



SECOND QUARTER 2023

## FROM THE CEO'S DESK

August 10, 2023

Dear Shareholders and Followers,

We trust you are having a great summer (for those of us in the northern hemisphere)! This time of year always marks a slow-down in market activity as people enjoy the precious few months of summer.

The strength of the gold price over recent weeks has certainly been encouraging, during a period when gold prices often decrease. Backed by a strong set of fundamentals, we are looking forward to the latter half of the year which often sees gold strengthening. I've mentioned before the current valuation disconnect between physical gold and gold companies, particularly amongst the junior explorers and developers, setting the stage for potential re-rating particularly for companies with viable projects.

During the second quarter the Company has remained active seeking the most suitable avenues to advance its gold and uranium assets amidst the challenging market conditions. The Company remains exceptionally well poised with its enviable gold resource base, across the Goldfields and Ixhuatán projects, together with two earlier stage Athabasca Basin uranium projects with high-grade discovery potential.

We recently disseminated a [news release](#) and hosted our Q2 2023 Live Webinar to provide a detailed update of our projects are where we are headed. A recording of the webinar is available on our [website](#) in case you missed it. If you are more of a reader, a few highlights from the webinar can be summarized as follows:

- Our flagship Goldfields Project in Northern Saskatchewan has significant growth and development potential. Gold is currently trading around the project's PEA upside case which, at US\$1,950/oz, produces an after-tax NPV<sub>5%</sub> of C\$459 million and after-tax IRR of 50.5% (for details see the Sensitivity Analysis within the [PEA NI 43-101 Technical Report](#)). The project is substantially de-risked for a PEA-level asset with 99% indicated resources (used in the PEA), conventional open-pit mining and milling, established site infrastructure (road & powerline) and a valid development permit. Goldfields presents numerous exploration and resource expansion opportunities, together with development opportunities to be assessed at the PFS and FS stages. The project is robust and competitive amongst Canadian peers and offers a highly attractive valuation.
- For the first time we took a deeper technical dive on our Mexican asset, the Ixhuatán Project in Chiapas, Mexico. Fortune Bay has recently been unpacking the vast technical data set for the project to identify and prioritize opportunities for project advancement. Outside of the historical gold resource at Campamento (1.04 Moz Meas. & Ind; 0.70 Moz Inferred) and the numerous other gold target zones, a key opportunity is the porphyry copper-gold potential. The project has an exceptional geological setting which parallels the setting of giant porphyry deposits worldwide (see slide 17 in our [Corporate Presentation](#)). With previous exploration focused on near-surface epithermal gold, the porphyry system (both in outcrop and beneath thin cover rocks) warrants dedicated targeting. Future work phases would be expected to include airborne surveying and geochemical surveys to delineate targets for drill testing. A recent visit to the project included positive informal meetings with various stakeholders from the communities and region, in addition to inspection of historical drill core and the Company's warehouse facilities.
- The webinar concluded with an overview of the Company's plans and intentions, including:
  1. Exploring and evaluating opportunities to further advance Goldfields. Such opportunities may include finding a suitable partner or investment to advance the project, sale of the asset, or other strategic transaction, with the objectives of realizing value for the asset, safeguarding capital and minimizing shareholder dilution.

2. Following the initial community meetings for Ixhuatán, the Company is planning continued respectful dialogue with communities over the coming months with the aim of establishing access agreements that are mutually beneficial. In the interim, the Company intends to evaluate and prioritize exploration targets, based on desk-top analysis and drill core review, and develop plans for future field work.
3. Located near Goldfields, the Company's Strike and Murmac uranium projects have high-grade uranium potential typical of Athabasca Basin basement-hosted deposits. Initial exploration, testing this model, delivered highly encouraging results including intersections of uranium mineralization within favorable geological settings. The results to date, along with numerous additional targets identified, warrant further exploration. The Company plans to find a suitable partner to advance the projects through an earn-in, or similar agreement, that provides Fortune Bay with upside in future discovery.
4. Ongoing project generation to deliver a pipeline of growth opportunities, with a focus on gold exploration projects in stable jurisdictions.

With our experienced and highly motivated team, we are excited by the various opportunities ahead of Fortune Bay and remain committed to our vision to create significant value through mineral discovery and development for the benefit of all stakeholders.

Please reach out at any time if you need any more information, and continue to make use of our website functionality to '[Book an Investor Call](#)' or '[Ask a Question](#)'. If you're not signed up please [subscribe](#) on our website and follow us on Facebook, Twitter, Instagram, YouTube and LinkedIn to ensure you catch all the Fortune Bay action.

As always, we encourage you to read this newsletter 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.

Yours sincerely,



Dale Verran  
Chief Executive Officer



**Cautionary Note and Technical Disclosure:**

*Information set forth in this letter 'From the CEO's Desk' contains forward-looking statements that are based on assumptions as of the date of this letter. These statements reflect management's current estimates, beliefs, intentions, and expectations. They are not guarantees of future performance. Words such as "expects", "aims", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks", "estimates", "continues", "may", variations of such words, and similar expressions and references to future periods, are intended to identify such forward-looking statements. 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, COVID-19 restrictions, availability of contractors, 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](http://www.fortunebaycorp.com).

*Information set forth in this letter 'From the CEO's Desk' is intended to summarize or highlight the Company's results for the previous quarter based upon previously disclosed results provided in the Company's news releases. Readers of this letter should refer to the Company's news releases, available on the Company's website or SEDAR.com, to obtain important additional technical information and disclosure in accordance with the requirements of National Instrument 43-101. The technical and scientific information provided in this letter has been reviewed and approved by Dale Verran, M.Sc., P.Ge., Chief Executive Officer of the Company, who is a Qualified Person as defined by NI 43-101. Mr. Verran is an employee of Fortune Bay and is not independent of the Company under NI 43-101.*