



FORTUNE MINERALS LIMITED

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September 27, 2011

Mr. Brett Wheler
Wek'èezhì Land and Water Board
P.O. Box 32
Wekweètì, NT X0E 1W0

Dear Mr. Wheler

**Subject August 2011 SNP Summary Report
Fortune Minerals Limited NICO Project
Type B Water Licence: W2006L2-0002**

Please accept this letter as our Surveillance Network Monitoring (SNP) summary report for August 2011. This report has been prepared to satisfy the following condition of the water licence:

The licensee shall within 30 days following the month being reported, submit to the Board all data and information required by the "Surveillance Network Program" including the results of the approved quality assurance plan.

Activities

Fortune's NICO Project camp site was opened briefly in August 2011 mainly to facilitate decommissioning of the settling ponds in accordance with the recently amended water licence. The camp was open from August 22 to 29.

Water Quality Sampling and Analysis

Due to a miscommunication at camp, water samples were not collected from SNP stations 5-2 and 5-5 as is required by the amended water licence. These samples will be collected from in September. All previous results from these stations have met the WLWB criteria stipulated in Fortune's water licence. Fortune regrets the oversight and miscommunication and will endeavour to avoid this in the future.

Flow and Volume Measurements

Between August 22 and 29, 2011, approximately 14.1 cubic metres of water were pumped from Lou Lake for domestic use at the camp. A summary of daily water taking from Lou Lake is tabulated below.

Date	Volume	
	(l-gal)	(cubic metres)
22-Aug-11	900	4.1
23-Aug-11	700	3.2
25-Aug-11	800	3.6
27-Aug-11	700	3.2
Total	3100	14.1

In addition, water was discharged from the settling ponds on August 28, following receipt of the August 2011 analytical results for the water as well as notification of the mining inspector and receipt of his concurrence with the release. Approximately 150 cubic metres of water, resulting from rainfall accumulation was released. Once released, the settling ponds were decommissioned by removal of the liners and regrading of the location to match the existing ground conditions.

In response to heavy rainfalls and based on observations made during site inspections, we estimate that the portal began discharging water at about the beginning of August and continued through the month. Estimates of water flow made using containers placed at the weir box suggest daily flows on the order of 7 cubic metres per day.


Other Activity

Much of the wood resulting from the demolition work undertaken earlier in the summer that had been piled for the purpose of burning in the lower camp area near Lou Lake was burned on August 26. The resulting ash was buried after non-combustible materials were removed for future off-site removal and disposal. A second smaller pile of wood piled in a lay down area near the portal will be burned in the fall.

We trust that this letter and attachment are sufficient for the current requirements. Should you require clarification of some point or wish to discuss something, please contact the undersigned at your convenience.

Yours truly

FORTUNE MINERALS LIMITED



Jim Mucklow, MEng., P.Eng.
Manager, Environment and Community Affairs

cc. Aboriginal Affairs and Northern Development Canada

