# Fortune Minerals provides update of NICO Project

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Study assessing expanded production scenario is nearing completion for one of the few global development stage cobalt assets

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LONDON, ON, March 27, 2018 /CNW/ - Fortune Minerals Ltd. (TSX: FT) (OTCQX: FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) is pleased to provide an update on the progress of its 100% owned NICO Cobalt-Gold-Bismuth-Copper Project in Canada ("NICO Project"). The NICO Project is a development stage primary cobalt asset consisting of a planned mine, mill and concentrator in the Northwest Territories and hydrometallurgical refinery in Saskatchewan to process concentrates from the mine to cobalt sulphate, gold, bismuth ingot and oxide, and a copper precipitate. As a vertically integrated Canadian emerging producer of environmentally responsible, ethical cobalt and bismuth, NICO will be able to demonstrate supply chain transparency and custody control of metals from ores through to the production of value-added products for the growing green economy. Development of the NICO Project will help alleviate supply chain concerns from increasing cobalt demand in the rapidly expanding lithium-ion battery industry and geographic concentration of supply from the politically unstable Congo (~67% of mine supply), China (~80% of refined cobalt chemical supply), and its production primarily as a by-product of copper and nickel mining (~98% of non-artisanal cobalt mine production) where the primary metals determine production criteria.

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Cobalt Market:

The replacement of the internal combustion engine by electric vehicles is an integral part of the fourth industrial revolution, and for at least the next decade, cobalt will continue to be an irreplaceable ingredient in the lithium-ion batteries that are driving this transformation.

Responding to tight market conditions and the growing demand from automotive electrification and stationary grid storage of electricity, the price of cobalt has continued its ascent from US$10/lb in early 2016 to more than US$40/lb today. With the aim of supporting its transition to electric vehicles, China has been aggressively securing the critical raw materials used in batteries. Notably, China Molybdenum acquired Tenke Fungurume in 2016, which last year accounted for approximately 14% of global cobalt mine supply. Earlier this month, Glencore plc, the world's top cobalt producer, agreed to sell about a third of its output to a single Chinese supplier of battery chemicals - GEM Co. Beyond China, several multinational corporations including Volkswagen, BMW, Apple, LG Chem, and Samsung C&T have been working to secure cobalt supplies for their battery requirements.

Fortune's NICO Project is one of few new cobalt assets globally with the potential to be in production by the early 2020's and help meet the demand growth from transformation of the automotive industry.

NICO Project Financing:

Fortune has engaged PricewaterhouseCoopers Corporate Finance Inc. ("PwCCF") as its financial advisor to arrange the financing for the NICO Project from various financial instruments. Fortune's preferred strategy is to attract one or more asset level strategic partners to contribute equity toward a conventional debt and equity project financing. Toward this goal, the Company has entered into approximately 25 Confidentiality

Agreements with various parties around the world. As the need for a reliable, ethically sourced cobalt supply becomes increasingly critical, interest in the NICO Project has grown. The Company plans to focus negotiations with a short-list of preferred partners once the updated 2014 NI-43-101 Technical Report on the Feasibility Study in progress (as defined below) is completed with the ultimate goal of achieving a complete project finance solution.

NICO Project Progress Update:

Fortune has engaged Hatch Ltd. ("Hatch"), P&E Mining Consultants Inc. ("P&E") and Micon International Limited ("Micon") to update the NICO Project 2014 NI-43-101 Technical Report on the Feasibility Study (the "Feasibility Study") based on design developments and improvements, current capital and operating costs, commodity prices and currency exchange rates. Responding to feedback from potential strategic partners, Fortune changed the scope of the project to include an up to 30% increase in the planned production rate over the 4,650 metric tonnes of ore per day used in the previous 2014 Feasibility Study. This increase in planned mine and mill throughput required much of the engineering to be re-done to provide the basis for equipment specifications and costing. Some improvements have also been made to the layout for both the mine and refinery sites. New Mineral Reserves are also being developed based on an optimized Mine Plan and Schedule incorporating a new grade control and stockpiling strategy to better align production of the metals with their markets and to selectively mine and process ores where possible to better optimize production, improve project economics, mitigate risk and improve margins in early years of the mine life. The back end of the cobalt and bismuth production facilities have also been improved to ensure the products meet the specifications required by the battery industry and to mitigate some identified commissioning and operational risks. The Bismuth Circuit is also being modified to eliminate electro-winning of metal cathodes following ferric chloride leaching to simplify the process and mitigate commissioning and operating risks. When the NICO Project is fully commissioned, it is expected to achieve peak annual production of approximately 2,000 tonnes of cobalt units per year in a battery grade cobalt sulphate heptahydrate (see Fortune's news release dated November 9, 2017).

The current status of the work is as follows:

1) Additional Cobalt Sulphate Metallurgical testwork - Completed
2) Mine Plan incorporating grade control and stockpiling strategy – Completed
3) Mine site Lay-out - Completed
4) Updated Ore Reserves – Approximately 90%-95% Complete
5) Determination of concentrator and refinery throughput rates – Completed
6) Development of refinery Mass Balance – 95% Complete
7) Capex and Opex - Approximately 75% Complete

The updated Technical Report for the Feasibility Study is expected to be finalized by the end of the second quarter of 2018.

Tlicho All-Season Road:

The Government of the Northwest Territories ("GNWT") is working in partnership with the Tlicho Government to advance the Tlicho All-Season Road ("TASR") and provide access from Highway 3 west of Yellowknife to the community of Whati. Fortune's NICO deposit and proposed mine is located ~50 km north of Whati and has already received its environmental assessment approval and the major mine permits for construction, including a spur road servicing the mine. The TASR is required for mine operations to allow the Company to truck metal concentrates south to the rail head at Hay River for railway delivery to its proposed refinery in Saskatchewan and downstream processing. Construction of the NICO mine facilities will be accomplished using the existing GNWT winter ice road and a new airstrip.

In January 2017, the Government of Canada announced it will provide up to 25% of the construction costs for the TASR through the P3 Canada Fund. The GNWT subsequently approved funding for construction of the remaining 75% cost of the TASR. By December 2017, the Request for Proposals for the construction of the TASR was issued to three qualified consortia of international finance and construction companies and the GNWT and federal government executed the final financial agreement for the TASR project. The TASR environmental assessment is now nearing completion with the Mackenzie Valley Environmental Impact Review Board's Report of Environmental Assessment due on March 30, 2018. Subject to requisite approvals

and licensing, it is expected that the TASR tender will be selected by the fourth quarter of 2018 and commencement of road construction is targeted for early 2019.

Provided Fortune receives the requisite financing for the NICO Project and the remaining regulatory approvals in 2018, construction of the mine facilities could begin in early 2019. Construction of the mine, mill, concentrator and related facilities in the NWT is expected to take approximately two years dependent on ice-road logistics, whereas the refinery requires about 18 months for construction.

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, 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, from which certain information in this press release has been extracted, has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

About Fortune Minerals
Fortune is a Canadian mining company focused on developing the vertically integrated NICO cobalt-gold-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 potentially extend the life of the NICO 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 Company's plans to develop the NICO Project (including the Company's plans to secure project financing to start construction), the timing and results of the updated Feasibility Study, the completion of the TASR and timing thereof, the estimated capital costs for the construction of the NICO Project, estimated future production, anticipated growth in the demand for cobalt, anticipated constraints on the supply of cobalt and plans for the construction of an all-season road needed for operations at 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 Company's ability to arrange the necessary financing to continue operations and develop the NICO Project, assumptions regarding the construction of the TASR and the timing of its completion; assumptions regarding the results of the updated Feasibility Study, growth in the demand for cobalt, restrictions on the supply of cobalt and the proposed construction of the all-season road, 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 Company may not be able to finance and develop NICO on favourable terms or at all, the updated Feasibility Study may take longer than anticipated, uncertainties with respect to the receipt or timing of required permits and agreements for the development of the Nico project, the risk that the Feasibility Study may not generate improved economics for the NICO project to the extent anticipated, the risk that the TASR may not be constructed in a timely fashion or at all, the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general; the market for rechargeable batteries and the use of stationary storage cells may not grow to the extent anticipated, the future supply of cobalt may not be as limited as anticipated, the risk of decreases in the market prices of Cobalt 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 the risk that even if such resources prove accurate the risk that such resources may not be converted into mineral reserves, once economic conditions are applied; the Company's production of cobalt 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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