



20 April 2011

ASX Announcement/Company Update

Fortis secures \$140 million equity facility agreement with the CITIC GEM Fund

Further to the announcement of 15 March 2011 the Board of Directors of Fortis Mining Limited (ASX: FMJ) (**the Company**) is pleased to announce that it has executed a formal Equity Facility Agreement (**Facility**) to secure a \$140 million facility with the CITIC GEM Fund.

The partnership between CITIC and GEM was set up to launch and co-manage a \$1 billion natural resources fund with specific focus non-ferrous metals across Asia and Africa.

The Company may, at its discretion, issue shares to CITIC-GEM at any time over the next 36 months. Shares issued to CITIC-GEM pursuant to the drawdown process will be priced at 90% of the average closing price of the Company's shares during a 15 day consecutive trading period.

The Company can request CITIC-GEM to subscribe for up to 700% of the average trading volume prior to the issue of a drawdown notice.

As consideration for CITIC-GEM entering into the Facility the Company has agreed to issue to CITIC-GEM 17,000,000 Options at a fixed exercise price of \$2 per option and an exercise period of 5 years. The issue of the Options are subject to shareholder approval.

The Fund's advisor will also receive an establishment fee of \$2.8 million which is payable by the Company in two tranches of \$1.4 million each, payable in six months and 12 months time.

This Facility supersedes the \$60 million facility with GEM and removes the reset clause relating to the Options previously announced.

The Facility can be used by the Company to meet its current and future working capital and general operating obligations and commitments.

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Jitto Arulampalam, Executive Chairman of the Company, said today “We are extremely pleased to have secured this significant equity commitment from global investment fund CITIC-GEM. This level of equity commitment shows a real understanding by CITIC-GEM of the scope and size of the exciting Kazakhstan Potash project we recently announced to the market. It also reiterates a confidence in the Board and Management that we are doing things right”.

Now that formal documentation has been executed, the Company will move to immediately call a general meeting of shareholders in order to obtain the necessary approvals required to effect the transactions contemplated.

About GEM

Global Emerging Markets Limited, www.gemny.com, was founded in 1991. GEM is a \$3.4b investment group having completed 305 transactions in 65 countries. The firm is an alternative investment group that manages a diverse set of investment vehicles across the world. GEM’s funds include: CITIC/GEM Fund; VC Bank/GEM Mena Fund*; Kinderhook; GEM Global Yield Fund; GEM India, BLOM GEM Opportunities Fund, GEM Brazil PE Fund.

*GEM exited both its LP and GP stakes in Q1 2010

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About CITIC

CITIC, otherwise known as the China International Trust and Investment Company, is China’s largest native multinational company with over \$125 billion of total assets, 44 subsidiaries and true global reach and influence.

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