

Fortune Minerals Reports the Results of Its Annual Meeting of Shareholders and Provides NICO Project Update

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NICO optimizations and refinery site negotiations advancing for Project Finance study

[Fortune Minerals Ltd.](#) (TSX: FT) (OTCQB: FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) is pleased to report the results of its Annual Meeting of Shareholders held on June 22, 2021 (the "Meeting"), and provide a summary of work on its 100% owned NICO Cobalt-Gold-Bismuth-Copper project ("NICO Project") in Canada. The NICO Project is a planned vertically integrated Critical Minerals development comprised of a mine and concentrator in the Northwest Territories ("NWT") and a hydrometallurgical refinery at a site in Alberta or Saskatchewan, producing cobalt sulphate, gold, bismuth ingots and oxide, and copper cement. The NICO Project is one of the most advanced cobalt development assets outside of the Democratic Republic of Congo ("Congo") to meet the growing demand in lithium-ion batteries powering electric vehicles, portable electronics and stationary storage cells, and mitigate supply issues from geographic concentration of production and policy risks associated with the current supply sources. The unique metal assemblage of the NICO Deposit includes primary cobalt, a 1.1 million ounce in-situ gold co-product, 12% of global bismuth reserves, and by-product copper. Fortune also owns a 100% interest in the nearby Sue-Dianne Copper-Silver-Gold satellite deposit ("Sue-Dianne Deposit").

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NICO Project Development:

The focus of NICO Project work has been directed at development activities, assessing various optimizations and refinery sites to produce a more financially robust project since the completion of the Micon International Limited ("Micon") Feasibility Study in 2014. The NICO Project has received environmental assessment approval and the major mine permits for the facilities in the NWT and the Company has completed a Socio-Economic Agreement with the NWT Government. The preferred refinery site is also permitted and has existing facilities to materially reduce capital costs for the planned vertically integrated development. The NICO Project work is summarized as follows:

NWT Mine Infrastructure

The C\$200 million, government funded Tlicho Highway to the community of Whati is nearing completion and is expected to open to the public later this year. The NICO Project includes construction of a 50-kilometre spur road from Whati to the mine to allow metal concentrates to be trucked to the railway at Hay River or Enterprise, NWT for delivery to the refinery by train. Fortune has completed an Access Agreement with the Tlicho Government, setting out the terms and conditions for construction of this road. With the completion schedule of the Tlicho Highway certain, construction of the mine and concentrator can now be planned with all-season road access, reducing equipment redundancy and the costs for facilities that are no longer required, and mitigate supply chain risks.

A new transload facility is under construction at Enterprise, NWT, providing Fortune with a second railway loading option. This would also eliminate 80 km of round trip trucking of metal concentrates, and reduce the transportation costs for other materials delivered to the mine during construction and operations.

The NWT Government is proposing to connect the Yellowknife grid to the Talston grid south of Great Slave Lake where there is surplus hydro power. If this is completed, Fortune could construct a 25-km powerline to Snare Hydro instead of building its own power plant using liquid natural gas-fueled generators.

Mineral Resource Optimization

The NICO Deposit contains Proven and Probable Open Pit and Underground Mineral Reserves totaling 33

million tonnes containing 1.1 million ounces of gold, 82.3 million pounds of cobalt, 102.1 million pounds of bismuth, and 27.2 million pounds of copper. In 2020, Fortune and P&E Mining Consultants Inc. completed an updated Mineral Resource model with more constrained mineralization boundaries to reduce grade smearing from internal and external modelling dilution and providing better differentiation between high and low grade Mineral Resource blocks for mine planning. In addition, the Mineral Resource model was extended to surface where the NICO Deposit is known to outcrop and also now includes some higher grade drill intersections that were previously omitted.

Mine Plan and Scheduling

In 2020, Fortune prepared a new Mine Plan and Schedule focused on earlier access and processing of higher margin ores. The 2014 Micon Feasibility Study contemplated combined open pit and underground mining during the first two years of the 20-year mine life to augment lower grade open pit ores with processing of gold-rich, higher grade ores mined by underground methods close to the existing decline ramp. With better differentiation between high and low grade resource blocks the underground part of the mine has been expanded from two years to three to accelerate processing of higher grade ores.

The open pit Mine Plan has been re-optimized to provide earlier access to ores with higher cobalt and gold content, lower bismuth, and targeting sulphide ores that produce higher cobalt concentrate grades. A grade control and stockpiling strategy has also been developed to defer processing of ores with lower cash flow margins. The identification of additional near-surface ores will reduce waste rock pre-stripping in the initial years of the mine life. Mining operating costs were also updated to incorporate the new open pit design with shorter cycle times reducing equipment operating costs.

Capital Cost Review

Fortune is reviewing capital cost estimates from earlier engineering studies and investigating strategies for reducing initial and sustaining capital costs. The availability of the Tlicho Highway during construction will allow the Company to eliminate some facilities that are no longer required for winter ice road construction. The all-season road is also expected to allow the construction timelines to be reduced from three to two years. Equipment selection is being reviewed and changes planned where there are practical options requiring lower installation costs or, more modest facilities. Capital costs associated with construction of parts of the combined tailings and waste rock storage area have also been deferred by two years to reduce initial capital costs.

New Refinery Site

Significant efforts have been directed toward evaluation of various sites in western Canada to construct the NICO Project hydrometallurgical refinery. The priorities were focused on permitted brownfield locations with existing facilities and personnel to materially reduce the capital and operating costs for the refinery and to accelerate development. Negotiations are in progress with the owner of the preferred site and an announcement will be made if, and when an agreement is completed. NICO concentrates are contemplated to provide the base load feed for the new refinery circuit with production augmented with feeds from other mines, waste residues from chemical plants, and scrap metals. The future vision for this facility is to diversify the business plan to also include the collection and recycling of spent batteries to recover the contained metals.

Process Residue Disposal

A process residue disposal solution was needed to accelerate development and mitigate permitting risks for the preferred refinery site. Fortune has received indicative terms from a large waste disposal and environmental services company in western Canada to dispose of the refinery process residue. This will also mitigate long-term legacy issues associated with a Company-owned facility.

Critical Minerals:

The cobalt and bismuth contained in the NICO Deposit are identified as Critical Minerals by the United States ("US") and European Union ("EU") governments, having essential use in new technologies and defense, and concerns about supply chains due to geographic concentration of production, political uncertainty, and policy risks with the current supply sources. In 2021, Natural Resources Canada released the Canadian Critical Minerals list, which in addition to cobalt and bismuth, also includes copper.

The cobalt market is about 150,000 tonnes per annum and consumption is expected to more than double this decade from accelerating demand in lithium-ion rechargeable batteries, enabling the transformation to electric vehicles and stationary storage of electricity. Cobalt is also used in aerospace alloys, cutting tools

and permanent magnets, as well as chemicals to make pigments and catalysts for plastics, rubber and to refine petroleum. Approximately 71% of global cobalt production is mined in the Congo and more than half of this is controlled by Chinese companies. China also controls 80% of the world's refined cobalt chemical supply.

Bismuth is used primarily in the automotive industry for windshield and glass frits, anti-corrosion coatings and paints, and it is also used to make pharmaceuticals and alloys and compounds where dimensional stability or expansion during cooling is required. Consumption of bismuth is also growing as a non-toxic and environmentally safe replacement for lead in plumbing brasses and solders used in potable drinking water sources, electronic solders, free-machining steel and aluminum, paint pigments, ceramic glazes, photovoltaics, ammunition and fishing weights. The bismuth market is approximately 20,000 tonnes per annum and 80% of the supply is controlled by China.

Canada and the US have announced a Joint Action Plan on Critical Mineral Collaboration advancing both countries' interest in securing supply chains for the minerals needed in new technologies and to promote more North American production. Following the G7 summit in June, 2021, Canada and the EU launched a new partnership to secure supply chains for Critical Minerals and reduce dependence on China, while also improving transparency of raw material supply.

Government Engagement and Financing

Fortune is engaged with the Canadian and US governments, provincial and territorial governments, and municipalities to accelerate development of important near-term Critical Minerals projects. The Company is interested in securing financial support for the Feasibility Study update assessing the new refinery site and optimizations. Governments are also being solicited to participate in the project finance for the NICO project through various programs and capital pools designed to promote economic growth, western Canada diversification, process and product innovation, and Critical Minerals supply. Fortune was recently invited by the US Embassy in Ottawa to present at a virtual seminar later this month to Tier 1 US manufacturers involved in defense, mining, aerospace, automotive, energy and technology, and to strengthen opportunities for vertical supply chain integration with Canada.

Fortune continues to advance discussions with potential private sector strategic partners that want a reliable, transparent and sustainable supply of Critical Minerals for their business or, for investment purposes.

Field Activities:

The Covid-19 pandemic has presented companies with a 15-month challenge for advancing mineral projects due to lockdowns, travel restrictions, and employees working primarily from home. Fortune was able to complete a geophysical program in 2020 between lockdowns consisting of induced polarization and magnetometer surveys over the east end of the NICO Deposit, which identified five high-priority targets for follow-up drilling and potential resource expansion. The 2020 program was supported in part by a NWT Government Mineral Incentive Program grant of C\$144,000, and the Company was awarded the same amount for work planned in 2021.

The NICO Deposit and the Sue-Dianne Deposit are classified as iron oxide copper-gold ("IOCG")-type mineral deposits where global analogues typically occur in clusters of very large ore bodies. They include the 'super giant' Olympic Dam Mine in South Australia, the Carajas, Brazil deposits, and the Candelaria District deposits in Chile, which indicate the significant exploration potential of the NICO leases and surrounding areas.

Next Steps:

Fortune's near-term priorities are to complete the site selection and negotiations for the NICO Project refinery collaboration. Engagement with governments are continuing to secure financial support for the updated feasibility study and project finance. Discussions are also continuing with potential strategic partners and are expected to accelerate once the refinery site is finalized.

Fortune is now looking at options to reprocess NICO mill tailings to recover a portion of the gold that is not already captured in the gravity and flotation circuits. A drill program is also planned for later this year to test the high priority targets identified in the 2020 geophysics program.

Annual Meeting Results:

Fortune reports that the nominees listed in the management information circular for the Meeting were elected

as directors. Detailed results of the vote based on proxies received are set out below:

Nominee	Votes For	% For	Votes Withheld	% Withheld
Carl Clouter	72,906,551	91.09%	7,135,747	8.91%
Robin E. Goad	73,602,797	91.95%	6,439,501	8.05%
Glen Koropchuk	73,204,256	91.46%	6,838,042	8.54%
John McVey	74,935,597	93.62%	5,106,701	6.38%
Mahendra Naik	73,567,097	91.91%	6,475,201	8.09%
David Ramsay	73,459,818	91.78%	6,582,480	8.22%
Edward Yurkowski	74,092,447	92.57%	5,949,851	7.43%

Shareholders also approved the appointment of Fortune's auditors.

Due to Ontario government restrictions on the size of group gatherings to reduce the risk of spreading the Coronavirus, there was no corporate presentation provided at the Meeting. Shareholders wishing to speak with management can contact the Company through Troy Nazarewicz, Fortune's Investor Relations Manager at info@fortuneminerals.com.

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. 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.

About Fortune Minerals:

Fortune is a Canadian mining company focused on developing the NICO Cobalt-Gold-Bismuth-Copper Project in the NWT. The Company has an option to purchase lands in Saskatchewan where it may build the hydrometallurgical plant to process NICO metal concentrates and is also evaluating other brownfield locations with existing facilities to reduce project capital and operating costs. In addition, Fortune owns the satellite Sue-Dianne Copper-Silver-Gold Deposit located 25 km north of the NICO Project mine site and is a potential future source of incremental mill feed to extend the life of the NICO mill and concentrator.

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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 potential for expansion of the NICO Deposit, the Company's plans to conduct a drill program during 2021, the planned opening of the Tlicho Highway, the construction of a new transload facility at Enterprise, NWT, the possible connection of the Yellowknife electrical grid to the Talston grid south of Great Slave Lake, the planned update to the 2014 Feasibility Study, the possibility of obtaining financial support for the NICO Project through various government capital pools, the Company's plans to develop 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 Company's ability to conduct and complete the planned drill program; the timing of the opening of the Tlicho Highway, 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 planned 2021 drill program may not result in a meaningful expansion of the NICO Deposit, the new transload facility at Enterprise, NWT may not be completed when anticipated, the Yellowknife electrical grid may not be connected to the Talston grid south of Great Slave Lake, the planned update to the 2014 Feasibility Study may take longer than anticipated to be completed and the economic benefits to be reflected in such update may be less than anticipated, the COVID-19 pandemic may interfere with the Company's ability to conduct the drill program, 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 from any other government sources, 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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The NICO Project is one of the most advanced cobalt development assets outside of the Democratic Republic of Congo to meet the growing demand in lithium-ion batteries powering electric vehicles

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