

Issued Capital: 268,149,007

LONDON, ON, Aug. 16, 2016 /CNW/ - [Fortune Minerals Ltd.](#) (TSX: FT) (OTCQX: FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) is pleased to announce that it has completed a fully subscribed \$1,250,000 non-brokered private placement of units ("Units"). A total of 12,500,000 Units were issued at a subscription price of \$0.10 per Unit. Each Unit consists of one common share of the Company and one-half warrant with each whole warrant entitling the holder to purchase one common share of Fortune at a price of \$0.15 for a period of one year. Proceeds of this financing will be used for general working capital purposes.

Fortune owns the NICO Cobalt-Gold-Bismuth-Copper development project that is projected to become a Canadian vertically integrated producer of battery-grade cobalt chemicals for the lithium-ion battery industry, with gold and bismuth co-products, and minor by-product copper. More than \$115 million has been spent by Fortune advancing this project from an in-house discovery in the mid 1990's to a development asset with a positive Feasibility Study and Environmental Assessment approvals for both the mine and concentrator in the Northwest Territories and refinery in Saskatchewan. NICO has also been test mined and pilot plant processed to mitigate development risks, and Front-End Engineering and Design ("FEED") studies have been completed with sufficient detailed engineering for procurement. Fortune has an Execution Plan for project delivery and the Company is working to secure off-take agreements and project financing to commence construction.

NICO has Proven and Probable Mineral Reserves totaling more than 33 million tonnes that will support a 21-year mine life at a planned mill throughput rate of 4,650 metric tonnes of ore per day. An attractive economic attribute to the project is a high concentration ratio that reduces this ore to approximately 180 wet tonnes of bulk concentrate per day containing the recoverable metals. The concentrate is planned to be shipped south to the refinery in Saskatchewan for downstream processing to value-added metals and chemicals. Life of mine average annual production is projected to be approximately 41,300 ounces of gold, 1,615 tonnes of cobalt contained in a battery grade cobalt sulphate heptahydrate, 1,750 tonnes of bismuth contained in metal ingots and oxide powder, and 265 tonnes of copper.

The cobalt market has grown at a compounded annual rate ("CAGR") of approximately 6% over the last two decades and is now approximately 110,000 tonnes. Most of the growth in demand is due to the need for cobalt in lithium-ion batteries used to store energy in portable electronic devices, electric vehicles and stationary storage cells attached to renewable energy such as wind turbines and solar generators and off-peak charging from the electrical grid. Cobalt demand in batteries has grown from about 1% of a smaller cobalt market in the mid-1990's to approximately 50% of the market in 2015. Demand growth is expected to increase with proliferation of automotive electrification and stationary storage cells enabled for base load due to improvements in battery technology and lower production costs. At least 12 battery megafactories have been either announced or are under construction to meet the expected increase in demand including the Tesla Gigafactory currently under construction in Nevada. About 65% of cobalt mine production is in the Democratic Republic of the Congo, a politically unstable country, and 52% of refined cobalt production is from China. NICO is planned to be an important new Canadian supplier of cobalt with supply chain transparency and custody from ore through to the production of battery chemicals, and tax advantages under the North American Free Trade Agreement. The more than 1.11 million ounces of gold in the NICO deposit is also a highly liquid countercyclical hedge. NICO also contains 12% of global bismuth reserves that also has supply chain concerns due to the concentration of mine and refinery bismuth production in China.

The disclosure of scientific and technical information contained in this press release has been approved by Robin Goad, M.Sc., P.Geo., President and CEO of Fortune, who is a "Qualified Person" under National Instrument 43-101. The technical report on the feasibility study referred to above, 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, has been filed on SEDAR and is available under the Company's profile at www.sedar.com

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About Fortune Minerals

Fortune is a Canadian development stage mining company focused on advancing the vertically integrated NICO gold-cobalt-bismuth-copper project in the Northwest Territories and a related refinery the Company plans to construct in Saskatchewan. Fortune also owns the Sue-Dianne copper-silver-gold deposit located 25 km north of NICO and a potential future source of incremental mill feed to extend the life of the NICO mill. The Company also maintains the right to repurchase the Arctos anthracite coal deposits in northwest British Columbia that were recently purchased by a provincial Crown corporation.

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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 Company's plans to develop NICO (including the Company's plans to secure off-take agreements and project financing to start construction), the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates and the timing and amount of estimated future production. 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 Company's ability to arrange the necessary financing to continue operations and develop the NICO project, present and future business strategies and the environment in which the Company will operate in the future, including the price of gold, cobalt and other by-product metals, anticipated costs and ability to achieve goals). 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 Company may not be able to finance and develop NICO on favourable terms or at all, the market for rechargeable batteries and the use of stationary storage cells may not grow to the extent anticipated and discrepancies between actual and estimated production, mining 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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