MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Year ended December 31, 2023

This Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") of Fortune Minerals Limited ("Fortune" or the "Company") is dated March 28, 2024 and should be read in conjunction with the Company's Annual Audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion contains certain forward-looking information and is expressly qualified by the cautionary statement at the end of this MD&A. All dollar amounts are presented in Canadian dollars unless indicated otherwise. Unless the context otherwise requires, the terms "Fortune" and "the Company" where used herein refer to Fortune Minerals Limited and its subsidiaries on a consolidated basis.

SELECTED ANNUAL INFORMATION

	2023	2022	2021
Revenue and Other Income	12,270	7,861	276,961
Net loss from continuing operations	(2,850,574)	(2,544,165)	(2,413,216)
Basic loss per common share	(0.01)	(0.01)	(0.01)
Fully diluted loss per common share	(0.01)	(0.01)	(0.01)
Total assets	1,560,845	898,080	2,633,298
Debt – current	9,274,663	7,976,943	11,426,277
Debt – non-current	—	60,000	1,343,008

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that mineral property is commercially viable. Previously, the Company capitalized these amounts. The consolidated financial statements for the year ended December 31, 2022 have been restated to reflect adjustments made as a result of this change in accounting policy. Comparative balances in this MD&A have also been restated to reflect adjustments made as a result of the change in accounting policy.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected consolidated financial information that is derived from the unaudited interim condensed consolidated financial statements and audited consolidated financial statements of the Company. The amounts represent the three-month periods ended:

	2023				2022			
	Dec-31	**Sept-30**	**Jun-30**	**Mar-31**	**Dec-31**	**Sept-30**	**Jun-30**	**Mar-31**
Revenue and Other Income	4,193	4,858	1,856	1,363	2,768	1,271	1,046	2,776
Net income (loss)	(533,821)	(973,861)	(656,168)	(686,724)	(40,360)	(996,978)	(1,507,885)	1,058
Basic and fully diluted loss per common share(1)	—	—	—	—	—	—	—	—

Notes:
(1) The sum of quarterly income (loss) per common share for any given period may not equal the year-to-date amount due to rounding

Fortune has undertaken the following activities during the year ended December 31, 2023 in support of corporate financing initiatives and its wholly owned NICO cobalt-gold-bismuth-copper deposit and proposed mine ("NICO") in the Northwest Territories ("NWT") and a related hydrometallurgical refinery ("Refinery") proposed to be constructed in Alberta, Canada (collectively, the "NICO Project"), as well as permitting and optimizations to produce a more financially robust development:

- On March 9, 2023, the Wek'eezhii Land and Water Board ("WLWB") met and approved the renewal of the Land Use Permit (LUP) for a 5-year term effective March 24, 2023. The new LUP required an increase to the existing security deposit of $24,569;
- On July 31, 2023, Fortune entered into an agreement to extend the Option to Purchase Agreement ("2022 Option") for the brownfield site in Lamont County, in Alberta's Industrial Heartland, to December 31, 2023, in consideration for the payment of $15,000 per month, deductible from the purchase price, provided the option has not been exercised on or before the date of the consideration is due and by providing the vendor with use of the facility for a period of up to 18 months. Subsequent to year end, the option has been extended through to March 31, 2024;
- Fortune signed a Memorandum of Understanding ("MOU") with Rio Tinto on a process collaboration to develop technology and assess the feasibility of processing waste materials from the Kennecott Smelter in Utah and produce intermediate products that could be further processed to value-added products at Fortune's planned Alberta Refinery. The collaboration could increase Fortune's cobalt and bismuth production. Testing has been done at Rio Tinto's Kennecott integrated copper mining and smelting operations and Fortune plans to conduct additional test work at SGS Canada Ltd. ("SGS") in Lakefield Ontario;
- Fortune is engaged with various municipal, territorial, provincial and federal governments to attract political and financial support for the vertically integrated NICO Project and strengthen domestic supply chains for Critical Minerals needed in new technologies and the growing green economy;
- Fortune has secured government funding for up to $887,170 to support metallurgical test work to be undertaken in 2024. The Government of Canada (the "GOC") has agreed to provide up to $714,500, on a reimbursement basis, towards Fortune's costs for a cobalt sulphate process pilot and other metallurgical test work through the GOC's Critical Minerals Research, Development and Demonstration Program. The Government of Alberta has also approved additional funding in the amount of $172,670 toward Fortune's costs;
- The samples to support the aforesaid work were collected and will be transported to SGS in Q1 2024; and,
- Fortune continues to review the NICO Mineral Resource model, engineering, mining, and execution plans for the NICO Project to assess various opportunities to mitigate capital and operating cost escalation and accelerate processing of higher margin ores to improve project economics.

OVERVIEW

Fortune's vision is to be a recognized developer, miner, processer and refiner of Critical Minerals needed in new technologies and the growing green economy, together with gold and other by-products contained in the Company's mineral deposits. Supporting the vision is Fortune's mission to profitably produce specialty and precious metals to meet the needs of our customers and partners, and to attract and develop an exceptional team of people motivated to acquire, explore, develop, mine and reclaim resource properties in a safe and responsible manner. The Company's most significant asset is the NICO Project and the Company has spent approximately $137 million on the project to date.

The Canadian and United States ("U.S.") governments have signed a Joint Action Plan on Critical Mineral Collaboration to enable more North American production of Critical Minerals. Minerals considered critical for this purpose have use in important industrial and defense applications, cannot be easily substituted by other minerals, and their supply chains are threatened by geographic concentration of production and/or geopolitical risks such as political instability in the source countries, and/or jurisdictions that are unfriendly to Canada or have poor environmental, social and governance ("ESG"). Cobalt and bismuth are identified as Critical Minerals by the U.S., European Union ("E.U.") and the Canadian governments. The Canadian Critical Minerals List also includes copper.

Fortune has been in discussions with the Canadian and U.S. governments as well as Provincial governments seeking to secure financial support for the NICO Project and its development. On April 7, 2022, the Government of Canada ("GOC") announced $3.8 billion in financial support for Critical Minerals in its 2022 Budget in order to accelerate domestic production and processing of Critical Minerals. Cobalt, nickel and lithium are a priority for support because of their use in lithium-ion rechargeable batteries to power electric vehicles, portable electronics and stationary storage cells to make electricity use more efficient. Fortune has grant applications with these governments to support the NICO Project permitting, engineering, and an updated Feasibility Study.

NICO Project

Fortune continues to advance its wholly-owned NICO Project and the Company's business activities have been focused on certain priority critical path activities required to advance permitting and financing for the planned development. The NICO Project comprises a proposed open pit and underground mine and a mill and concentrator in the NWT, with a related Refinery which is planned to be located in Alberta. A brownfield site has been identified with requisite planning approvals already in place and existing facilities, including 42,000 square feet of serviced shops and buildings to materially reduce capital costs for the planned development. The Company has entered into the 2022 Option in respect of this Refinery site and the agreement has been extended to March 31, 2024.

In 2014, a Feasibility Study (the "2014 Feasibility Study") for the NICO Project was summarized in a Technical Report reflecting the planned development, dated May 5, 2014, prepared by Micon International Limited ("Micon") and entitled "*Technical Report on the Feasibility Study for the NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada*" (the "Technical Report") and filed on SEDAR. Before completing an updated Technical Report for the NICO Project, Fortune has been investigating a number of opportunities to optimize the NICO Project to produce a more financially robust project. They include:

- A new Mineral Resource model was developed with a more constrained approach to the mineralization boundaries to reduce internal and external modeling dilution and better differentiate higher grade resource blocks for earlier processing;
- The new model also identified some additional high-grade drill intercepts as well as mineralized material at the volcanic sedimentary rock interface that were not included in previous Mineral Resource estimates;
- The grade interpolation wireframe boundaries were also extended to surface where the deposit is known to outcrop and to depth where the gold zone had been too abruptly terminated;
- A new mine plan and schedule has been completed based on the new Mineral Resource model with a re-optimized open pit shell, an expansion of the gold-rich ores designated for underground mining near the existing decline ramp, which would be processed in years 2 to 4 of the planned mine life, and a stockpiling strategy to defer processing of low margin ores;
- The open pit mine fleet has been amended with smaller equipment to reduce dilution with waste rock and match the lower mining rate;
- The Company is reviewing equipment selection and installations to reduce capital costs;
- The Company's planned new refinery site in Lamont County, Alberta; and,
- Producing a gypsum product at the Alberta Refinery as a by-product of the autoclave effluent.

The Tlicho Highway to the community of Wha Tì was opened to the public on November 30, 2021, which together with the spur road to the mine the Company plans to build, will enable the Company to construct the mine with all-season road access, reducing capital costs, reducing the construction schedule, and mitigating supply chain risks during construction.

Fortune has experienced personnel focused on advancing the NICO Project towards commercial production, while also minimizing the risks associated with its development. Fortune is committed to developing its project in a socially and environmentally responsible manner. Fortune continues to work with a number of private sector companies and potential strategic partners interested in the Critical Minerals and/or the gold contained in the NICO Project.

The increasing demand for batteries in electric vehicles, portable electronics and stationary storage cells and government concerns over the supply chains for critical minerals are expected to support strong cobalt prices to enable the successful development of the NICO Project. Fortune expects to also produce environmentally friendly bismuth metal and oxide products used in the automotive and pharmaceutical industries and the growing demand as a non-toxic and environmentally safe replacement for lead in alloys and compounds where lead toxicity is a concern or banned from recent legislation. Bismuth demand is also growing in metal alloy plugs to decommission oil and gas wells and seal the wells to mitigate greenhouse gas leakage, blowouts and migration of subsurface waters that can contaminate aquifers. The U.S. Department of Energy has also conducted test work validating the superior performance of manganese-bismuth magnets for use in electric vehicle motors. The NICO Project will also produce significant gold and copper as a minor by-product. Fortune will be able to demonstrate supply chain transparency and custody control of metals from ores through to the production of value-added products and mitigate risks from geographic concentration of supply from the Democratic Republic of the Congo and China.

RESULTS OF OPERATIONS

Summary

The Company's net loss for the three and twelve months ended December 31, 2023 was $533,821 and $2,850,574, respectively, or $Nil per common share for both periods compared to a net loss of $40,360 and $2,544,165, for the three and twelve months ended December 31, 2022, respectively, or $Nil per common share for both periods. The change year over year is primarily due to the change in fair value related to derivative liability and gain on modification of debt, offset by stock-based compensation, interest expense, corporate development expenses and exploration and evaluation expenditures as discussed in "Expenses" below.

Revenue and Other Income

Revenue and other income increased in 2023 to $4,193 and $12,270 for the three and twelve months ended December 31, 2023, respectively, compared to $2,768 and $7,861, respectively, for the same periods in the prior year. The increase is primarily the result of a decrease in interest income earned on cash and cash equivalent balances offset by an increase in interest rates and recognition of flow-through share premium income.

Expenses

Expenses, excluding change in fair value related to derivative liability and gain on modification of debt, decreased in 2023 to $724,154 and $2,988,223 for the three and twelve months ended December 31, 2023, respectively, compared to $1,309,821 and $5,018,719, respectively, for the same periods in the prior year.

The decrease year over year is primarily attributable to a decrease in interest expenses related to interest accrued on the Company's debts as some of the debt was settled toward the end of 2022 and the value of the stock-based compensation granted was lower than in prior year. Corporate development costs also decreased as a result of no shares being issued to the Company's financial advisor in lieu of fees and services provided.

During the year, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. Exploration and evaluation expenditures for the three and twelve months ended December 31, 2023 was $194,115 and $379,445, respectively, when compared to $59,695 and $534,032, for the three and twelve months ended December 31, 2022, respectively. The overall decrease year over year is a result of less activity at the NICO site during the year.

The change in fair value related to derivative liability recognized a gain of $Nil and $1,200,000 for the three and twelve months ended December 31, 2022. The underlying warrants of the derivative liability expired in August 2022. The change in gain on modification of debt decreased in 2023 to $Nil and $125,379 for the three and twelve months ended December 31, 2023, respectively, when compared to $Nil and $1,266,693, respectively, for the same periods in the prior year. The gain on modification of debt relates to the extension of the debt effective November 27, 2023 and November 30, 2022 for the years ended December 31, 2023 and 2022, respectively.

Deferred Taxes

The Company has not recognized a net deferred income tax recovery or provision for the year ended December 31, 2023 and 2022. During the year ended December 31, 2023, recognition of (i) $756,000 from the estimated tax loss resulted in a tax recovery which was offset by: (i) a tax provision of $380,000 for a loss carryforward not recognized; (ii) $355,000 for other; and (iii) $21,000 for non-deductible stock-based compensation and other expenses.

During the same period in 2022, recognition of (i) $674,000 from the estimated tax loss; (ii) $335,700 for non-deductible change in gain on debt extinguishment; (iii) $318,000 for non-deductible change in fair value of derivative; and (iv) $24,400 for other resulted in a tax recovery which was offset by: (i) $1,223,100 for a loss carryforward not recognized; and (ii) $129,000 for non-deductible stock-based compensation and other expenses.

During the three months ended December 31, 2023, recognition of (i) $218,000 from the estimated tax loss; (ii) $77,000 for a loss carryforward not recognized; and (iii) $74,000 for non-deductible stock-based compensation and other expenses resulted in a tax recovery which was offset by: (i) a tax provision of $369,000 for other expenses. During the same period in 2022, recognition of (i) $335,700 for non-deductible change in gain on debt extinguishment; (ii) $260,000 for non-deductible stock-based compensation and other expenses; and (iii) $199,000 from the estimated tax loss resulted in a tax recovery which was offset by: (i) $648,100 for a loss carryforward not recognized; and (ii) $146,600 for other expenses.

A valuation allowance of $33,117,000 has been recognized related to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Cash Flow

Cash used in operating activities during the three and twelve months ended December 31, 2023 was $213,707 and $1,213,199, respectively, compared to $298,995 and $1,673,096, respectively, for the same periods in 2022. The decrease in use of cash in operating activities year over year is mainly attributed to a decrease in activity related to exploration and evaluation expenditures and other expenses as discussed above in "Expenses".

Cash used in investing activities was $47,096 and $185,594 for the three and twelve months ended December 31, 2023, respectively, compared to $61,191 and $192,299, respectively, for the same periods in 2022. This decrease is related primarily to a decrease in amounts paid for the 2022 Option, offset by an increase in reclamation security deposit.

Cash provided by financing activities increased to $888,000 and $1,993,778 for the three and twelve months ended December 31, 2023, respectively, compared to cash used by financing activities of $81,796 for the three months ended December 31, 2022 and cash provided by financing activities of $141,125 for the twelve months ended December 31, 2022. Cash provided in 2023 was a result of the issuance of units, flow-through shares and debt, while cash provided in 2022 related to the exercise of stock options and issuance of units.

Below is a summary of Common Shares issued and net cash proceeds from financing activities for the years ended December 31, 2023 and 2022:	2023		2022	
	Shares/Warrants Issued	**Shares/Warrants Issued**	**Shares/Warrants Issued**	**Shares/Warrants Issued**
	#	**$**	**#**	**$**
Common shares issued during the year				
Private offerings	39,892,356	1,784,077	85,259,962	194,600
Exercise of Warrants	—	—	—	—
Exercise of Options	—	—	400,000	38,000
Exercise of Derivatives[1]	—	—	—	—
Share issuance costs	—	(139,127)	—	(23,317)
Total	**39,892,356**	**1,644,950**	**85,659,962**	**209,283**
Average proceeds per share issued		**0.04**		**0.002**
Warrants issued during the year				
Private offerings	28,015,356	280,023	5,525,750	55,450
Share issuance costs	—	(29,552)	—	(1,988)
Total	**28,015,356**	**250,471**	**5,525,750**	**53,462**
Average proceeds per warrant		**0.01**		**0.01**
Cash Proceeds from Financing Activities Net		**1,895,421**		**262,745**

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, Fortune had cash and cash equivalents of $673,635 and negative working capital of $8,957,205 compared to $78,650 and negative working capital of $8,052,671, respectively, for the prior year. The negative working capital at December 31, 2023 is a result of debt maturing in December 2024 as discussed below.

The Company regularly reviews its planned activities relative to available funding and prioritizes activities based on what is required to complete critical path activities and budgets accordingly. The Company invests its surplus cash in low risk, liquid investments, which typically have low yields but hold their value during times of market uncertainty. With its existing working capital, the Company will require additional financing to conduct certain critical path activities for 2023 and to repay its outstanding debt. The NICO Project will also require further funding to maintain its operations and advance the project through to production. The Company has historically been successful in financing its activities, however, there are no assurances that it will be successful in raising future funds required, especially considering the impacts inflation, increasing interest rates, and the Russia/Ukraine conflict could have on the global financial markets as a whole. Management is continuously pursuing and considering various financing opportunities.

On February 3, 2023, March 6, 2023 and March 15, 2023, the Company entered into subscription agreements to sell 2,846,643, 714,285 and 4,331,428 units respectively, raising gross cash proceeds of $484,100. Each unit consists of one common share and one common share purchase warrant. One warrant entitles the holder to purchase one common share of the Company for $0.10 for two years from the date of issuance. Of the shares issued, 976,643 were issued in lieu of 11 months of rent on the Company's leased office, with a fair value of $68,365. Finder's fees with a fair value of $18,410 was earned on the transactions and settled in cash and the issuance of 263,000 warrants. These warrants have an exercise price of $0.07 and can be exercised within two years of issuance. On June 15, 2023, the Company entered into a flow-through agreement to issue 10,000,000 units raising gross cash proceeds of $700,000. Each unit consists of one common share and one-half common share purchase warrant. One warrant entitles the holder to purchase one common share of the Company for $0.10 for two years from the date of issuance. On December 14, 2023, the Company entered into a flow-through agreement to issue 22,000,000 units raising gross cash proceeds of $880,000. Each unit consists of one common share and one-half common share purchase warrant. One warrant entitles the holder to purchase one common share of the Company for $0.07 for two years from the date of issuance. Finder's fees with a fair value of $116,100 was earned on the transaction of which $70,400 was settled in cash and $45,700 was settled with the issuance of 1,760,000 warrants. These warrants have an exercise price of $0.05 and can be exercised within 2 years of issuance.

The following is a summary of contractual obligations for the next five years and thereafter:

Contractual Obligations	***Payments Due by Year***				
	Total	***Less than 1 year***	***1-3 years***	***4-5 years***	***After 5 years***
Accounts payable and accrued liabilities	**$ 187,451**	$ 187,451	$ —	$ —	$ —
Lease liability	**254,120**	66,660	139,380	48,080	—
Current debts	**8,198,651**	8,198,651	—	—	—
Interest on debt	**2,172,734**	2,172,734	—	—	—
Provision for environmental rehabilitation	**167,569**	—	—	—	167,569
Total Contractual Obligations	**$ 10,980,525**	**$ 10,625,496**	**$139,380**	**$ 48,080**	**$ 167,569**

The current debts represent a debenture in the principal amount of $5,298,651 held by a previous secured creditor of the Company, a $2,750,000 secured loan, a $250,000 secured loan, of which $110,000 has been drawn, and a $40,000 Canadian Emergency Business Account ("CEBA") non-interest-bearing loan. The CEBA loan was repaid subsequent to year end when it matured, as a result, $20,000 of the original principal of $60,000 was forgiven. The debenture has an aggregate principal amount of $5,298,651, matures on December 31, 2024, bears interest at a rate of 10% per annum, compounded monthly in arrears, and is secured by all of the assets of the Company, including the NICO Project. The Loan and Security Agreement ("Loan") for $2,750,000, matures on December 31, 2024, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. The Loan is secured by the mining leases for NICO. The second secured loan ("Loan 2") for $110,000, matures on December 31, 2024, bears interest at 9% per annum, compounding annually, and both principal and interest are payable at maturity. Loan 2 is also secured by the mining leases. As partial consideration of Loan 2, the lender received 2,100,000 warrants to purchase common shares in the capital of the Company.

The CEBA, Loans and debentures balances have been recorded in the interim condensed consolidated financial statements at their net present value using an effective interest rate of 12%, 14.5% and 10%, respectively.

In addition to contractual obligations noted, non-discretionary budget commitments required to keep current mining leases for NICO in good standing consist of annual payments of $13,803 plus an additional $2,350 for water licenses.

The Company's current environmental reclamation obligations as defined by government regulators are fully secured by cash held in accounts with a large Canadian financial institution for NICO and Arctos. Additional financing is required to construct mine infrastructure and processing facilities and to acquire additional equipment for the NICO Project. Potential sources for future funding include but are not limited to equity financing, project financing, off-take and royalty agreements, additional strategic partnerships, mergers and acquisitions. The Company continues to evaluate its alternatives with a view to executing a financing plan suitable to fund its transformation into a producer and minimize potential dilution to shareholders.

OUTLOOK

The Company's principal objective is to achieve successful financing and development of the NICO Project. The Company's activities in pursuit of its objectives are subject to many risks as discussed under the heading "Risks and

Uncertainties" section below. The most significant risk to meeting its objectives for the NICO Project continues to be the ability to finance the construction costs for the project. Additional risks include purchasing lands and acquiring all necessary permits to provide the Company with the flexibility to construct its own Refinery. A refinery site has been identified in Alberta, Canada, and the Company has until March 31, 2024 to complete the purchase, under the amended Extension to Option to Purchase Agreement. A significant risk to the NICO Project has now been removed with the completion of the Tlicho Road that opened to the public November 30, 2021. In addition, the Company has completed an Access Agreement with the Tlicho Government that sets out the terms and conditions for the construction of a spur road to the mine. Other risks are primarily from external parties such as government regulators, First Nations and investors who have significant influence over the outcome of the Company's efforts and external factors such as commodity prices, economic conditions and the financial markets. Accordingly, management has sought and continues to seek ways to address risks in its business model and has developed appropriate strategies to move forward by focusing expenditures on critical path activities in a socially and environmentally responsible manner.

Major milestones to achieve on the path forward for the development of the NICO Project include:

- completion of various strategies to mitigate capital and operating cost escalation for the vertically integrated project to make it more financially robust;
- completion of the purchase of the NICO Refinery site;
- engaging with local governments and communities around the Refinery site and securing the permits required for its construction and operation;
- updating the engineering to incorporate identified optimizations to the 2014 Feasibility Study based on current estimates of costs and commodity prices to support a more financially robust project;
- Complete an updated Feasibility Study to support project financing and construction;
- continuing engagement with governments in Canada and the U.S for financial support for the NICO Project development;
- continuing with the programs required to meet water license pre-construction requirements for the NICO site;
- submitting applications to complete the remaining permits for the NICO access road, renewal of land use permits for the mine's current exploration site (in progress), and regulatory compliance for the water license;
- advancing the negotiations with the Tlicho Government for a Participation Agreement;
- identifying and engaging strategic partners to support the financing and development for the NICO Project;
- arranging the project financing and potential transactions to finance the NICO Project; and
- continuing engineering and procurement activities.

In the year ended December 31, 2023, the Company continued its dialogue with potential strategic partners. The Company has made significant progress towards achieving its milestones through the federal and Tlicho Government approvals for the NICO mine and mill, and renewal of the land use permit and/or Type A water license for the NICO site. The Company currently holds land use permits for exploration and mining and will reapply for permits to allow for several improvements identified by the Company.

Activities undertaken during 2023 towards achieving the next major milestones for the NICO Project will remain the Company's focus through 2024. As it pursues this objective, the Company will strive to prudently manage capital resources and mitigate risks.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2023, the Company paid key management personnel, including officers, directors, or their related entities, an aggregate of $508,232 for salaries and benefits and consulting and/or management services when compared to $523,121 for the prior year. In addition, stock options with a fair value of $277,500, using the Black-Scholes option pricing model, were granted in the year ended December 31, 2023 when compared to $646,000 for the same period in 2022. At December 31, 2023, $21,853 was owing to these related parties for services received during the period when compared to $22,743 at December 31, 2022.

The following table summarizes the amounts paid and payable to related parties and the nature of the payments as at December 31, 2023:

Related Party [1]	**Relationship**	**Business Purpose of Transaction**						**Total**	
		Salaries and Benefits [4]		Consulting Services		Stock Options			
		Paid	Payable	Paid	Payable	Granted [5]	Payable	Paid/Awarded	Payable
Goad, Robin [2]	President & CEO, Director	$ 8,636	$ -	$ 240,385	$ 9,615	$ 75,000	$ -	$ 324,021	$ 9,615
Koropchuk, Glen	Director	-	-	-	-	20,000	-	20,000	-
McVey, John	Director	-	-	-	-	25,000	-	25,000	-
Naik, Mahendra	Director	7,981	-	-	-	50,000	-	57,981	-
Penney, Patricia	Interim CFO	139,686	7,788	-	-	31,250	-	170,936	7,788
Ramsay, David	Director	-	-	-	-	20,000	-	20,000	-
Schryer, Richard [3]	VP Environmental & Regulatory Affairs	8,304	-	103,240	4,450	31,250	-	142,794	4,450
Yurkowski, Edward	Director	-	-	-	-	25,000	-	25,000	-
Total		$ 164,607	$ 7,788	$ 343,625	$ 14,065	$ 277,500	$ -	$ 785,732	$ 21,853

[1] No amounts were paid or payable for the year ended December 31, 2023 for David Knight, the Company's Corporate Secretary.
[2] Robin Goad is engaged to provide services of President and Chief Executive Officer of the Company pursuant to an independent consultant agreement and does not receive additional compensation for his services as a director.
[3] Richard Schryer is engaged to provide services of VP Environmental & Regulatory Affairs of the Company pursuant to an independent consultant agreement.
[4] Salaries and benefits include a base salary plus benefits that are basic in nature, require participants to contribute to the premium costs and includes certain co-pay requirements.
[5] The value of options granted are calculated using the Black-Scholes option pricing model.

CRITICAL ACCOUNTING ESTIMATES

Interests in Mining Properties and Exploration and Development Expenditures

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that mineral property is commercially viable. Previously, the Company capitalized these amounts. As the Company does not currently have any properties in commercial production, no amortization has been recorded.

Mineral Reserve and Mineral Resource estimates are not precise and also depend on statistical inferences drawn from drilling and other data, which may prove to be unreliable. Future production could differ from mineral resource estimates for the following reasons:

- mineralization or formation could be different from those predicted by drilling, sampling and similar tests;
- the grade of mineral resources may vary from time to time and there can be no assurance that any particular level of recovery can be achieved from the mineral resources; and
- declines in the market prices of contained minerals may render the mining of some or all of the Company's mineral resources uneconomic.

Going Concern Assumption

The recoverability of amounts shown for mineral properties and related exploration and development expenditures is dependent upon the economic viability of recoverable reserves, the ability of the Company to obtain the necessary permits and financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Currently, the Company does not have a source of revenue other than investment income and it has relied, primarily, on equity financings and strategic partners to fund its activities. The Company may have limited access to capital at an acceptable cost to existing shareholders depending on economic conditions from time to time. The Company had a negative working capital balance of $8,957,205 as a result of debt coming due in December 2024. The Company endeavours to manage the cash position prudently through ongoing monitoring of current and future cash and working capital balances relative to planned activities. The Company will require additional financing to extinguish the debt, conduct certain critical path activities in 2024 and to advance the NICO Project to production.

Deferred Income Taxes
The Company follows the deferred tax liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income and substantively enacted tax rates. Prior to 2023, the Company completed feasibility studies and updates thereto for its principal project and is undertaking related permitting and financing activities. The benefit of certain non-capital losses, investment tax credits, undeducted share issuance costs and tax value of exploration and evaluation expenditures and capital assets in excess of book value of $37,889,000, has been offset by a valuation allowance of the same amount due to the uncertainty of realizing the benefit of deferred income tax assets in future years.

Stock Based Compensation, Warrants and Compensation Options
The Company recognizes an expense for option awards using the fair value method of accounting. The Company also records the fair value of warrants granted through private offerings or in lieu of fees and compensation options granted using a fair-value estimate. Management estimates the fair value of stock options, warrants granted through private offerings or in lieu of fees, and compensation options using the Black-Scholes model. The Black-Scholes model, used by the Company to calculate fair values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options and warrants, which may significantly differ from the Company's stock option awards or warrant grants. These models also require four highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values. Accordingly, management believes that these models do not necessarily provide a reliable single measure of the fair value of the Company's stock option awards. The valuation models are used to provide a reasonable estimate of fair value given the variables used.

Asset Retirement Obligations
Legal or constructive obligations associated with site restoration on the retirement of assets are recognized when they are incurred and when a reasonable estimate of the value of the obligation can be made. While the Company has not commenced commercial operations on its mining properties, certain site development and exploration activities have occurred that have given rise to a constructive obligation related to the reclamation of the site at the NICO Project. As a result, the Company has recognized an environmental rehabilitation provision for the project. Due to the uncertainty around the settlement date and measurement of potential asset retirement obligations for the Company's project, management considers the assumptions used to calculate the present value of such liabilities at each reporting period and updates the value recognized as required.

ENVIRONMENT

Fortune is committed to a program of environmental protection at its exploration sites. Fortune was in compliance with government regulations in 2023. Secured letters of credit have been provided to be held against future environmental obligations with respect to Arctos and NICO sites in the amounts of $25,000, representing 100% of the remaining Arctos JV letter of credit, and $167,569, respectively.

RISK AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Company. Additional risks may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Nature of Mineral Exploration and Mining
At the present time, the Company does not hold any interest in a mining property in commercial production. The Company's viability and potential success is based on its ability to develop, exploit and generate revenue from mineral deposits. The exploration and development of mineral deposits involves significant financial risk over a significant

period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. In order to continue developing the projects towards operation and commercial production, the Company will be required to make substantial additional capital investments. It is impossible to ensure that the past or proposed exploration and development programs on the properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally inherent to mining, exploration and development of mineral properties, any of which could result in damage to life and property, the environment and possible legal liability. The activities of the Company may be subject to prolonged disruptions due to weather conditions as a result of the Company's properties in northern Canada. At the proposed NICO mine, the Company is subject to increased risks relating to the dependence on ice roads to supply and equip its work programs. While the Company has obtained insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. For example, the Company has not obtained environmental insurance at its project sites to date and has limited its insured values of its assets to stated amounts approximating the estimated cash invested in its capital assets to date. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or associated with compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The Company has undertaken activities to reduce certain risks related to its major projects through: completion of extensive exploration and drilling programs; completion of numerous environmental baseline studies; pilot plant test work and process optimization and verification; and, investing in significant engineering studies for the mine planning, mine site buildings and equipment, infrastructure and processing facility.

Limited Financial Resources

The existing financial resources of the Company are not sufficient to bring any of its properties into commercial production. The Company will need to obtain additional financing from external sources and/or find suitable joint venture partners in order to fund the development of the NICO mine and Refinery. There is no assurance that the Company will be able to obtain such financing or joint venture partners on favourable terms or at all. Failure to obtain financing or joint venture partners could result in delay or indefinite postponement of further exploration and development of the Company's properties.

The Company's ability to raise additional funds is affected by numerous factors outside the Company's control including the global economy. The global economy is currently characterized by increased volatility and uncertainty. Particularly, the invasion of Ukraine by the Russian Federation, and the accompanying international response including economic sanctions, has been disruptive to the world economy, with increased volatility in commodity markets, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which this conflict will continue to impact global economic and financial affairs, and resulting turmoil could have a material adverse effect on the Company's ability to obtain financing and advance development of the NICO Project.

Location of Refinery

The Company does not currently own any lands on which to build the Refinery, as the lands previously held for this purpose were sold as a result of a negative rezoning decision by the local Rural Municipality of Corman Park in Saskatchewan. In January 2022, the Company entered into an option agreement to purchase a brownfield site in Alberta. The Company will have until March 2024 to complete the purchase for $5.5 million, less monthly option fees paid to extend the original option agreement deadline. Once purchased, the Company will need to work towards obtaining the necessary approvals and permits as applicable to the site.

Dependence on Key Personnel and Limited Management Team
Fortune is dependent on the services of its senior executives including the President and Chief Executive Officer, Chief Financial Officer, and other skilled and experienced consultants and employees. The loss of such individuals could have a material adverse effect on Fortune's operations. Fortune will need to supplement its existing management team in order to bring any of its projects into production.

Fluctuating Prices
Factors beyond the control of the Company may affect the marketability of cobalt, bismuth, gold, copper or any other minerals discovered. The prices of such commodities have fluctuated widely and are affected by numerous factors beyond the Company's control such as economic downturns, commodity supply shortages, weather events, political instability, and changes in exchange and interest rates. The effect of these factors cannot accurately be predicted. Further, there is opportunity for the product mix of cobalt and bismuth from the NICO Project to be adjusted to produce products with varying prices depending on the market.

Permits and Licenses
The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry out the activities it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to expiration, change in regulations and other circumstances. There can be no assurance that the Company will be able to obtain all licenses and permits required to carry out future exploration, development and mining operations at its projects.

Competition
The mining and mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including other resource companies with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties, acquisition of mining equipment and related supplies, and the attraction and retention of qualified personnel. The Company will be constrained in its ability to manage the cost of salaries at the NICO mine and the Refinery during construction and operations as Fortune may be competing for labour with the much larger diamond mining companies operating in the Northwest Territories, oil sands projects in Alberta and potash companies operating in Saskatchewan. There is no assurance that the Company will continue to be able to compete successfully in the acquisition of building materials, sourcing equipment or hiring people.

Environmental and Climate Change Regulation
The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental contamination. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The Company has carried out and completed significant environmental baseline studies and environmental monitoring to position the Company to successfully complete required environmental assessments; however, despite this, the Company has not been able to obtain certain environmental certificates in a timely manner due to the complexities of the regulatory requirements and processes. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The impacts of international or domestic climate agreements, carbon taxes and other potential climate change legislation are difficult to predict and are not yet fully understood, including impacts on capital and operating costs.

Indigenous Title and Rights Claims
Indigenous title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The lands that surround the NICO leases are owned by the Tlicho

Government pursuant to the terms of an agreement (the "Tlicho Agreement") negotiated among the federal government, the GNWT and the Tlicho Government. The Company is not aware of any Indigenous land claims having been formally asserted or any legal actions relating to Indigenous issues having been instituted with respect to the NICO mine other than certain treaty rights established by the Tlicho Agreement. The Company is aware of certain First Nations that claim certain title and rights with respect to Crown properties related to the Company's projects that may or may not be formally asserted with the Crown in order to seek comprehensive land claim settlements.

The Company has a right of access to the NICO mine site under the Tlicho Agreement with the Crown and Tlicho Government, and an Access Agreement was also entered into in 2019 between the Tlicho Government and the Company for the purposes of constructing an access road through Tlicho territory to the NICO mine site. During 2020, negotiations took place with the GNWT to make minor amendments to the SEA that was signed the prior year. The Company has executed an updated agreement and is awaiting execution by various GNWT Ministers. The Company is aware of the mutual benefits afforded by co-operative relationships with Indigenous communities in conducting exploration and development activities and is supportive of measures established to achieve such cooperation including preferential hiring practices, local business development activities, involvement in environmental stewardship and other forms of accommodation. The Company previously entered into a Co-operative Relationship Agreement and Environmental Assessment Funding Agreement with the Tlicho Government. The Company is committed to open and constructive dialogue with Indigenous communities and stakeholders and will continue to make every effort to increase Indigenous employment and business through its human resources and supply chain policies. However, certain challenges with respect to timely decision making may be encountered when working with Indigenous governments as a result of the limited number of key individuals in leadership positions, turnover of leadership personnel and delays while elections are held. It will also be necessary for the Company to negotiate and enter into appropriate participation agreements with relevant Indigenous Governments in order to bring its projects into production and there is no assurance that the Company will be able to negotiate such agreements on favourable terms or at all. In addition, other parties may dispute the Company's title to the properties and the properties may be subject to prior unregistered agreements or transfers or land claims by Indigenous peoples, and title may be affected by undetected encumbrances or defects or government actions.

Estimates of Mineral Reserves and Resources May Not be Realized

The Mineral Reserve and Mineral Resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. However, through extensive investment in exploration drilling, test mining, bulk sampling, engineering planning and pilot plant testing, the Company has substantially mitigated and reduced these risks. There is a risk that minerals recovered in small-scale laboratory and large-scale pilot plant tests will be materially different under on-site conditions or in production scale operations. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations.

The Company has engaged expert independent technical consultants to advise it with respect to Mineral Reserve and Mineral Resource and project engineering, among other things. The Company believes that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs in developing its properties.

Health and Safety Matters

The Company's exploration projects are affected by various laws and regulations, including those which cover health and safety matters. Existing legislation and regulations are subject to change, the impacts of which are difficult to measure. It is the policy of the Company to maintain safe working conditions at all its work sites, comply with health and safety legislation, maintain equipment and premises in safe condition and ensure that all employees are trained and comply with safety procedures. The Company has successfully implemented policies and procedures relating to health and safety matters at its project sites and has a good safety record to date.

FINANCIAL INSTRUMENTS

As at the date hereof, the Company's financial instruments consist of: cash and cash equivalents, reclamation security deposits, and accounts receivable which are financial assets designated as financial assets at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method; accounts payable and accrued liabilities, lease liability, current debts and long-term debt, which are financial liabilities designated as financial liabilities at amortized cost, measured initially at fair value and subsequently on the basis of amortized cost using the effective interest rate method. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

During the year ended December 31, 2023 and 2022, profit and losses associated with each financial instrument are as follows:

	Impact on Profit (Loss)	
	2023	**2022**
Long-term debts	(1,287,936)	(2,087,771)
Derivative liability	—	1,200,000

ADDITIONAL INFORMATION

Additional information relating to the Company, including its annual information form, is available on SEDAR+ at www.sedarplus.ca.

SHARE DATA

As at the date hereof, the Company has:

1. 499,643,862 common shares issued and outstanding;
2. 33,541,106 warrants outstanding which entitle the holders to purchase one common share at various prices between $0.036 and $0.10 and expiring at various dates between August 26, 2024 and December 14, 2025; and
3. stock options outstanding to purchase an aggregate of 22,800,000 common shares expiring at various dates until August 23, 2026 and exercisable at various prices between $0.045 and $0.105 per common share.

All stock options have vested as at the date hereof.

INTERNAL CONTROLS OVER EXTERNAL FINANCIAL REPORTING

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at the financial year ended December 31, 2023. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2023 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

Internal Controls over Financial Reporting

The CEO and CFO, together with management, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at the financial year ended December 31, 2023. Based on that evaluation, the CEO and the CFO concluded that the design and operation of internal controls over financial reporting were effective as at December 31, 2023 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Any system of internal control over financial reporting, no matter how well-designed, has inherent limitations. Therefore, even well-designed systems of internal control can provide only reasonable assurance with respect to financial statement preparation and presentation.

The control framework used to design and assess the effectiveness of the Company's internal controls over financial reporting is the *Internal Control - Integrated Framework* (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company assesses internal controls over financial reporting on an ongoing basis and, where determined appropriate, proactively implements enhancements to the design of controls required to support anticipated changes to and growth of the business. Due to operational, financial and administrative changes planned to occur as the Company transforms from an exploration company to a producer, changes will be required to the Company's internal controls over financial reporting in order to maintain reasonable assurance regarding the reliability of the Company's financial reporting and preparation of financial statements.

No material weaknesses in the Company's internal controls over financial reporting were identified during the year ended December 31, 2023 and there have been no changes made to such internal controls that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The disclosure of scientific and technical information contained in this MD&A 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.

This document contains certain forward-looking information. This forward-looking information includes, among other things, statements regarding the anticipated development of the NICO Project, including the building or acquisition of a hydrometallurgical refinery in western Canada, purchase of a brownfield site in Lamont County in Alberta's Industrial Heartland pursuant to the Option to Purchase Agreement and the Extension to Option to Purchase Agreement, and the expected results of the technical report updating the 2014 Feasibility Study. With respect to forward-looking information contained in this document, the Company has made assumptions, including assumptions regarding, among other things, the Company's ability to acquire an existing hydrometallurgical refinery for the NICO Project or acquire land suitable for the construction of such a refinery, the Company's ability to obtain the necessary financing to develop and operate the NICO Project and the related hydrometallurgical refinery, the ability of the Company to obtain all necessary regulatory approvals for the construction and operation of the NICO Project and the related hydrometallurgical refinery, the Company's ability to purchase the brownfield site in Lamont County in Alberta's Industrial Heartland and the timing thereof and the timing of the update of the 2014 Feasibility Study and the results thereof. Some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the Company's forward-looking information include: the risk that the Option to Purchase Agreement and its extension may not result in the purchase of a *brownfield site in Lamont County in Alberta's Industrial Heartland, the risk that the Company may not be able to carry on operating or to develop, construct and operate the NICO Project, including the related hydrometallurgical refinery; the risk that the Company may not be able to acquire an existing hydrometallurgical refinery or otherwise acquire land suitable for the for the construction of such a refinery; uncertainties with respect to the receipt or timing of required permits and agreements for the development of the NICO Project, including the related hydrometallurgical refinery; the risk that the update to the 2014 Feasibility Study may not be completed within the time frame anticipated and may not generate improved economics for the NICO Project to the extent anticipated; the risk that the operating and/or capital costs for any of the Company's projects may be materially higher than anticipated; the risk of decreases in the market prices of the metals to be produced by the Company's projects; loss of key personnel; discrepancies between actual and estimated mineral resources or between actual and estimated metallurgical recoveries; the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general; uncertainties associated with estimating mineral resources and even if such resources prove accurate the risk that such resources may not be converted into mineral reserves, once economic conditions are applied; labour shortages; workplace accidents; the cost and timing of expansion activities; changes in applicable laws or regulations; competition for, among other things, capital and skilled personnel; unforeseen geological, technical, drilling and processing problems; compliance* *with and liabilities under environmental laws and regulations; changes to the Company's current business strategies and objectives; and other factors, many of which are beyond the Company's control. 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. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.*