



FOURTH QUARTER 2020 FROM THE CEO'S DESK

Dear Shareholders,

As the year of 2020 ended, I was pleased to reflect on the advancements Fortune Bay made during a challenging year for us all as we dealt with the impacts of the global pandemic and related disruptions. During 2020 the Company saw a re-activation through the May 2020 financing, appointment of new management and a technical team, an expanded Board of Directors, and the development and initiation of our corporate growth strategy. Supported by a rising gold price, we saw significant gains in the Company's share price. As we enter 2021, I am pleased with the foundations we have put in place to advance our corporate strategy, and together with a bolstered treasury from our December 2020 financing, we are sincerely looking forward to the year ahead with expected catalysts for the Company.

The fourth quarter of 2020 was marked by some important milestones, outlined below, as we continued to advance our corporate growth strategy. We encourage you to read this quarterly update in conjunction with our material news items, provided in our news releases, and our quarterly financial statements and MD&A. This update does contain Forward-Looking Statements so please refer to the Company's Cautionary Note appended below.

Highlights from the Fourth Quarter 2020

At the **Goldfields Project**, located in Saskatchewan, we continued with the process to unlock value and advance the project to create a sought-after asset in a favorable mining jurisdiction.

Underlying any high-quality mining asset are extensive and reliable data sets. The Goldfields Project is endowed with a substantial legacy of data from historical mining activities, numerous exploration campaigns, and mining and environmental studies which date back to the 1930's. Our technical team's focus over the past quarter has been on the compilation and verification of the Project's extensive drilling data set for integration into modern databases, and the development of geological models for the Box and Athona deposits. These will provide an important foundation for our upcoming plans for the Project:

- 1) *Exploration drilling:* In October 2020 we announced drill targets at Goldfields designed to expand the mineral resources at the Box and Athona deposits through step-out drilling from high gold grades which remain open. The Company plans to execute an exploration drilling program for Goldfields immediately following the receipt of a drilling permit. The provincial government's decision date for the permit, initially expected in late 2020, has been delayed due to COVID-19 disruptions and is now expected in late January 2021.
- 2) *Updated mineral resource estimate:* During the fourth quarter we completed data compilation and verification, and built new geological models for Box and Athona. These are important steps in the process of completing an updated mineral resource estimate, expected during Q1 2021.
- 3) *Project development:* Upon completion of the updated mineral resource estimate (i.e., the classification of current mineral resources in accordance with NI 43-101), and based on the results, the Company would be in a position to commence an updated pre-feasibility study ("PFS"). Work has been underway compiling and reviewing supporting data from the 2011 PFS to identify opportunities, risks and any potential data gaps in preparation for a future updated PFS. Initial opportunities have been identified for project optimization, particularly related to mineral processing and mining, as highlighted on Page 12 of our corporate presentation.

At the **Ixhuatán Project**, located in Chiapas State, Mexico, we recently completed an internal desk-top review and assessment. The project has an extensive dataset from exploration undertaken between 2004 and 2009, which has been compiled into spatial databases for interpretation. Several opportunities have been identified that enhance the project

as a pipeline exploration and development asset for the Company, or to attract a partner as we focus on advancing Goldfields in the near term. To date, various parties have shown interest in the project and we plan to continue to engage with, and solicit interest from, suitable parties.

Our search for **new projects** continued during the fourth quarter, with the objective of acquiring strategic assets to create a pipeline of growth opportunities for the Company. The work is being led by Bill Yeomans, P.Geo, an exploration geologist with over 30 years of international experience in gold exploration. Bill has a successful track-record in project generation and business development roles with companies including Dundee Precious Metals, Orefinders Resources and IAMGOLD Corporation, and has served at the Vice President and President level with companies throughout the Americas. With Bill's input Fortune Bay has developed a database of regional-scale target areas and project evaluations are ongoing.

The fourth quarter was also marked by various **corporate activities** which included the completion of a well-supported, non-brokered private placement for aggregate gross proceeds of \$2,013,045, the appointment of Ms. Melinda Lee and Mr. Robert Shaw to the Company's Board of Directors, and listing of the Company on the Frankfurt Stock Exchange. Please see our related news releases for further details. In coordination with our planned activities for the Goldfields Project we have planned for **marketing** to commence in January which is designed to raise visibility of the Company and its news flow through various media platforms. We have also retained the services of Mars Investor Relations, a full-service investor relations and consulting services company focused on the junior mining sector.

We are looking forward to what 2021 will bring with gold continuing to be supported by a strong set of fundamentals, and the expected upcoming catalysts for the Company including the planned exploration drilling (subject to receipt of a drilling permit), and the completion of an updated mineral resource estimate during the first quarter of 2021.

We would like to thank our shareholders and followers for their support during 2020 and look forward to an active 2021. Wishing everyone a prosperous and healthy New Year from the Fortune Bay team!

Yours sincerely,



Dale Verran

Chief Executive Officer



Cautionary Note: Forward Looking Statements

Information set forth in this update 'From the CEO's Desk' contains forward-looking statements that are based on assumptions as of the date of this presentation. These statements reflect management's current estimates, beliefs, intentions, and expectations. They are not guarantees of future performance. Fortune Bay Corp. ("Fortune Bay" or the "Company") cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, many of which are beyond Fortune Bay's control. Such factors include, among other things: risks and uncertainties relating to metal prices, changes in planned work resulting from weather, logistical, technical or other factors, the possibility that results of work will not fulfill expectations and realize the perceived potential of Fortune Bay's mineral properties, uncertainties involved in the interpretation of drilling results and other tests, the possibility that required permits may not be obtained in a timely manner or at all, risk of accidents, equipment breakdowns or other unanticipated difficulties or interruptions, the possibility of cost overruns or unanticipated expenses in work programs, the risk of environmental contamination or damage resulting from the exploration operations, the need to comply with environmental and governmental regulations and the lack of availability of necessary capital, which may not be available to Fortune Bay acceptable to it, or at all. Fortune Bay is subject to the specific risks inherent in the mining business as well as general economic and business conditions. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Fortune Bay undertakes no obligation to publicly update or revise forward-looking information. Fortune Bay does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. For more information on Fortune Bay, readers should refer to Fortune Bay's website at www.fortunebaycorp.com.