, for the three and six months ended June 30, 2024 compared to \$59,848 and \$91,489, respectively, for the same periods in 2023. This increase is related primarily to an increase in amounts paid pursuant to the 2022 Option.

Cash provided by financing activities for the three and six months ended June 30, 2024 was \$1,283,500 and \$1,227,000, respectively, compared to \$676,800 and \$1,100,110 for the three and six months ended June 30, 2023, respectively. The difference year over year is primarily a result of the receipt of proceeds from a convertible security in 2024 compared to proceeds on issuance of units in 2023.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, Fortune had cash and cash equivalents of \$32,508 and negative working capital of \$10,600,134 compared to \$442,411 and negative working capital of \$8,529,778, respectively, for the prior year. The negative working capital at June 30, 2024 is a result of debt maturing in December 2024 as discussed below.

The Company regularly reviews its planned activities relative to available funding and prioritizes activities based on what is required to complete critical path activities and budgets accordingly. The Company invests its surplus cash in low risk, liquid investments, which typically have low yields but hold their value during times of market uncertainty. With its existing working capital, the Company will require additional financing to conduct certain critical path activities for 2024 and to repay its outstanding debt. The NICO Project will also require further funding to maintain its operations and advance the project through to production. The Company has historically been successful in financing its activities, however, there are no assurances that it will be successful in raising future funds required, especially considering the impacts inflation, increasing interest rates, and the Russia/Ukraine conflict could have on the global financial markets as a whole. Management is continuously pursuing and considering various financing opportunities.

On May 10, 2024, the Company drew down an additional \$100,000 on one of its secured loans. On May 21, 2024, the Company entered into a Convertible Security for a First Tranche of \$1,250,000 and a potential additional amount of up to \$10,000,000 of convertible securities. Pursuant to the agreement, the Company issued a convertible security with a face value of \$1,600,000, representing a principal amount of \$1,250,000 and an interest amount of \$350,000. The First Tranche is due two years from the date of issuance and matures on May 21, 2026. The First Tranche is secured by a lien against the Company's assets and bears interest at 14% per annum. The First Tranche includes covenants typical and customary for secured convertible securities of this nature. In relation to the First Tranche, the Company issued 12,500,000 common share purchase warrants at an exercise price of \$0.065 for a term of 60 months

from the date of issuance. The Convertible Security can be converted to common shares of the Company at a rate of no more than 1/24th of the face value of the Convertible Security in any given month and at a price per share equal to 80% of the volume weighted average price ["VWAP"] per share for the five consecutive trading days immediately prior to the conversion date. Lind shall have the right at any time to increase the conversion limit to up to \$900,000 per month, providing that increased amount does not exceed 20% of the aggregate trading volume of the shares for the immediately preceding 20 days. The Company has the right to buy-back the outstanding face value of the Convertible Security at any time after 180 days following the closing date of the First Tranche for an amount equal to 105% of the amount outstanding. If the Company elects to exercise its buy-back rights, Lind would have the option to convert up to 33% of such face value to common shares of the Company at a price per share that is equal to 80% of the VWAP for the five consecutive days immediately prior.

The following is a summary of contractual obligations for the next five years and thereafter:

<i>Contractual Obligations</i>	<i>Payments Due by Year</i>				
	<i>Total</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>4-5 years</i>	<i>After 5 years</i>
<i>Accounts payable and accrued liabilities</i>	\$ 871,313	\$ 871,313	\$ —	\$ —	\$ —
<i>Lease liability</i>	221,120	67,650	141,450	12,020	—
<i>Current debts</i>	8,258,651	8,258,651	—	—	—
<i>Interest on debt</i>	2,178,604	2,178,604	—	—	—
<i>Provision for environmental rehabilitation</i>	167,569	—	—	—	167,569
<i>Convertible security</i>	1,326,667	800,000	526,667	—	—
<i>Total Contractual Obligations</i>	\$ 13,023,924	\$ 12,176,218	\$668,117	\$ 12,020	\$ 167,569

The current debts represent a debenture in the principal amount of \$5,298,651 held by a previous secured creditor of the Company, a \$2,750,000 secured loan, and a \$250,000 secured loan, of which \$210,000 has been drawn. The CEBA loan was repaid during the period when it matured, as a result, \$20,000 of the original principal of \$60,000 was forgiven. The debenture has an aggregate principal amount of \$5,298,651, matures on December 31, 2024, bears interest at a rate of 10% per annum, compounded monthly in arrears, and is secured by all of the assets of the Company, including the NICO Project. The Loan and Security Agreement ("Loan") for \$2,750,000, matures on December 31, 2024, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. The Loan is secured by the mining leases for NICO. The second secured loan ("Loan 2") for \$210,000, matures on December 31, 2024, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. Loan 2 is also secured by the mining leases.

The Loans and debentures balances have been recorded in the interim condensed consolidated financial statements at their net present value using an effective interest rate of 12%, 14.5% and 10%, respectively.

In addition to contractual obligations noted, non-discretionary budget commitments required to keep current mining leases for NICO in good standing consist of annual payments of \$13,803 plus an additional \$2,350 for water licenses.

The Company's current environmental reclamation obligations as defined by government regulators are fully secured by cash held in accounts with a large Canadian financial institution for NICO and Arctos. Additional financing is required to construct mine infrastructure and processing facilities and to acquire additional equipment for the NICO Project. Potential sources for future funding include but are not limited to equity financing, project financing, off-take and royalty agreements, additional strategic partnerships, mergers and acquisitions. The Company continues to evaluate its alternatives with a view to executing a financing plan suitable to fund its transformation into a producer and minimize potential dilution to shareholders.

OUTLOOK

The Company's principal objective is to achieve successful financing and development of the NICO Project. The Company's activities in pursuit of its objectives are subject to many risks as discussed under the heading "Risks and Uncertainties" section in the MD&A for the year ended December 31, 2023 filed on SEDAR+. The most significant risk to meeting its objectives for the NICO Project continues to be the ability to finance the construction costs for the project. Additional risks include purchasing lands and acquiring all necessary permits to provide the Company with the flexibility to construct its own Refinery. A refinery site has been identified in Alberta, Canada. A significant risk to the NICO Project has now been removed with the completion of the Tlichó Road that opened to the public November 30, 2021. In addition, the Company has completed an Access Agreement with the Tlichó Government that sets out the terms and conditions for the construction of a spur road to the mine. Other risks are primarily from external parties such as government regulators, First Nations and investors who have significant influence over the outcome of the Company's efforts and external factors such as commodity prices, economic conditions and the financial markets. Accordingly, management has sought and continues to seek ways to address risks in its business model and has developed appropriate strategies to move forward by focusing expenditures on critical path activities in a socially and environmentally responsible manner.

Major milestones to achieve on the path forward for the development of the NICO Project include:

- completion of various strategies to mitigate capital and operating cost escalation for the vertically integrated project to make it more financially robust;
- completion of the purchase of the NICO Refinery site;
- engaging with local governments and communities around the Refinery site and securing the permits required for its construction and operation;
- updating the engineering to incorporate identified optimizations to the 2014 Feasibility Study based on current estimates of costs and commodity prices to support a more financially robust project;
- Complete an updated Feasibility Study to support project financing and construction;
- continuing engagement with governments in Canada and the U.S for financial support for the NICO Project development;
- continuing with the programs required to meet water license pre-construction requirements for the NICO site;
- submitting applications to obtain the water licence and land use permit for the NICO access road, renewal of land use permit for the mine, and amendments for the water license;
- advancing the negotiations with the Tlichó Government for a Participation Agreement;
- identifying and engaging strategic partners to support the financing and development for the NICO Project;
- arranging the project financing and potential transactions to finance the NICO Project; and
- continuing engineering and procurement activities.

In the six months ended June 30, 2024, Fortune continued its dialogue with potential strategic partners and advanced the metallurgical test work programs, engineering and permitting activities planned pursuant to its contribution funding from various government entities.

The Company has made significant progress towards achieving its milestones through the federal and Tlichó Government approvals for the NICO mine and mill, and renewal of the land use permit and/or Type A water license for the NICO site. The Company currently holds a land use permit for exploration and will reapply for permits to allow for several improvements identified by the Company.

Activities undertaken during 2024 towards achieving the next major milestones for the NICO Project will remain the Company's focus through 2024. As it pursues this objective, the Company will strive to prudently manage capital resources and mitigate risks.

TRANSACTIONS WITH RELATED PARTIES

During the six months ended June 30, 2024, the Company paid key management personnel, including officers, directors, or their related entities, an aggregate of \$237,264 for salaries and benefits and consulting and/or management services when compared to \$232,661 for the same period in the prior year. At June 30, 2024, \$34,139 was owing to these related parties for services received during the period when compared to \$19,628 at June 30, 2023.

The following table summarizes the amounts paid and payable to related parties and the nature of the payments as at June 30, 2024:

Related Party ¹	Relationship	Business Purpose of Transaction				Total	
		Salaries and Benefits ⁴		Consulting Services		Paid/Awarded	Payable
		Paid	Payable	Paid	Payable		
Goad, Robin ²	President & CEO, Director	\$ 4,601	\$ -	\$ 105,769	\$ 19,231	\$ 110,370	\$ 19,231
Naik, Mahendra	Director	4,263	-	-	-	4,263	-
Penney, Patricia	Interim CFO	66,304	7,788	-	-	66,304	7,788
Schryer, Richard ³	VP Environmental & Regulatory Affairs	4,262	-	52,065	7,120	56,327	7,120
Total		\$ 79,430	\$ 7,788	\$ 157,834	\$ 26,351	\$ 237,264	\$ 34,139

¹ No amounts were paid or payable for the three months ended June 30, 2024 for Glen Koropchuk, John McVey, David Ramsay, Edward Yurkowski and David Knight.

² Robin Goad is engaged to provide services of President and Chief Executive Officer of the Company pursuant to an independent consultant agreement and does not receive additional compensation for his services as a director.

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

⁴ Salaries and benefits include a base salary plus benefits that are basic in nature, require participants to contribute to the premium costs and includes certain co-pay requirements.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that mineral property is commercially viable. Previously, the Company capitalized these amounts. As the Company does not currently have any properties in commercial production, no amortization has been recorded.

Mineral Reserve and Mineral Resource estimates are not precise and also depend on statistical inferences drawn from drilling and other data, which may prove to be unreliable. Future production could differ from mineral resource estimates for the following reasons:

- mineralization or formation could be different from those predicted by drilling, sampling and similar tests;
- the grade of mineral resources may vary from time to time and there can be no assurance that any particular level of recovery can be achieved from the mineral resources; and
- declines in the market prices of contained minerals may render the mining of some or all of the Company's mineral resources uneconomic.

FINANCIAL INSTRUMENTS

As at the date hereof, the Company's financial instruments consist of: cash and cash equivalents, reclamation security deposits, and accounts receivable which are financial assets designated as financial assets at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method; accounts payable and accrued liabilities, lease liability and current debt, which are financial liabilities designated as financial liabilities at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method and convertible security designated as financial liabilities at fair value through profit or

loss, measured at fair value and revalued at each reporting period. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

During the six months ended June 30, 2024 and 2023, profit and losses associated with each financial instrument are as follows:

	Impact on Profit (Loss)	
	2024	2023
Current debt	(531,315)	(641,432)
Convertible security	(141,799)	—

ADDITIONAL INFORMATION

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

SHARE DATA

As at the date hereof, the Company has:

1. 506,910,228 common shares issued and outstanding;
2. 46,041,106 warrants outstanding which entitle the holders to purchase one common share at various prices between \$0.036 and \$0.10 and expiring at various dates between August 26, 2024 and May 21, 2029; and
3. stock options outstanding to purchase an aggregate of 22,800,000 common shares expiring at various dates until August 23, 2026 and exercisable at various prices between \$0.045 and \$0.105 per common share.

All stock options have vested as at the date hereof.

INTERNAL CONTROLS OVER EXTERNAL FINANCIAL REPORTING

The control framework used to design and assess the effectiveness of the Company's internal controls over financial reporting is the *Internal Control - Integrated Framework* (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company assesses internal controls over financial reporting on an ongoing basis and, where determined appropriate, proactively implements enhancements to the design of controls required to support anticipated changes to and growth of the business. Due to operational, financial and administrative changes planned to occur as the Company transforms from an exploration company to a producer, changes will be required to the Company's internal controls over financial reporting in order to maintain reasonable assurance regarding the reliability of the Company's financial reporting and preparation of financial statements.

No material weaknesses in the Company's internal controls over financial reporting were identified during the six months ended June 30, 2024 and there have been no changes made to such internal controls that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The disclosure of scientific and technical information contained in this MD&A has been approved by Robin Goad, M.Sc., P.Ge., President and Chief Executive Officer of Fortune, who is a "Qualified Person" under National Instrument 43-101.

This document contains certain forward-looking information. This forward-looking information includes, among other things, statements regarding the anticipated development of the NICO Project, including the building or acquisition of a hydrometallurgical refinery in western Canada, purchase of a brownfield site in Lamont County in Alberta's Industrial Heartland pursuant to the Option to Purchase Agreement and the Extension to Option to Purchase Agreement, and the expected results of the technical report updating the 2014 Feasibility Study. With respect to

forward-looking information contained in this document, the Company has made assumptions, including assumptions regarding, among other things, the Company's ability to acquire an existing hydrometallurgical refinery for the NICO Project or acquire land suitable for the construction of such a refinery, the Company's ability to obtain the necessary financing to develop and operate the NICO Project and the related hydrometallurgical refinery, the ability of the Company to obtain all necessary regulatory approvals for the construction and operation of the NICO Project and the related hydrometallurgical refinery, the Company's ability to purchase the brownfield site in Lamont County in Alberta's Industrial Heartland and the timing thereof and the timing of the update of the 2014 Feasibility Study and the results thereof. Some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the Company's forward-looking information include: the risk that the Option to Purchase Agreement and its extension may not result in the purchase of a brownfield site in Lamont County in Alberta's Industrial Heartland, the risk that the Company may not be able to carry on operating or to develop, construct and operate the NICO Project, including the related hydrometallurgical refinery; the risk that the Company may not be able to acquire an existing hydrometallurgical refinery or otherwise acquire land suitable for the construction of such a refinery; uncertainties with respect to the receipt or timing of required permits and agreements for the development of the NICO Project, including the related hydrometallurgical refinery; the risk that the update to the 2014 Feasibility Study may not be completed within the time frame anticipated and may not generate improved economics for the NICO Project to the extent anticipated; the risk that the operating and/or capital costs for any of the Company's projects may be materially higher than anticipated; the risk of decreases in the market prices of the metals to be produced by the Company's projects; loss of key personnel; discrepancies between actual and estimated mineral resources or between actual and estimated metallurgical recoveries; the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general; uncertainties associated with estimating mineral resources and even if such resources prove accurate the risk that such resources may not be converted into mineral reserves, once economic conditions are applied; labour shortages; workplace accidents; the cost and timing of expansion activities; changes in applicable laws or regulations; competition for, among other things, capital and skilled personnel; unforeseen geological, technical, drilling and processing problems; compliance with and liabilities under environmental laws and regulations; changes to the Company's current business strategies and objectives; and other factors, many of which are beyond the Company's control. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.