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

Three and nine months ended September 30, 2021

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 November 15, 2021 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statement and the notes thereto for the three and nine months ended September 30, 2021 and with the annual audited consolidated financial statements and the notes thereto for the year ended December 31, 2020, 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.

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:

	2021			2020				2019
	Sep-30	**Jun-30**	**Mar-31**	**Dec-31**	**Sep-30**	**Jun-30**	**Mar-31**	**Dec-31**
Revenue and Other Income	86,040	7,103	7,001	5,461	49,104	22,207	26,589	12,600
Net income (loss)	759,394	1,021,488	(3,813,558)	(436,621)	(181,619)	(1,057,014)	(40,405)	1,196,754
Basic and fully diluted income (loss) per common share[(1)]	—	—	(0.01)	—	—	—	—	—

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 nine months ended September 30, 2021 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 southern Canada (collectively, the "NICO Project"), as well as permitting and optimizations to produce a more financially robust development:

- The Company is assessing a number of sites to build the Refinery in southern Canada to process NICO metal concentrates to value-added products;
- Fortune is particularly focused on evaluation of brownfield locations with existing facilities and Municipal planning approvals that could materially reduce capital and operating costs for the NICO development;
- Fortune is engaged with various municipal, territorial, provincial and federal governments to attract political and financial support for the vertically integrated NICO Project and enable the respective jurisdictions to participate in the supply chain for Critical Minerals needed in new technologies and the growing green economy;
- Fortune continues to review the engineering and execution plans for the NICO Project to assess various opportunities to mitigate capital cost escalation and accelerate processing of higher margin ores to improve project economics;
- The Company filed its final report for the Government of the Northwest Territories ("GNWT") Mining Incentive Program ("MIP") grant received in 2020. The remainder of $21,600 has been received;
- The Company applied for and received a similar MIP grant from the GNWT in 2021 in the amount of $144,000 to support a drill program following up on the geophysical anomalies identified in 2020. As of September 30, 2021, $122,400 has been received;
- The Company is currently conducting this drill program testing for possible extensions to the NICO deposit and the Peanut Lake and Ralph Zones, and to determine if mineralization identified in a road cut continues to depth. Fortune expects to complete this drill program at the end of November;

- The Company has applied for an additional $100,000 MIP grant eligible only to advanced exploration projects. If it is successful in receiving these funds, they would be used to support drilling additional holes to augment the current drill program; and
- The Company continues to compile and review capital and operating costs for the planned NICO Project development to make a more financially robust project.

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.

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 certain minerals identified by the U.S. Government as critical to economic and national security. Minerals considered critical for this purpose have essential 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 and/or are produced in jurisdictions with poor environmental social governance ("ESG") performance or values. Cobalt and bismuth are identified as Critical Minerals on the U.S. and European Union ("E.U.") Critical Minerals Lists. On March 12, 2021, Natural Resources Canada released the Canadian Critical Minerals List which also includes cobalt and bismuth as well as copper. Fortune has been in discussions with the Canadian, U.S. and E.U. governments and Provincial governments about potential financial support for the NICO Project development.

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 to be located in southern Canada. The Refinery was previously planned to be constructed at a site in the Rural Municipality of Corman Park in Saskatchewan, ("Saskatchewan Metals Processing Plant" or "SMPP"), but alternative locations are now being evaluated, particularly brownfield sites with existing facilities that could materially reduce capital costs for the planned development.

Before completing an updated Technical Report for the NICO Project, Fortune has been assessing a number of optimizations it has recognized to make a more financially robust project that include:

- A new Mineral Resource block model with a more constrained approach to the mineralization interpolation boundaries to reduce internal and external dilution and differentiate higher grade resource blocks for earlier processing;
- The block model has also identified some additional high grade blocks 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 and an expansion to the selective underground mining of gold-rich ores located close to the existing decline ramp for processing in the first three years of the planned mine life; and
- The open pit mine fleet has been amended with smaller equipment to reduce dilution with waste rock and match the lower mining rate; and
- The Company is reviewing equipment selections to reduce capital costs.

The Tlicho all-season road, a 97 km two-lane public highway from Highway 3 to the community of Wha Ti (the "Tlicho Road"), is essentially complete and is scheduled to open November 30, 2021. This will enable the Company to align the construction schedule for the mine with the availability of the all-season road eliminating construction over winter ice roads, reducing the construction period and capital costs for facilities and equipment that will no longer be required as well as mitigating construction supply chain risks.

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.

In light of the foregoing, the Company believes that the development schedule for the NICO Project can be aligned with the expected increase in the deficit in cobalt supply due to increasing demand for batteries in electric vehicles, portable electronics and stationary storage cells and mitigate government concerns over supply chain issues related to Critical Minerals. Fortune will also produce environmentally friendly bismuth metals and oxide used in the automotive and pharmaceutical industries and the growing demand as a non-toxic and environmentally safe replacement for lead. The NICO Project will be a significant producer of gold, and produce 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.

Background
The NICO Project was engineered in the Front-End Engineering and Design study and a Technical Report entitled "*Technical Report and Updated Mineral Reserve Estimate and Front-End Engineering & Design ("FEED") Study on the NICO Gold-Cobalt-Bismuth Deposit, Mazenod Lake Area, Northwest Territories, Canada*" dated July 2, 2012 (the "2012 FEED Study") is filed on SEDAR at www.sedar.com by the Company pursuant to National Instrument 43-101.

In 2014, a Feasibility Study (the "2014 Feasibility Study") was prepared for the NICO Project based primarily on the 2012 FEED study as well as some subsequent improvements to the project and a proposed transaction to develop the asset with Procon Group ("Procon"). The 2014 Feasibility Study 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") was also filed on SEDAR.

In 2018, Fortune engaged Hatch Ltd. ("Hatch"), Micon and P&E Engineering Consultants Inc. ("P&E") to produce an updated study of the economics for the NICO Project to support its discussions with potential strategic partners. The study contemplated an approximately 30% expanded mill throughput rate of 6,000 tonnes of ore per day ("tpd"), up from the 4,650 tpd rate used in the earlier study. The updated study also planned to assess some process improvements. After assessing the indicative economics of the expanded 6,000 tpd mill throughput rate, the Company concluded that the additional capital required to construct a larger project would not justify the mill rate expansion at prevailing cobalt and bismuth prices. Consequently, work on the expanded, 6,000 tpd mill throughput rate study was terminated and work was refocused back to the 4,650 tpd mill throughput rate, which was validated by production rate sensitivities. The sensitivities also confirmed that a combined open pit and underground approach to the mine plan in the early years of the mine life would produce a more attractive indicative rate of return by enabling earlier access to deeper, gold-rich ores in the deposit.

On May 1, 2015 the Company's wholly-owned subsidiary, Fortune Coal Limited ("FCL") and POSCO Klappan Coal Ltd., FCL's joint venture partner in the Arctos Anthracite Joint Venture ("AAJV"), sold their interests in the coal licenses comprising the Arctos anthracite coal project in northwest British Columbia to British Columbia Railway Company for $18,308,000. The AAJV partners maintain the exclusive right to purchase back the coal licenses at the same price for a 10-year option period, which expires on May 1, 2025. On March 31, 2017, the

Government of British Columbia imposed a 20-year moratorium on major industrial development within parts of the Klappan area. During the 10-year option period currently in effect, the coal licenses are excluded from this moratorium on industrial development within the Klappan area.

RESULTS OF OPERATIONS

Summary

The Company's net income/loss for the three and nine months ended September 30, 2021 was a net income of $759,394 and a net loss of $2,032,676, respectively, or $0.00 and $0.01 per common share compared to a net loss of $181,619 and $1,279,038, respectively, or $0.00 per common share for the same periods in the prior year. The significant change year over year is primarily due to the change in fair value related to derivative liability as discussed in "Expenses" below.

Revenue and Other Income

Revenue and other income increased in 2021 to $86,040 and $100,144 for the three and nine months ended September 30, 2021, respectively, compared to $49,104 and $97,900 for the same periods in the prior year. The increase is primarily the result of an increase in the recognition of flow-through share premium income during the period offset by a decrease in interest income earned on cash and cash equivalents.

Expenses

Expenses, excluding change in fair value related to derivative liability, increased in 2021 to $612,596 and $2,072,511 for the three and nine months ended September 30, 2021 compared to $517,894 and $1,802,838 for the same periods in the prior year.

The increase year over year is primarily attributable to: (i) an increase in stock-based compensation due to a stock option grant in January 2021; and (ii) an increase in interest expenses related to interest accrued on the Company's long-term debts. This increase was offset by a decrease in general and administrative expenses for the same period.

The change in fair value related to derivative liability recognized a gain of $1,285,950 for the three months ended September 30, 2021 and a loss of $60,309 for the nine months ended September 30, 2021 compared to a gain of $287,171 and $425,900, respectively, for the same periods in 2020.

Deferred Taxes

The Company has not recognized a net deferred income tax recovery or provision for the three and nine months ended September 30, 2021 and 2020. During the nine months ended September 30, 2021, the Company recognized (i) $543,000 from the estimated tax loss; (ii) $171,000 for tax rate difference; and (iv) $26,000 for non-taxable flow-through share premium resulting in a tax recovery which was offset by: (i) a tax provision of $477,000 for a loss carryforward not recognized; (ii) $255,000 for non-deductible stock-based compensation and other expenses; and (iii) $8,000 for non-deductible change in fair value of derivative.

During the same period in 2020, the Company recognized (i) $336,000 from the estimated tax loss; (ii) $174,000 for tax rate difference; (iii) $113,000 for non-deductible change in fair value of derivative; and (iv) $22,000 for non-taxable flow-through share premium resulting in a tax recovery which was offset by: (i) a tax provision of $495,000 for a loss carryforward not recognized; and (ii) $150,000 for non-deductible stock-based compensation and other expenses.

During the three months ended September 30, 2021, the Company recognized (i) $621,500 for a loss carryforward not recognized; and (ii) $22,500 for non-taxable flow-through share premium resulting in a tax recovery which was offset by: (i) $370,000 for non-deductible change in fair value of derivative; (ii) $212,000 from the estimated tax loss; and (iii) $62,000 for non-deductible stock-based compensation and other expenses. During the same period in 2020, the Company recognized (i) $150,000 for non-deductible change in fair value of derivative; (ii) $$44,500 from the estimated tax loss; (iii) $15,500 for non-taxable flow-through share premium; and (iv) $1,000 for tax rate difference resulting in a tax recovery which was offset by: (i) $159,000 for a loss carryforward not recognized; and (ii) $52,000 for non-deductible stock-based compensation and other expenses.

A valuation allowance of $17,534,000 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 nine months ended September 30, 2021 was $5,592 and $502,784 compared to $178,484 and $364,024, respectively, for the same periods in 2020. The increase in use of cash in operating activities year over year is mainly attributed to a significant decrease in the change in accounts receivable from the prior year.

Cash used in investing activities was $268,581 and $331,566 compared to $166,271 and $524,732 for the three and nine months ended September 30, 2021 and 2020, respectively. This decrease is related primarily to a decrease in expenditures of capital assets included in mining properties and exploration and evaluation expenditures due to a decrease in activity on the NICO Project, offset by a receipt of $45,000 for a return of reclamation security deposit.

The NICO Project, and the Company's other exploration projects are classified as exploration and evaluation stage projects for accounting purposes. Exploration and evaluation cash expenditures incurred by Fortune on its properties during the three and nine months ended September 30, 2021 were $236,555 and $306,439, respectively, and were spent on the projects as follows:

	Three months ended September 30, 2021	**Nine months ended September 30, 2021**
NICO	$ 233,752	$ 303,636
All Other Projects	2,803	2,803
Total cash exploration and evaluation expenditures	**$ 236,555**	**$ 306,439**

For comparison, exploration and evaluation expenditures incurred by Fortune on its properties during the three and nine months ended September 30, 2020 were $162,117 and $504,653, respectively, and were spent on the projects as follows:

	Three months ended September 30, 2020	Nine months ended September 30, 2020
NICO	$ 159,315	$ 500,102
All Other Projects	2,802	4,551
Total cash exploration and evaluation expenditures	$ 162,117	$ 504,653

As of September 30, 2021, the Company had received $21,600 representing the remainder of the MIP grant awarded in 2020 and was awarded a $144,000 MIP Grant in May 2021, of which $122,400 has been received. The Company has elected to present these government grants as a reduction to exploration expenditures and is included in the line "mining properties" on the consolidated statements of financial position.

Cash provided (used) by financing activities increased to $1,477,706 and $2,008,961 compared to $(2,311) and $27,689 for the three and nine months ended September 30, 2021 and 2020, respectively. Cash provided in 2021 was a result of the issuance of units, the exercise of stock options and warrants and the issuance of debt. Cash provided in 2020 related to the receipt of a government loan.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, Fortune had cash and cash equivalents of $2,253,495 and working capital of $(9,210,749) compared to $1,243,834 and $851,270, respectively, for the same period in the prior year. The negative working capital at September 30, 2021 is a result of long term debt maturing in less than one year.

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 has sufficient cash to conduct its planned critical path activities for the remainder of 2021. However, the NICO Project will 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 in light of the impact that COVID-19 could have on the global financial markets as a whole. Management is continuously pursuing and considering various financing opportunities, including all Government of Canada emergency relief programs announced to assist with the financial impacts of COVID-19.

The Company has applied for and received $113,373 in government grants relating to supporting the payroll of the Company's employees. The Company has elected to present this government grant as a reduction to payroll expenses and this amount is included in the line "general and administrative" expenses on the consolidated statements of income (loss) and comprehensive income (loss).

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	**$ 331,597**	$ 331,597	$ —	$ —	$ —
Lease liability	**394,598**	61,954	129,540	137,430	65,674
Long-term debts	**10,310,000**	—	10,250,000	60,000	—
Interest on Long-term debts	**3,895,668**	—	3,895,668		—
Provision for Environmental Rehabilitation	**143,000**	—	—		143,000
Total Contractual Obligations	**$ 15,074,863**	**$ 393,551**	**$14,275,208**	**$ 197,430**	**$ 208,674**

The long-term debts represent unsecured debentures in the principal amount of $8.75 million held by previous secured creditors, a $60,000 Canadian Emergency Business Account ("CEBA") non-interest bearing loan and a $1,500,000 secured loan. The debentures have a term of seven years maturing on August 12, 2022, bear interest at 5% per annum, compounding semi-annually, and both principal and interest are payable at maturity. On September 22, 2021, the Company entered into a Loan and Security Agreement ("Loan") for $1,500,000, which 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 CEBA, Loan and debentures balances have been recorded in the consolidated financial statements at their net present value using an effective interest rate of 12%, 10% and 18%, 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 $12,700 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. During the nine months ended September 30, 2021, the Company allowed one of its land use permits to lapse as some of the activities are covered under another existing land use permit. A security amount of $45,000 was released and has been included in cash and cash equivalents at September 30, 2021. 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 development and financing 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 in the MD&A for the year ended December 31, 2020 filed on SEDAR. 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 significant risk to the NICO Project has now been removed with the near-term pending completion of the Tlicho Road that is expected to open to the public later this year. 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 evaluation and negotiations required to finalize the Refinery location;
- updating the engineering to incorporate identified optimizations to the 2014 Feasibility Study based on current estimates of costs, commodity prices and different development opportunities to support project financing and the new Refinery site;
- continuing engagement with the GNWT and various municipal, provincial and federal governments for financial support for the development, including the new Refinery site and the updated engineering, to build on Canada's supply chain for Critical Minerals and its participation in new technologies;
- continuing studies and programs required to meet water license pre-construction requirements for the NICO site;
- submitting remaining applications for permitting the NICO access road and regulatory compliance for water license and land use permits;
- submitting a request for land-use permit extension and applying for a new permit in the case of the mining land use permit;
- completing the negotiations with the Tlicho Government for a Participation Agreement;
- identifying and engaging strategic partners to support the financing and development for the project;
- arranging some or all of the project financing, evaluating potential transactions and ultimately entering into a strategic arrangement suitable to the Company; and
- continuing engineering and procurement activities once financing is secured.

In the nine months ended September 30, 2021, the Company continued dialogue with parties for potential strategic partnerships. 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 licence 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 2021 towards achieving the next major milestones for the NICO Project will remain the Company's focus through the balance of the year and into 2022. As it pursues this objective, the Company will strive to prudently manage capital resources and mitigate risks.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended September 30, 2021, the Company paid key management personnel, including officers, directors, or their related entities, an aggregate of $414,789 for salaries and benefits, consulting and/or management services and legal services when compared to $562,053 for the prior year. In addition, stock options with a fair value of $323,300, using the Black-Scholes option pricing model, were granted in the nine months ended September 30, 2021 when compared to $NIL for the same period in 2020. At September 30, 2021, $42,819 was owing to these related parties for services received during the period when compared to $22,851 at September 30, 2020.

The following table summarizes the amounts paid and payable to related parties and the nature of the payments as at September 30, 2021:

Related Party	**Relationship**	**Business Purpose of Transaction**							**Total**	
		Salaries and Benefits [5]		Consulting Services		Legal Services		Stock Options		
		Paid	Payable	Paid	Payable	Paid	Payable	Granted [6]	Paid/Awarded	Payable
Clouter, Carl [1]	Director	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,400	$ 24,400	$ -
Goad, Robin [2]	President & CEO, Director	6,346	-	183,654	3,846	-	-	76,250	266,250	3,846
Knight, David [3]	Corporate Secretary	-	-	-	-	39,550	17,093	6,100	45,650	17,093
Koropchuk, Glen	Director	-	-	-	-	-	-	24,400	24,400	-
McVey, John	Director	-	-	-	-	-	-	30,500	30,500	-
Naik, Mahendra	Director	5,364	-	-	-	-	-	45,750	51,114	-
Penney, Patricia	Interim CFO	97,455	9,865	-	-	-	-	30,500	127,955	9,865
Ramsay, David	Director	-	-	-	-	-	-	24,400	24,400	-
Schryer, Richard [4]	VP Environmental & Regulatory Affairs	5,880	-	76,540	12,015	-	-	30,500	112,920	12,015
Yurkowski, Edward	Director	-	-	-	-	-	-	30,500	30,500	-
Total		$ 115,045	$ 9,865	$ 260,194	$ 15,861	$ 39,550	$ 17,093	$ 323,300	$ 738,089	$ 42,819

[1] Carl Clouter ceased to be a Director of the Company on October 15, 2021.
[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] David Knight is a partner with the law firm WeirFoulds LLP, which provides legal services to the Company. Mr. Knight is also the Company's Corporate Secretary.

[4] Richard Schryer is engaged to provide services of VP Environmental & Regulatory Affairs of the Company pursuant to an independent consultant agreement.

[5] 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.

[6] The value of options granted are calculated using the Black-Scholes option pricing model.

CRITICAL ACCOUNTING ESTIMATES

The Company continues to consider, on a regular basis, whether indicators exist that suggest that the carrying value of its projects is impaired for accounting purposes. While the market capitalization relative to the carrying value of the Company's projects is reviewed, it is not considered a sole indication of impairment. Given the Company's stage of development and the volatility of the market, using the share price as a sole indication of impairment is not practical, although the Company does monitor the magnitude of the gap between its market capitalization and the project carrying values. On September 30, 2021, the Company considered whether there had been any significant changes to indicators and whether any new indicators were present. Management determined that as a result of obtaining limited financing during the year, substantive expenditure on further exploration for and evaluation of mineral resources of the NICO Project cannot be budgeted or planned and completed an impairment assessment of the NICO Project. As a result of that analysis, management has determined that the carrying value of its projects is not impaired or does not require a reversal of a prior impairment charge.

Below are certain factors which management believes support the carrying values of its projects and are not fully reflected in the Company's market capitalization:

- the Company has obtained environmental assessment approval for the NICO mine and concentrator site in the NWT. The Company is focused on obtaining all necessary permits for the NICO Project to proceed, and has plans in place and resources assigned to help achieve this;

- the Company has obtained Land Use permits for the NICO mine and exploration activities. Permits are continuously being updated and renewed as required;
- the Company has obtained a water license for the NICO mine;
- the feasibility study completed in 2014 on the NICO Project demonstrates a net present value in excess of the carrying values of the project;
- the Company is engaged with various cobalt and bismuth experts to analyze the market as it relates to cobalt and bismuth products and the results of such analyses continue to demonstrate significant opportunities for the NICO Project returns relative to metal prices, particularly as a consequence of the growing demand for cobalt in high performance rechargeable batteries contributing to an average cumulative annual growth rate of approximately 6% as well as risks to manufacturers from constrained and geographically concentrated supply chains;
- the GNWT has announced that the Tlicho Road will open to the public on November 30, 2021 and is a key enabler for the development; and
- the Company is assessing a number of sites in Alberta and Saskatchewan to build its Refinery, including brownfield locations with existing facilities that could materially reduce the capital costs for the planned development.

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, provision for environmental rehabilitation and long-term debts, 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; and derivative liability designated as financial liabilities at fair value through profit or loss, measured at fair value and revalued at each reporting period. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

During the nine months ended September 30, 2021 and 2020, profit and losses associated with each financial instrument are as follows:

	Impact on Profit (Loss)	
	2021	2020
Reclamation security deposits	370	1,385
Provision for environmental rehabilitation	7,850	9,715
Long-term debts	(1,091,455)	(976,952)
Derivative liability	(60,309)	425,900

ADDITIONAL INFORMATION

Additional information relating to the Company, including its annual information form, is available on SEDAR at www.sedar.com.

SHARE DATA

As at the date hereof, the Company has:

1. 369,559,400 common shares issued and outstanding;
2. 59,118,756 warrants outstanding which entitle the holders to purchase one common share at various prices between $0.085 and $0.204 and expiring at various dates between November 18, 2021 and September 22, 2023; and
3. stock options outstanding to purchase an aggregate of 14,575,000 common shares expiring at various dates until January 11, 2024 and exercisable at various prices between $0.095 and $0.29 per common share.

All stock options have vested as at the date hereof.

INTERNAL CONTROLS OVER EXTERNAL FINANCIAL REPORTING

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 nine months ended September 30, 2021 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 statements with respect to, among other things, includes, among others, statements regarding the anticipated development of the NICO Project, including the conduct of a planned drill program in 2021, the building or acquisition of a hydrometallurgical refinery in southern Canada and the expected results of the technical report updating to 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 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 results of the 2021 drill program may not enhance the value of the NICO Project, 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.