



FORTUNE MINERALS LIMITED

140 Fullarton Street, Suite 1902, London, Ontario, Canada N6A 5P2
Tel. 519-858-8188 ~ Fax. 519-858-8155

August 15, 2011

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

Dear Mr. Wheler

**Subject July 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 the July 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 open in July 2011 until staff was demobilized on July 22, 2011. The purpose for the camp this summer was rehabilitation of some 2010 drill access routes, other site rehabilitation and some environmental data gathering.

Water Quality Sampling and Analysis

Water samples were collected from SNP Stations 5-2, 5-3 and 5-5 on July 21, 2011. The samples were analyzed by ALS Laboratories and the results are summarized on the attached Certificate of Analysis. All of the results met the WLWB criteria stipulated in Fortune's water licence.

Flow and Volume Measurements

Between July 1 and 22, 2011, approximately 71.6 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		Date	Volume	
	(l-gal)	(cubic metres)		(l-gal)	(cubic metres)
01-Jul-11	600	2.7	12-Jul-11	800	3.6
02-Jul-11	700	3.2	13-Jul-11	800	3.6
03-Jul-11	500	2.3	14-Jul-11	900	4.1
04-Jul-11	700	3.2	15-Jul-11	1900	8.6
05-Jul-11	500	2.3	16-Jul-11	1200	5.5
06-Jul-11	400	1.8	17-Jul-11	800	3.6
07-Jul-11	700	3.2	18-Jul-11	800	3.6
08-Jul-11	600	2.7	19-Jul-11	600	2.7
09-Jul-11	600	2.7	20-Jul-11	800	3.6
10-Jul-11	600	2.7	21-Jul-11	700	3.2
11-Jul-11	600	2.7	22-Jul-11	0	0.0
Total				15800	71.6

In addition, water was discharged from the settling ponds on July 12 and 13, following receipt of the June 2011 analytical results for SNP 5-3 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 and snowmelt accumulation was released.

The portal was not discharging in July.

Site Activity

Work initiated in June was completed in July.

Details of the drill access route rehabilitation will be provided in a separate report to the mining inspector. This work was fully completed in July.

This included dismantling of most of the lower camp structures, relocation of trailers to storage in the vicinity of the portal and regrading of the area of these buildings and trailers for natural vegetation to regenerate. Areas where fuel was stored or used for heating and power generation were excavated and identified soil impacts were removed to the landfarm for remediation. General cleanup of the site was also undertaken. Much of the wood resulting from the demolition has been piled for the purpose of burning in the fall.

The impermeable covers on the ore piles were inspected and repairs were made to the upper ore pile cover that had lifted in one corner and had been torn on one side.

Some road maintenance was undertaken, in particular on a hill near the quarry pit where



spring run-off causes erosion of the driving surface. To address this, a culvert was installed and a road side drainage ditch was constructed.

All stores of lubricants, which had been stored outside in a laydown area near the portal, have been relocated into the buildings and sea cans near the portal.

Piping to the settling ponds was disassembled and put in storage.

The balance of the volume of sand and gravel authorized by quarry permit 2010QP0120 was taken from the pit located about 650 metres southeast of Lou Lake and processed and stockpiled for future use.

In addition to the rehabilitation work, we used backhauls on flights to ship out the following items:

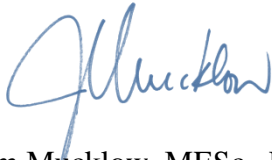
- 75 empty fuel drums
- 7 lead-acid batteries
- Several empty propane cylinders

Outdated Jet B fuel that had been stored in drums was transferred to an 89000 litre envirotank for storage and future use as diesel fuel.

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

Attachments: Certificate of Analysis

cc. Aboriginal Affairs and Northern Development Canada





FORTUNE MINERALS LIMITED
ATTN: JIM MUCKLOW
140 FULLARTON STREET SUITE 1902
LONDON ON N6A 5P2

Date Received: 21-JUL-11
Report Date: 02-AUG-11 11:01 (MT)
Version: FINAL

Client Phone: 807-627-8980

Certificate of Analysis

Lab Work Order #: L1034658
Project P.O. #: 2264
Job Reference: NIC003-5057
Legal Site Desc:
C of C Numbers: 1

Shannon Luchka
Account Manager

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ADDRESS: 9936-67 Avenue, Edmonton, AB T6E 0P5 Canada | Phone: +1 780 413 5227 | Fax: +1 780 437 2311
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ALS ENVIRONMENTAL ANALYTICAL REPORT

	Sample ID Description Sampled Date Sampled Time Client ID	L1034658-1 WATER 21-JUL-11 SNP 5-2 (PORTAL)	L1034658-2 WATER 21-JUL-11 SNP 5-4 (LITTLE GRID POND)	L1034658-3 WATER 21-JUL-11 SNP 5-5 (LOU LAKE)		
Grouping	Analyte					
WATER						
Physical Tests	Conductivity (EC) (uS/cm)	374	186	61.0		
	pH (pH)	8.14	8.11	7.82		
	Total Suspended Solids (mg/L)	<3.0	8.0	<3.0		
	Total Dissolved Solids (mg/L)	245	136	66		
Anions and Nutrients	Ammonia (as N) (mg/L)	<0.050	<0.050	<0.050		
	Bacteriological Tests					
	Escherichia Coli (MPN/100mL)			<1		
	Total Coliforms (MPN/100mL)			3450 ^{DLA}		
Total Metals	Aluminum (Al)-Total (mg/L)	0.062	0.045	0.048		
	Antimony (Sb)-Total (mg/L)	0.00774	0.00047	<0.00040		
	Arsenic (As)-Total (mg/L)	0.0410	0.179	0.00054		
	Barium (Ba)-Total (mg/L)	0.0127	0.00837	0.00525		
	Beryllium (Be)-Total (mg/L)	<0.0010	<0.0010	<0.0010		
	Bismuth (Bi)-Total (mg/L)	<0.00020	<0.00020	<0.00020		
	Boron (B)-Total (mg/L)	0.044	<0.020	<0.020		
	Cadmium (Cd)-Total (mg/L)	<0.00020	<0.00020	<0.00020		
	Calcium (Ca)-Total (mg/L)	44.5	19.9	5.71		
	Chromium (Cr)-Total (mg/L)	<0.00080	<0.00080	<0.00080		
	Cobalt (Co)-Total (mg/L)	0.00823	0.00353	<0.00020		
	Copper (Cu)-Total (mg/L)	0.0058	0.0055	0.0013		
	Iron (Fe)-Total (mg/L)	0.217	0.115	0.085		
	Lead (Pb)-Total (mg/L)	0.00032	<0.00010	<0.00010		
	Magnesium (Mg)-Total (mg/L)	9.59	7.57	2.89		
	Manganese (Mn)-Total (mg/L)	0.0645	0.0087	0.0101		
	Mercury (Hg)-Total (mg/L)	<0.00010	<0.00010	<0.00010		
	Molybdenum (Mo)-Total (mg/L)	0.0476	0.00315	0.00010		
	Nickel (Ni)-Total (mg/L)	0.00217	0.00043	0.00060		
	Potassium (K)-Total (mg/L)	2.72	1.42	0.79		
	Selenium (Se)-Total (mg/L)	0.00036	<0.00040	<0.00010		
				0.00013	<0.00040	
		Silver (Ag)-Total (mg/L)	<0.00040	<0.00040	<0.00040	
		Sodium (Na)-Total (mg/L)	16.9	3.6	2.1	
	Strontium (Sr)-Total (mg/L)	0.203	0.0519	0.0232		
	Thallium (Tl)-Total (mg/L)	<0.00010	<0.00010	<0.00010		
	Tin (Sn)-Total (mg/L)	<0.00040	<0.00040	<0.00040		
	Titanium (Ti)-Total (mg/L)	<0.0050	<0.0050	<0.0050		
	Uranium (U)-Total (mg/L)	0.0259	0.00319	0.00029		

* Please refer to the Reference Information section for an explanation of any qualifiers detected.

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Grouping	Analyte					
WATER						
Total Metals	Vanadium (V)-Total (mg/L)	<0.00050	<0.00050	<0.00050		
	Zinc (Zn)-Total (mg/L)	0.200	<0.0040	<0.0040		
Aggregate Organics	Biochemical Oxygen Demand (mg/L)			<2.0		
	Oil and Grease (mg/L)	<1.0	<1.0			

* Please refer to the Reference Information section for an explanation of any qualifiers detected.

Reference Information

Qualifiers for Individual Parameters Listed:

Qualifier	Description
DLA	Detection Limit Adjusted For required dilution

Test Method References:

ALS Test Code	Matrix	Test Description	Method Reference**
AS-T-CCMS-ED	Water	Total Arsenic in Water by CRC ICPMS	APHA 3030 B&E / EPA SW-846 6020A
This analysis is carried out using procedures adapted from "Standard Methods for the Examination of Water and Wastewater" published by the American Public Health Association, and with procedures adapted from "Test Methods for Evaluating Solid Waste" SW-846 published by the United States Environmental Protection Agency (EPA). The procedures may involve preliminary sample treatment by acid digestion, using hotblock, or filtration (APHA 3030B&E). Instrumental analysis is by collision cell inductively coupled plasma - mass spectrometry (modified from EPA Method 6020A).			
BOD-ED	Water	Biochemical Oxygen Demand (BOD)	APHA 5210 B-5 day Incub.-O2 electrode
EC-ED	Water	Conductivity (EC)	APHA 2510 B-electrode
HG-T-CVAA-ED	Water	Mercury (Hg) - Total	EPA 245.7 / EPA 245.1
MET-T-L-ICP-ED	Water	Total Metals in Water by ICPOES (Low)	APHA 3120 B-ICP-OES
MET-T-L-MS-ED	Water	Total Metals in Water by ICPMS (Low)	SW 846 - 6020-ICPMS
NH3-CFA-ED	Water	Ammonia in Water by Colour	APHA 4500 NH3-NITROGEN (AMMONIA)
This analysis is carried out using procedures adapted from APHA Method 4500 NH3 "NITROGEN (AMMONIA)". Ammonia is determined using the automated phenate colourimetric method.			
OGG-ED	Water	Oil and Grease-Gravimetric	APHA 5520 G HEXANE MTBE EXT. GRAVIME
PH-ED	Water	pH	APHA 4500 H-Electrode
All samples analyzed by this method for pH will have exceeded the 15 minute recommended hold time from time of sampling (field analysis is recommended for pH where highly accurate results are needed)			
SE-T-CCMS-ED	Water	Total Selenium in Water by CRC ICPMS	APHA 3030 B&E / EPA SW-846 6020A
This analysis is carried out using procedures adapted from "Standard Methods for the Examination of Water and Wastewater" published by the American Public Health Association, and with procedures adapted from "Test Methods for Evaluating Solid Waste" SW-846 published by the United States Environmental Protection Agency (EPA). The procedures may involve preliminary sample treatment by acid digestion, using hotblock, or filtration (APHA 3030B&E). Instrumental analysis is by collision cell inductively coupled plasma - mass spectrometry (modified from EPA Method 6020A).			
SOLIDS-TDS-ED	Water	Total Dissolved Solids	APHA 2540 C
SOLIDS-TOTSUS-ED	Water	Total Suspended Solids	APHA 2540 D-Gravimetric
TC,EC-QT97-YL	Water	Total Coliform and E.coli	APHA 9223
The analysis of Total Coliform (TC) & Escherichia coli (EC) is processed by Quanti-tray (QT): Two substrates, ONPG for TC detection and MUG for EC detection are used. The substrates are added to the 100 ml sample dispensed into the 51 well tray. The tray is incubated at 35 Celcius for 24 hours. A colour reaction develops to indicate a positive reaction (presence of TC, EC). The number of positive wells are counted and converted to Most Probable Number Units (MPNU) per 100 ml. This test is also called 'rapid MPN method', therefore, the MPN results are derived from a statistical table with a 95% confidence and report as MPN units. The QT detection limit for a negative result is reported as zero.			

** ALS test methods may incorporate modifications from specified reference methods to improve performance.

The last two letters of the above test code(s) indicate the laboratory that performed analytical analysis for that test. Refer to the list below:

Laboratory Definition Code	Laboratory Location
ED	ALS ENVIRONMENTAL - EDMONTON, ALBERTA, CANADA
YL	ALS ENVIRONMENTAL - YELLOWKNIFE, NW, CANADA

Chain of Custody Numbers:

Reference Information

GLOSSARY OF REPORT TERMS

Surrogate - A compound that is similar in behaviour to target analyte(s), but that does not occur naturally in environmental samples. For applicable tests, surrogates are added to samples prior to analysis as a check on recovery.

mg/kg - milligrams per kilogram based on dry weight of sample.

mg/kg wwt - milligrams per kilogram based on wet weight of sample.

mg/kg lwt - milligrams per kilogram based on lipid-adjusted weight of sample.

mg/L - milligrams per litre.

< - Less than.

D.L. - The reported Detection Limit, also known as the Limit of Reporting (LOR).

N/A - Result not available. Refer to qualifier code and definition for explanation.

Test results reported relate only to the samples as received by the laboratory.

UNLESS OTHERWISE STATED, ALL SAMPLES WERE RECEIVED IN ACCEPTABLE CONDITION.

Analytical results in unsigned test reports with the DRAFT watermark are subject to change, pending final QC review.