

Fortune Minerals Announces COVID-19 Cost Saving Measures and Resumption of Tlicho All-Season Road Construction

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Proactive steps taken to preserve working capital while the Company advances NICO Project optimizations with in-house personnel and resources

[Fortune Minerals Ltd.](#) (TSX:FT) (OTCQB:FTMDF) (“Fortune” or the “Company”) (www.fortuneminerals.com) is providing an update of cost saving measures it has taken to preserve working capital during the market uncertainty caused by the Coronavirus pandemic. Fortune continues to make progress with a number of NICO Cobalt-Gold-Bismuth-Copper Project (“NICO Project”) optimizations completed using internal resources to enhance project economics at prevailing metal prices. The Company is also pleased to report that construction of the Tlicho All-Season Road for the Government of the Northwest Territories has resumed.

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The NICO Project is an advanced development asset comprised of a planned mine and concentrator in the Northwest Territories and a related refinery in southern Canada where metal concentrates would be processed to cobalt sulphate, gold doré, bismuth ingots and oxide, and copper precipitate. The cobalt and bismuth contained in the NICO Project Mineral Reserves are identified on the United States and European Union Critical Mineral Lists based on their essential use in important manufacturing and defense industries, the fact that they cannot be easily substituted with other minerals, and the vulnerability of their supply chains to geographic concentration of production and geopolitical risks. The Mineral Reserves also contain more than one million ounces of gold, providing a liquid, countercyclical co-product to mitigate technology metal price volatility. The NICO Project has already been assessed in a positive Feasibility Study by Micon International Limited in 2014 (“2014 Feasibility Study”) (see Fortune news release, dated April 2, 2014).

For more detailed information about the NICO Mineral Reserves and certain technical information in this news release, please refer to the Technical Report on the NICO Project, entitled "Technical Report on the Feasibility Study for the NICO-Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada", dated April 2, 2014 and prepared by Micon International Limited which has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

Earlier this year, Fortune implemented preliminary cost saving measures of reducing expenditures to outside consultants and preserving working capital to advance optimizations to the NICO Project. Consulting expenses to some senior executives were also reduced. Due to the ongoing impact of the Covid-19 pandemic, effective May 20, Mr. Glen Koropchuk stepped down from his position as Vice President and Chief Operating Officer, but will continue to serve on the Company’s Board of Directors. Also, effective June 1, Mr. Dave Massola transitioned from his previous part-time position of Vice President of Finance and Chief Financial Officer to an advisory role, assisting Fortune with its project finance activities. Fortune gratefully acknowledges the contributions of Mr. Koropchuk and Mr. Massola in their previous positions and looks forward to their continued association with the Company. The compensation for Mr. Robin Goad, President and Chief Executive Officer, has also been reduced to reflect current market conditions. Fortune has otherwise been able to take advantage of various government programs to mitigate the financial impact from the Covid-19 pandemic on its salaried employees and avoid any reduction of non-executive personnel.

Fortune is pleased to announce that Ms. Patricia Penney, B.Comm (Hon. Accounting), C.P.A., C.A., previously Fortune’s Controller, has been appointed Interim Chief Financial Officer. Ms. Penney has been primarily responsible for the financial reporting for the Company over the past several years, and Mr.

Massola and Fortune's Chairman, Mahendra Naik, will be available to support her in this role and assist with project finance activities.

Fortune's President Robin Goad stated, "Glen Koropchuk and Dave Massola will continue to be associated with the Company to provide their expertise. The changes announced today will position the Company financially to continue advancing development of our vertically integrated NICO Project. I would also like to personally congratulate Patricia Penney on her appointment to her new position and am confident that she will continue to provide excellent results in this role."

Fortune recently provided an update of the work being done to optimize NICO Project economics, including completion of an updated Mineral Resource model, and preparation of a new optimized open pit shell and preliminary underground stope designs. The Company is pursuing a development strategy that is similar to the one used in the 2014 Feasibility Study, based on a mill throughput rate of 4,650 tonnes of ore per day and combined open pit and underground mining during early years of the mine life (see News Release, dated May 7, 2020). Fortune is pleased to report that a new Mine Plan and schedule has been developed that will incorporate grade control, selective mining and a stockpiling strategy to defer processing of lower grade ores.

Work continues on the review and analysis of capital and operating costs for the NICO Project, including reconciliation of recent estimates from Hatch Ltd. for the contemplated expansion study in 2019 against estimates obtained from the Company's earlier 2012 Front-End Engineering and Design study by Aker Solutions, the 2014 Feasibility Study, and quotes recently obtained directly from suppliers. This work is still in progress; however, the Company has identified several opportunities to reduce capital and operating costs, based on new information from suppliers and market trends. Fortune is also continuing its review of various downstream refinery sites with a focus on permitted brownfield options with existing facilities that could materially reduce capital costs for the planned development.

The Government of the Northwest Territories and North Star Infrastructure recently announced that construction of the 97-kilometre Tlicho All-Season Road from Highway 3 to the community of Whati resumed in mid-May. The NICO Project includes construction of a 50-kilometre spur road from Whati to the mine to enable truck haulage of metal concentrates to the railway at Hay River and delivery to the refinery for processing during operations.

The disclosure of scientific and technical information contained in this news release has been approved by Robin Goad, M.Sc., P.Geo., President and Chief Executive Officer of Fortune, and Dustin Reinders, B.Sc., P.Eng., Project Engineer, who are "Qualified Persons" under National Instrument 43-101.

About Fortune Minerals

Fortune is a Canadian mining company focused on developing the NICO Cobalt-Gold-Bismuth-Copper Project in the Northwest Territories. The Company has an option to purchase lands in Saskatchewan where it may build the hydrometallurgical plant to process NICO metal concentrates. Fortune also owns the Sue-Dianne Copper-Silver-Gold Deposit located 25 km north of the NICO Project, which is a potential future source of incremental mill feed to extend the life of the NICO Project mill.

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This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities legislation. This forward-looking information includes statements with respect to, among other things, the construction of the Tlicho All-Season Road, the Company's plans to develop the NICO Project, the preparation of an updated Technical Report for the NICO Project and the potential for the Sue-Dianne property to provide incremental mill feed to the NICO Project. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the

information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding: the timing of completion of the Tlicho All-Season Road; the timing of the updated Technical Report for the NICO Project and the results thereof; the Company's ability to secure a site in southern Canada for the construction of a NICO Project refinery; the Company's ability to arrange the necessary financing to continue operations and develop the NICO Project; the receipt of all necessary regulatory approvals for the construction and operation of the NICO Project and the related hydrometallurgical refinery and the timing thereof; growth in the demand for cobalt; the time required to construct the NICO Project; and the economic environment in which the Company will operate in the future, including the price of gold, cobalt and other by-product metals, anticipated costs and the volumes of metals to be produced at the NICO Project). However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the risks that the Tlicho All-Season Road may not be completed in the anticipated time frame, the updated Technical Report for the NICO Project may take longer than anticipated and the results thereof may not be as positive as anticipated, the NICO Project may not receive the benefit of any financing under the published initiatives of the United States and European Union with respect to critical minerals or any other benefits therefrom, the Company may not be able to secure a site for the construction of a refinery, the Company may not be able to finance and develop NICO on favourable terms or at all, uncertainties with respect to the receipt or timing of required permits, approvals and agreements for the development of the NICO Project, including the related hydrometallurgical refinery, the construction of the NICO Project may take longer than anticipated, the Company may not be able to secure offtake agreements for the metals to be produced at the NICO Project, the Sue-Dianne Property may not be developed to the point where it can provide mill feed to the NICO Project, the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general, the market for products that use cobalt or bismuth may not grow to the extent anticipated, the future supply of cobalt and bismuth may not be as limited as anticipated, the risk of decreases in the market prices of cobalt, bismuth and other metals to be produced by the NICO Project, discrepancies between actual and estimated Mineral Resources or between actual and estimated metallurgical recoveries, uncertainties associated with estimating Mineral Resources and Reserves and the risk that even if such Mineral Resources prove accurate the risk that such Mineral Resources may not be converted into Mineral Reserves once economic conditions are applied, the Company's production of cobalt, bismuth and other metals may be less than anticipated and other operational and development risks, market risks and regulatory risks. 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. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.

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