ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2014

Issued March 24, 2015

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DATE, CURRENCY AND OTHER INFORMATION

In this Annual Information Form (the "**AIF**"), Fortune Bay Corp. together with its subsidiaries, as the context requires, is referred to as "Fortune Bay" or the "Company".

All information contained herein is as at December 31, 2014, unless otherwise stated.

All sums of money which are referred to in this AIF are expressed in lawful money of Canada, unless otherwise specified.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains "forward-looking information", as such term is defined in applicable Canadian securities legislation. Forward-looking information is necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All information other than information which are reporting results as well as information of historical fact set forth or incorporated herein by reference, are forward looking information that may involve a number of known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to control or predict. Forward-looking information can be identified by the use of words such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "continue," or the negative of such terms, or other comparable terminology.

This information includes, but are is limited to statements regarding:

- the Company's exploration and development plans for its Exploration Properties (as hereinafter defined);
- liquidity to support operations;
- completion of a NI 43-101 (as hereinafter defined) report for any of the Exploration Properties;
- the establishment and estimates of additional mineral resources;
- anticipated expenditures for development, exploration and corporate overhead;
- timing and issuance of any permits;
- estimates of closure costs and reclamation liabilities;
- the Company's ability to obtain financing to fund future expenditure and capital requirements; and
- the impact of adoption of new accounting standards.

Although the Company believes that the plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements and information contained in this report. Disclosure of important factors that could cause actual results to differ materially from the Company's plans, intentions or expectations is included in this report under the heading "*General Development of the Business – Risk Factors*" herein.

Forward-looking information inherently involves risks and uncertainties that could cause actual results to differ materially from the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to unexpected changes in business and economic conditions, including the global financial and capital markets; significant increases or decreases in gold prices; changes in interest and currency exchange rates; changes in operating costs; results of current and future exploration and development activities; results of future feasibility studies; joint venture relationships; political or economic instability, either globally or in the countries in which the Company operates; local and community impacts and issues; timing of receipt of government approvals; accidents and labour disputes; environmental costs and risks; competitive factors, including competition for property acquisitions; availability of external financing at reasonable rates or at all; and the factors discussed in this AIF under the heading "*General Development of the Business – Risk Factors*"; and other risks and uncertainties set forth in the periodic report filings with Canadian securities authorities.

Many of these factors are beyond the Company's ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect the Company. The Company may note additional factors elsewhere in this AIF. All forward-looking information speak only as of the date made. All subsequent written and oral forward-looking information attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements. Readers are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Fortune Bay disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise.

NATIONAL INSTRUMENT 43-101 – *STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS*

National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") issued by the Canadian Securities Administrators (the "**CSA**") requires, among other things, that issuers ensure that all written disclosure of a scientific or technical nature concerning a mineral project on a property material to the issuer identifies and discloses the relationship to the issuer of the qualified person who prepared or supervised the preparation of the technical report or other information that forms the basis for the written disclosure. A "qualified person" for purposes of NI 43-101 means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation and/or mineral project assessment, has experience relevant to the subject matter of the disclosure and is a member in good standing of a specified professional association.

Unless otherwise noted, Mr. John A. Dixon, P. Geo., is the qualified person responsible for the preparation of technical information included in this AIF.

CORPORATE STRUCTURE

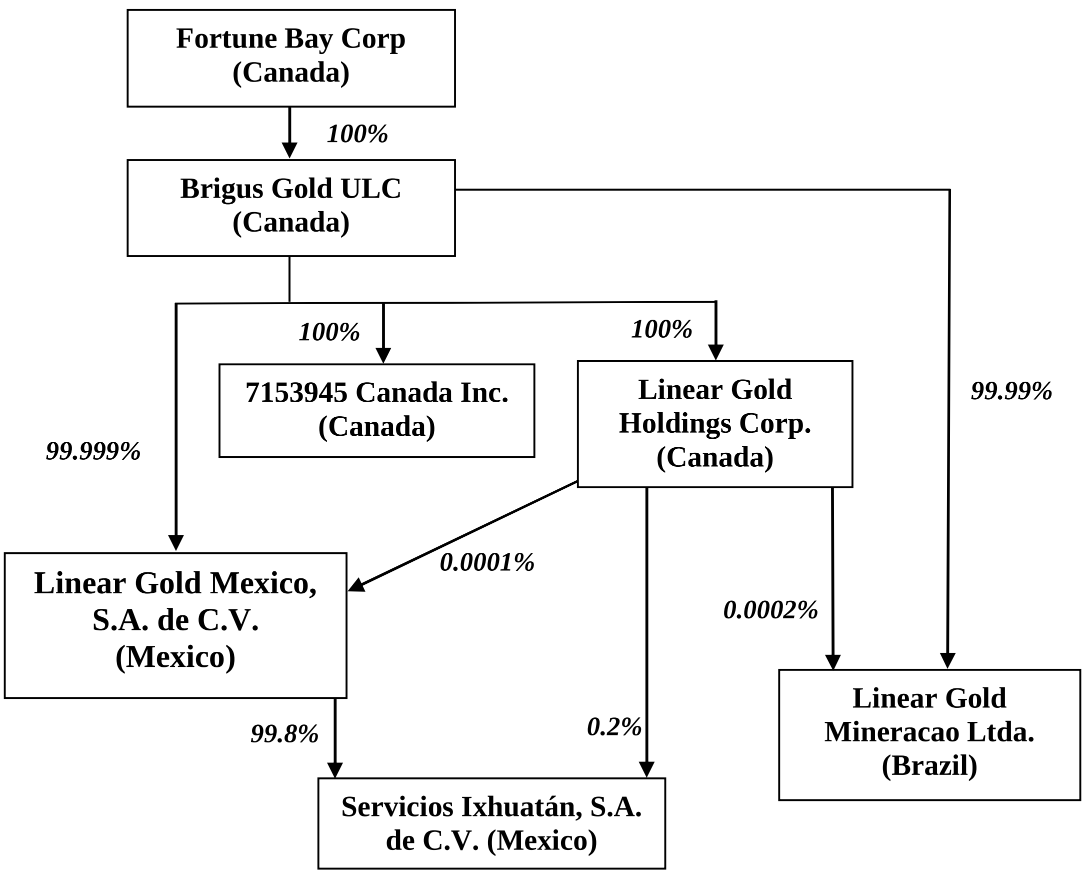
Name, Address and Incorporation

The Company was incorporated under the name of 8724385 Canada Limited pursuant to the *Canada Business Corporations Act* by Articles of Incorporation effective December 12, 2013 as part of a plan of arrangement (the "**Plan of Arrangement**") to reorganize Brigus Gold Corp. ("**Brigus**"), which was completed on March 5, 2014 (the "**Arrangement**"). Articles of Amendment were filed on January 13, 2014 to change the name of the Company to "Fortune Bay Corp."

Fortune Bay's head and registered office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7 (Telephone: (902) 422-1421; Fax: (902) 491-4281; Email: info@fortunebaycorp.com; Website: www.fortunebaycorp.com).

Inter-corporate Relationships

The following chart describes the relationship amongst Fortune Bay and its material subsidiaries, including the percentage of voting securities of the subsidiaries owned by Fortune Bay and the jurisdiction of the subsidiaries:



GENERAL DEVELOPMENT OF THE BUSINESS

Fortune Bay is a junior exploration company listed on the Toronto Stock Exchange ("**TSX**"). The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company owns or controls an interest in three mineral properties (the "**Exploration Properties**"), including the Goldfields project (Box & Athona projects) located near Uranium City, Saskatchewan (the "**Goldfields Project**"), the Ixhuatán project located in Chiapas, Mexico (the "**Ixhuatán Project**") and a net smelter return ("**NSR**") on the Huizopa project (the "**Huizopa Project**") located in Chihuahua, Mexico.

The Company expects to focus its exploration efforts on its Goldfields Project for the foreseeable future. However, there may be circumstances where, for sound business reasons, the management of Fortune Bay may change the Company's primary business focus. The overall level of exploration expenditures for fiscal 2015 and beyond will be dependent on the Company's success in advancing the properties and raising additional financing.

In May 2014, the Company engaged professional advisors to complete a strategic review process to explore alternatives for the enhancement of shareholder value. Management's strategic review process is ongoing and has considered various alternatives for the Company, including the potential sale of the Company's exploration assets, and other options identified by executive management with the fundamental objective of realizing the best value for the Company's shareholders.

Three Year History

On March 5, 2014, Brigus, Primero Mining Corp. ("**Primero**") and Fortune Bay completed the Arrangement, pursuant to which Primero acquired all of the issued and outstanding shares of Brigus by way of a court approved Plan of Arrangement which included Brigus spinning out certain assets (together, "**The Exploration Properties Business of Fortune Bay Corp**.") into Fortune Bay by way of an internal reorganization (the "**Master Reorganization**").

Pursuant to the Arrangement, Primero acquired Brigus' Black Fox mine and surrounding properties in Ontario, Canada. The Exploration Properties Business of Fortune Bay Corp. spun out to Fortune Bay primarily consisted of the Goldfields Project in Saskatchewan, Canada, the Ixhuatán Project in Chiapas, Mexico, the NSR on the Huizopa Project in Chihuahua, Mexico and several properties in the Dominican Republic. As at December 31, 2013, the Dominican Republic properties were included in assets held for sale, with the sale of the Dominican Republic properties completed on March 19, 2014.

The consideration received by the shareholders of Brigus consisted of 0.175 of a common share of Primero, a nominal cash payment of $0.000001, and 0.1 of a common share of Fortune Bay (each a "**Common Share**") for each common share of Brigus held. Brigus' outstanding options were exchange for Primero options and were adjusted in accordance with their terms such that the number of Primero shares received upon exercise and the respective exercise prices reflect the exchange ratio described above. Brigus' outstanding warrants were not redeemed or exchanged as part of the Arrangement and continued to be governed by and subject to the applicable Brigus

Warrant Indentures. The Brigus warrants were adjusted such that the number of Primero shares and Fortune Bay Common Shares received upon exercise reflect the exchange ratio described above. In addition, Brigus' senior unsecured convertible debentures remain outstanding and may require an issuance of the Common Shares, if converted.

Pursuant to the Arrangement, Brigus subscribed for an additional 9.9% interest in Fortune Bay in consideration for a cash payment equal to $10 million, with the amount by which the cash subscription proceeds exceeded the fair market value of the Common Shares being issued was recorded by way of contributed surplus to the capital of Fortune Bay.

The carrying value of The Exploration Properties Business of Fortune Bay Corp. contributed to the Company pursuant to the Master Reorganization consisted of the following:

	March 4, 2014
	$
Assets	
Cash	108,047
Accounts receivable	22,147
Prepaid expenses and deposits	20,057
Investments	840,000
Assets held for sale	700,000
Reclamation deposit	37,210
Property and equipment	225,564
Exploration and evaluation assets	13,729,241
Total Assets	**15,682,266**
Liabilities	
Accounts payable and accrued liabilities	61,996
Deferred tax liability	115,440
Total Liabilities	**177,436**
Carrying Value	**15,504,830**

A credit of $(10,314,289) to retained earnings was made to reconcile: (i) the allocated Brigus retained earnings, income and expenses, and other comprehensive income, up to the close of the Master Reorganization; and (ii) the carrying values of the net assets contributed and recorded under the continuity of interest accounting, to the Common Shares issued in connection with the closing of the Master Reorganization on March 4, 2014.

On March 19, 2014, the Company completed the sale of the Dominican Republic properties. This resulted in the Company recording a gain on the sale of assets held for sale of $119,848 in the consolidated statement of loss.

On April 1, 2014, the Company completed a non-brokered flow-through financing for aggregate gross proceeds of $450,000. The Company issued 1,607,144 units at a price of $0.28 per unit, with each unit consisting of one flow-through Common Share of the Company and one half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of $0.30 per Common Share until April 1, 2017. Directors of the Company subscribed for all units of the financing.

Risk Factors

Mineral exploration companies face many and varied risks. The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive and the Company currently has no source of income other than interest income.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

Limited Business History

Fortune Bay has a short history of operations and has no history of earnings. The likelihood of success of Fortune Bay must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Fortune Bay has limited financial resources and there is no assurance that funding over and above the initial cash subscription amount will be available to it when needed. There is also no assurance that Fortune Bay can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the Fortune Bay's exploration properties do not exist.

Acquisitions and Joint Ventures

Fortune Bay will evaluate from time to time opportunities to acquire or joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the scale of Fortune Bay's business and may expose it to new geographic, political, operating, financial and geological risks. Fortune Bay's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of Fortune Bay. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Fortune Bay's ongoing business; the inability of management to maximize the financial and strategic position of Fortune Bay through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of Fortune Bay's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that Fortune Bay would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Uncertainty of Mineral Resource Estimates

Mineral resource figures are only estimates. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. While Fortune Bay believes that the mineral resource estimates included are established and reflect management's best estimates, the estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from Fortune Bay's estimates. Estimated mineral resources may have to be re-estimated based on changes in gold prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. Mineral resources are not mineral reserves and there is no assurance that any mineral resource estimate will ultimately be reclassified as proven or probable mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Economics of Developing Mineral Properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that Fortune Bay's gold deposits are commercially mineable.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (a) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (b) availability and costs of financing; (c) ongoing costs of production; (d) gold prices, which are historically cyclical; (e) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (f) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell and profit from the sale of any eventual mineral production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of the company and its operations.

Factors Beyond the Control of Fortune Bay

The potential profitability of mineral properties is dependent upon many factors beyond Fortune Bay's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Fortune Bay cannot predict and are beyond Fortune Bay's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Fortune Bay.

Regulatory Requirements

The current or future operations of Fortune Bay, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Fortune Bay may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Fortune Bay might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Fortune Bay and cause increases in costs or require abandonment or delays in the development of new mining properties.

The development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside Fortune Bay's control. Any significant delays in obtaining or renewing such permits or licenses in the future could have a material adverse effect on Fortune Bay.

Insurance

Fortune Bay's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of: Fortune Bay's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive regulatory approvals to transport their gold concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. Fortune Bay may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Fortune Bay.

Environmental Risks and Hazards

All phases of Fortune Bay's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Fortune Bay's operations. Environmental hazards may exist on the properties which are unknown to Fortune Bay at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Fortune Bay is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Fortune Bay will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if Fortune Bay becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Fortune Bay has to pay such liabilities and result in bankruptcy. Should Fortune Bay be unable to fund fully the remedial cost of an environmental problem, Fortune Bay might be required to enter into interim compliance measures pending completion of the required remedy.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Fortune Bay holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Fortune Bay.

No Assurance of Title to Property

There may be challenges to title to the mineral properties in which Fortune Bay holds a material interest. If there are title defects with respect to any properties, Fortune Bay might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

Risk of Amendments to Laws

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Fortune Bay and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Commodity Prices

The price of the Company’s shares, Fortune Bay's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold or other minerals. The price of gold or other minerals fluctuates widely and is affected by numerous factors beyond Fortune Bay's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of gold or other minerals could cause continued development of and commercial production from Fortune Bay's properties to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and Fortune Bay could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Economic viability of future production from Fortune Bay's mining properties, if any, is dependent upon the prices of gold and other minerals.

In addition to adversely affecting any reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Foreign Countries and Regulatory Requirements

Fortune Bay has investment in properties and projects located in foreign countries, including Mexico. The carrying values of these properties and Fortune Bay's ability to advance development plans or bring the projects to production may be adversely affected by whatever political instability and legal and economic uncertainty might exist in such countries. These risks may limit or disrupt Fortune Bay's projects, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

There can be no assurance that industries which are deemed of national or strategic importance in countries in which Fortune Bay has operations or assets, including mineral exploration, production and development, will not be nationalized. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on Fortune Bay. There can be no assurance that Fortune Bay's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, Fortune Bay may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Fortune Bay also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Fortune Bay to accurately predict such developments or changes in laws or policy or to the extent to which any such developments or changes may have a material adverse effect on Fortune Bay's operations.

Acquisitions and Integration

From time to time, it can be expected that Fortune Bay will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that Fortune Bay may choose to complete may be of a significant size, may change the scale of Fortune Bay's business and operations, and may expose Fortune Bay to new geographic, political, operating, financial and geological risks. Fortune Bay's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of Fortune Bay. Any acquisitions would be accompanied by risks. In the event that Fortune Bay chooses to raise debt capital to finance any such acquisitions, Fortune Bay's leverage will be increased. If Fortune Bay chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, Fortune Bay may choose to finance any such acquisitions with its existing resources. There can be no assurance that Fortune Bay would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Conflicts of Interest

Some of the directors and officers of Fortune Bay are directors and officers of other companies, some of which are in the same business as Fortune Bay. Some of Fortune Bay's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with Fortune Bay. Fortune Bay's directors and officers are required by law to act in the best interests of Fortune Bay. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to Fortune Bay may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose Fortune Bay to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of Fortune Bay. Such conflicting legal obligations may expose Fortune Bay to liability to others and impair its ability to achieve its business objectives.

Influence of Third Party Stakeholders

The lands in which Fortune Bay holds an interest, or the exploration equipment and roads or other means of access which Fortune Bay intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Fortune Bay's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for Fortune Bay.

Fluctuation in Market Value of Common Shares

The market price of the Common Shares can be affected by many variables not directly related to the corporate performance of Fortune Bay, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of Common Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of Common Shares.

Exploration and Mining Standards

The Company conducts exploration activities with high standards under "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (**CIM**) standards and conforms to NI 43-101 and Companion Policy 43-101CP.

The Company's exploration programs are planned and managed by "Qualified Persons" who ensure that quality assurance and control practices are consistent with NI 43-101 and industry standards.

All projects, diamond drill core, which are chosen to be sampled by a Qualified Person, are sawn, and half the core is analyzed by assay with atomic absorption, Inductively Coupled Plasma ("**ICP**"), or gravimetric finish at an independent, registered commercial assay laboratory. All sample submittals include certified reference standards, blanks and duplicates, and a representative sample of the drill core is retained for future reference.

DESCRIPTION OF MINERAL PROPERTIES

The following is a description of the Company's Goldfields Project, Ixhuatán Project and Huizopa Project. Of these properties, management of Fortune Bay considers the Goldfields Project to be material for the purposes of NI 43-101. The Goldfields Project is discussed in more detail below.

The Goldfields Project

For the purposes of the disclosure required under section 5.4 of Form 51-102F2 – *Annual Information Form*, the summary from a technical report dated October 6, 2011 (reissued March 13, 2014) pertaining to the Goldfields Project (the "**Goldfields Report**"), which was commissioned by and prepared for Brigus by March Consulting Associates Inc. in cooperation with Wardrop (now Tetra Tech), DMA and EHA Engineering Ltd. in compliance with NI 43-101, is reproduced below, and the Company incorporates by reference into this AIF the disclosure contained in the Goldfields Report

The technical information contained below is summarized or extracted from some of the main conclusions reached in the Goldfields Report. Readers are directed to the Goldfields Report, which can be reviewed in its entirety by accessing the SEDAR database at www.sedar.com, and which qualifies the following disclosure. The following summary is not exhaustive. The Goldfields Report is intended to be read as a whole and sections should not be read or relied upon out of context. The Goldfields Report contains the expression of the professional opinions of qualified persons (each a "Qualified Person" as defined under NI 43-101) based upon information available at the time of preparation of the Goldfields Report. The disclosure contained below, which is derived from the Goldfields Report, is subject to the assumptions and qualifications contained in the Goldfields Report.

1. SUMMARY

1.1 Introduction

This report provides technical information and a resource estimate update for the historical Box Mine (Box). The Box mine lies within the Goldfields Property (Goldfields) which also includes the Athona Deposit (Athona). Goldfields is located in northern Saskatchewan, approximately 1,000 km north of Regina, the provincial capital, and 13 km south of Uranium City.

Brigus retained Wardrop, a Tetra Tech Company (Wardrop), to complete an updated resource estimate for Box. Wardrop was previously involved with Goldfields in 2006-2007 for the previous mineral rights holders, Greater Lenora Resources Inc. No additional exploration has been conducted on Athona since the latest National Instrument (NI) 43-101 resource estimate was issued by Wardrop in 2007 (Wardrop, 2007). The Athona resource data has been included in this updated estimate for information.

The following technical report conforms to the standards set out in National Instrument 43-101 (NI 43-101), Standards and Disclosure for Mineral Projects and is in compliance with Form 43-101F1 technical report.

The Qualified Person responsible for the Box resource estimate update is Paul Daigle, P. Geo., Senior Geologist with Wardrop. The site visit was conducted by Mr. Daigle on May 11 and 12, 2011. The Qualified Person responsible for the Athona resource estimate is Tim Maunula, P.Geo. with Wardrop.

Brigus retained March Consulting Associates Inc. (March Consulting) to complete a pre-feasibility study (PFS) for the purposes of developing a reserve estimate, capital cost estimate, operating cost estimate, and economic analysis for Goldfields.

The Qualified Person responsible for the mineral reserve estimate and mining methods is Cliff Lusby, P. Eng., Principal Mine Engineer Associate with March Consulting. The Qualified Person responsible for the capital cost estimate, operating cost estimate and economic analysis is Kyle Krushelniski, P. Eng., Senior Project Manager with March Consulting. Site visits were conducted by Mr. Lusby and Mr. Krushelniski on March 18th, 2010 and September 10th to 13th, 2010.

Brigus retained Dan Mackie Associates (DMA) and EHA Engineering Ltd. (EHA) for the development of the ore processing and process plant design. The qualified persons responsible for the process design are Al Hayden, P. Eng. and Dan Mackie, P. Eng.

1.2 Property Description and Location

The Goldfields Claim Group is defined by the mineral rights to five mineral leases and 31 mineral claims, currently 100% held by 7153945 Canada Inc. a wholly owned subsidiary of Fortune Bay. The Goldfields Claim Group covers a total area of 25,685 ha.

The Property is located:

- Within National Topographic System (NTS) 1:50,000 map sheets 74N07
- At approximately 59° 27' N latitude and 108° 31' W longitude, in northern Saskatchewan, Canada
- Approximately 1,000 km north of Regina, the provincial capital of Saskatchewan and approximately 850 km north of Saskatoon, Saskatchewan (SK)
- Approximately 13 km south of Uranium City, SK
- Approximately 25 km by road from Uranium City on Local Highway 962
- Approximately 60 km south of the border with the Northwest Territories, Canada
- In Northern Saskatchewan Administration District
- In Census Division No. 18 – La Ronge, SK
- The proposed Box Mine is bounded to the south by the north shore of Neiman Bay in Lake Athabasca and to the north by the south shore of Vic Lake

Geologically, northern Saskatchewan is predominantly underlain by variably deformed and metamorphosed rocks of Archean age (3070 to 3014 Ma) to Helikian (1450 to 1350 Ma) age. In the northwest, the Archean to Aphebian crystalline basement, influenced by Lower Proterozoic thermotectonic events, is overlain by redbeds of the Martin Group (and immediately underlying Thluicho Lake and Ellis Bay Groups) which were probably deposited during and immediately following the main Hudsonian event (ca. 1900 to 1800 Ma). Immediately to the south, the metamorphic basement rocks are overlain by post-metamorphic sedimentary rocks of the Helikian Athabasca Group. Post-Hudsonian diabase dykes (ca. 1400 to 1100 Ma) are the youngest rocks in the Precambrian of northern Saskatchewan (Jensen, 2003).

1.3 Geology and Mineralization

1.3.1 Box Mine

The geological setting at Box consists of a sequence of metasedimentary lithological units. The footwall sequence is represented by several series of alternating units of amphibolite and quartzite. These units exist from north of the Frontier Mine, an abandoned site, to the Box FW for approximately 1,000 m horizontally. At the footwall contact, a zone of metasediments consists of almost pure quartzite, feldspathic arkose, medium to coarse grained greywacke and sub-angular to rounded pebble conglomerates. Scattered along the footwall at irregular intervals are amphiboles, intrusive sills and/or homfelsed metasediments with some units exhibiting varying degrees of shearing which forms chlorite and hornblende schists.

The Box Mine Granite (BMG) unit is a depositional sequence of metasedimentary lithologies grading towards the southeast from a pebble to cobble size conglomerate to a coarse grained, then medium grained, greywacke, followed by feldspathic arkose. Due to the varying intensity of granitization or feldspathization and silicification of the clastic metasediments, it is difficult to determine if more than one sequence exists. The BMG has been moderately to intensely altered by hematitization, which indicates the contacts of the auriferous zone. The contacts vary from gradational to sharp.

BMG has a surface expression in excess of 750 m and an average width of 40 m with the central portion in excess of 60 m.

Gold mineralization is associated with fine grained pyrite in the range of 0.5% to 3.0% in the wallrock and quartz- carbonate veins. Some of the auriferous quartz veins trend N10°E and have associated sulphide mineralization in order of abundance as pyrite, galena, sphalerite, and chalcopyrite.

1.3.2 Athona Deposit

The gold bearing zones at Athona are from west to east: the eastern portion of the West Mine Granite, the Athona Granite, the Pond Zone, and in a prominent en echelon and bouginage quartz vein system of the East Zone. The historic underground mine development was concentrated in the western portion of the Athona Mine Granite(AMG) and the eastern quartz vein systems (H, I, J, K veins) on the 125 and 250 foot levels. The Athona West Granite (AWG) is a medium to coarse grained, reddish hematitic altered granite, dipping moderately westwards, containing fracture filling, quartz veining within the footwall sheared contact or mylonite zone. The unit is underlain by the central gabbroic to amphibolitic intrusive which separates the AWG from the AMG.

1.4 Exploration

Brigus initiated a site investigation program in 2010 for Goldfields. The program included the following:

- Performed a DC/Induced Polarization (IP) geophysical survey for identification of anomalies.
- Completed a piezometer installation program to characterize the shallow geologic and hydrogeologic conditions surrounding the Waste Rock Storage Area (WRSA) and provide hydrogeologic information surrounding the Vic Lake Tailings Management Facility (TMF).
- Completed the drilling program as summarized in Table 1-1:

The previous resource model was based on the historical drill data presented in Table 1-2. The resource model was updated with the data from the 2010 drill program.

Table 1-1: 2010 Exploration Drilling

Year(s)	Company	Type[a]	Location	Number of Holes	Drill Core Size[b]	Length (m)	Number of Samples
2010	Brigus	DDH	Surface (Box)	12	NQ	2825.4	562
2010	Brigus	DDH	Surface (Athona)	2	NQ	646.0	243
2010	Brigus	DDH	Surface (Piezometer)	19	NQ	497	44

Note:
a: DDH - diamond drill hole
b: EX, BQ, NQ – drill sizes

Brigus implemented the 2011 program for Goldfields to further update the resource estimates. The 2011 program has a multi-purpose approach and includes the following:

- Drilling to upgrade inferred resources and identify additional resources. This includes four holes that will be drilled using HQ sized core to be split for metallurgical testing and assaying.
- Drilling four geotechnical HQ holes that will be surveyed using an acoustic geophysical probe.
- Installation of piezometer wells at the TMF and WRSA to characterize the shallow geologic and hydrogeologic conditions.

Table 1-2: Historical Box Drill Hole Summary

Year(s)	Company[a]	Type[b]	Location	Number of Holes	Drill Core Size[c]	Length (m)	Number of Samples
1935-39	Cominco	channel	underground	32		6,548.65	4,385
1935-39	Cominco	DDH	surface	42	EX	4,576.12	1,708
1939	Cominco	DDH	underground	72	EX	4,594.98	2,959
1987-88	GLR	DDH	surface	52	BQ	6,383.73	2,628
1989	GLR	RCD	surface	47		3,168.60	2,715
1994	GLR	DDH	surface	52	BQ	6,705.77	2,443
1995	GLR	DDH	surface	100	BQ	18,825.00	3,469
2004	GLR	DDH	surface	15	NQ	1,007.67	577
2005	GLR	DDH	surface	22	NQ	3,299.15	782
2007	GLR	DDH	surface	13	-	3348.60	-
Totals:				434		58,458.27	21,611

Note:
a: GLR – Greater Lenora Resources
b: RCD – reverse circulation drill-holes
c: EX, BQ, NQ – drill sizes

1.5 Mineral Resource Estimates

The resulting mineral resource estimates for Box from the Ordinary Kriging (OK) interpolation method, at 0.5 gram/tonne (g/t) Au cut-off grade (COG) are:

- Measured Resources of 858,000 tonnes at 2.05 g/t Au
- Indicated Resources of 12,966,000 tonnes at 1.63 g/t Au
- Inferred Resources of 3,158,000 tonnes at 1.74 g/t Au.

The OK resource estimates for Box were estimated for a range of gold Cut-off Grades (COGs) from 0.125 g/t Au to 4.0 g/t Au. Table 1-3 presents the resources for COGs between 0.25 and 2.0 g/t. The shaded line in the table indicates the relevant resource information at the COGs of 0.5 Au g/t. No recoveries have been applied to the interpolated estimates.

Table 1-4 shows Indicated and Inferred Resources for Athona. The base case is reported for a COG of 0.5 g/t Au.

Table 1-3: Resource Estimate Table for Box

Gold COG (g/t)	Measured Tonnes (x000 t)	Measured Au (g/t)	Measured Au oz (x1000 oz)	Indicated Tonnes (x1000 t)	Indicated Au (g/t)	Indicated Au oz (x1000 oz)	Measured + Indicated Tonnes (x1000 t)	Measured + Indicated Au (g/t)	Measured + Indicated Au oz (x1000 oz)	Inferred Tonnes (x1000 t)	Inferred Au (g/t)	Inferred Au oz (x1000 oz)
2.0	266	4.13	35	3,291	3.36	356	3,556	3.42	391	877	3.61	102
1.5	383	3.39	42	4,968	2.81	449	5,351	2.85	491	1,227	3.07	121
1.0	585	2.65	50	7,785	2.24	561	8,371	2.27	611	1,881	2.43	147
0.5	**858**	**2.04**	**56**	**12,966**	**1.63**	**681**	**13,824**	**1.66**	**737**	**3,158**	**1.74**	**176**
0.375	939	1.90	57	14,945	1.48	709	15,884	1.50	766	3,636	1.57	183
0.25	1,012	1.79	58	16,952	1.34	729	17,964	1.36	787	4,169	1.41	188

Table 1-4: Athona Indicated and Inferred Resources

Gold COG (g/t)	Measured Tonnes (x000 t)	Measured Au (g/t)	Measured Au oz (x1000 oz)	Indicated Tonnes (x1000 t)	Indicated Au (g/t)	Indicated Au oz (x1000 oz)	Measured + Indicated Tonnes (x1000 t)	Measured + Indicated Au (g/t)	Measured + Indicated Au oz (x1000 oz)	Inferred Tonnes (x1000 t)	Inferred Au (g/t)	Inferred Au oz (x1000 oz)
3.0	-	-	-	371.4	4.08	48.7	371.4	4.08	48.7	50.3	4.45	7.2
2.5	-	-	-	1,033.2	3.00	99.6	1,033.2	3.00	99.6	88.8	3.46	9.9
2.0	-	-	-	1,870.7	2.43	146.2	1,870.7	2.43	146.2	213.7	2.44	16.8
1.0	-	-	-	3,399.8	1.89	206.6	3,399.8	1.89	206.6	558.6	1.69	30.4
0.5	**-**	**-**	**-**	**7,036.4**	**1.28**	**289.6**	**7,036.4**	**1.28**	**289.6**	**1,406.4**	**1.10**	**49.7**

1.6 Mineral Reserve Estimates

Table 1-5 shows the proven and probable reserves for Box and Athona. Goldfields has 22,333,045 tonnes of ore at an average grade of 1.420 g/t Au with 1,020,000 ounces of gold. Total waste generated is 81,651,910 tonnes for a life of mine (LOM) strip ratio of 4.56 at Box and 1.10 at Athona.

The mineable reserves were based on a COG of 0.72 g/t. The low grade (LG) ore is characterized as the ore below the COG of 0.72 g/t but above the marginal COG of 0.33 g/t. The marginal COG is the ore grade that allows for reasonable prospects of economic extraction. The LG ore will be used for filling existing stopes and stockpiled for future processing.

The mill feed is 1,825,000 tonnes per year (t/y) for a 5,000 tonnes per day (t/d) average. The LOM annual average mineable gold production is 82,156 oz/year, which includes processing the LG stockpile at the end of operations. During the active mine stages for Box and Athona the average gold production is 110,373 oz/year (process recovery has not been applied to the gold production numbers).

Table 1-5: Summary of Mineable Reserves for Box and Athona

Description	Ore (t)	Grade (g/t)	Gold (oz)	Waste (t)
Box				
Proven + Probable	16,502,247	1.508	800,000	75,228,132
Athona				
Proven + Probable	5,830,798	1.172	220,000	6,423,778
Total				
Proven + Probable	22,333,045	1.420	1,020,000	81,651,910

1.7 Mining

The mine pit design was completed based on the resource models from Wardrop and the pit slope angles from the Klohn Crippen 1995 preliminary report. A hanging wall (HW) angle of 55 degrees was used for both Box and Athona design. Klohn Crippen Berger Ltd. is currently updating the rock mechanics data for the project. This data will be used to optimize the pit design.

The mining equipment was selected based on the production schedule. It was determined that nine 90 tonne (100 ton) haul trucks will be required for initial operation with a peak of 10 trucks required starting in Year 4 of operations. Two 13 m3 hydraulic shovels and one 11.5 m3 wheel loader are required to maintain production rates. Two types of blast-hole drills were selected to provide for a wide variability of conditions.

1.8 Mill Processing

The mill process plant is designed based on a traditional crushing, grinding, flotation, cyanidation and Merrill Crowe circuit. The rated capacity of the plant is 5,000 tpd of ore. The average grade from Box in the first seven years of operations is 1.97 g/t. The average grade will be reduced once the Athona ore and LG stockpiled ore are processed. The LOM average ore grade is 1.42 g/t. The plant is designed to operate 365 days per year with total annual availability of 94%. The target annual throughput is 1,825,000 tonne per year with an overall gold recovery of 91% for Box ore and 89% for Athona ore. The estimated project life is 13 years to process the ore from Box and Athona. This includes processing the LG stockpile after active mining has been completed.

The mill facility will be located in a natural valley northeast of Vic Lake. Site drainage from all mill facilities will report to Vic Lake. To minimize site preparation costs and to take advantage of the natural terrain, the mill facility is conceptually designed as three independent complexes including crushing, crushed ore storage, and grinding and leaching. Separating the mill facility into three complexes minimizes the building foundation fill requirements.

1.9 Capital Cost Estimate

The capital cost includes mining equipment lease payments for six months, the project residence and office facility lease payments for one year. The remainders of the lease payments were accounted for during the operations period. All the dollars associated with the cost estimate and economic analysis are Canadian dollars unless specified otherwise. Table 1-6 summarizes the total capital cost at $159,235,000.

Table 1-6: Summary of Capital Cost

	Description		Total Capital ($000s)
Directs	Infrastructure		$44,535
	Mine		$12,956
	Mill		$44,838
		Subtotal	$102,329
Indirects	Construction Indirects		$27,379
	Freight Indirects		$5,249
	Owners Costs		$5,119
		Subtotal	$37,747
Contingency	Contingency		$19,159
		Subtotal	$19,159
		Total Capital Cost	**$159,235**

1.10 Operating Cost Estimate

The operating costs were established for Box. Box costs were adapted for Athona and the LG stockpile processing but adjusted to reflect changes in operating conditions due to reduced mining manpower requirements. Table 1-7 provides a summary of the project operating costs.

The operating cost for Box was estimated as follows:

- Milling
  - $10.70/t milled
- Mining
  - $14.47/t milled
  - $2.60/t mined
- General and administrative (G&A)
  - $4.99/t milled

The total operating cost for Box was $30.17/t milled. The mining costs were calculated using the LOM strip ratio for Box of 4.56.

Milling costs as calculated for Box were applied throughout the mill operation as they are not anticipated to vary significantly with different ore feeds. G&A costs for Athona are reduced due to the reduction of mining manpower, resulting in reduced support costs. The mining costs for Athona differed from Box due to longer cycle times, lower equipment requirements, and a lower strip ratio.

The operating cost for Athona was estimated as follows:

- Milling
  - $10.70/t milled
- Mining
  - $4.15/t milled
  - $1.97/t mined
- G&A
  - $4.70/t milled

The total operating cost for Athona was estimated at $19.55/t milled. The mining costs were calculated using the LOM strip ratio for Athona of 1.10.

Recovery of the LG stockpiled ore is scheduled to occur at the conclusion of mining of Athona. Operating costs were determined by reducing the equipment fleet and eliminating the costs associated with drilling and blasting.

- Stockpile recovery
  - $0.73/t milled
- Milling
  - $10.70/t milled
- G&A
  - $3.94/t milled

Total operating cost during the LG stockpile recovery period was estimated at $15.37/t milled.

Also included in the operating costs are the lease costs for the residence facility and mining equipment. The capital savings associated with leasing equipment are applied into the operations period affecting the total operating cost. Table 1-7 shows the increase in costs for Box and Athona. The total operating costs including equipment lease payments for Box are $34.24/t milled, while Athona increases to $19.96/t milled.

Table 1-7: Summary of Operating Costs for Box, Athona, and the LG Stockpile Recovery

Description	BOX		ATHONA		LG STOCKPILE RECOVERY	
	$/t milled	$/t mined	$/t milled	$/t mined	$/t milled	$/t mined
Mine	$14.47	$2.60	$4.15	$1.97	$0.73	$0.73
Mill	$10.70	-	$10.70	-	$10.70	-
G&A	$4.99	-	$4.70	-	$3.94	-
Total Operating Cost - Purchase	$30.17	-	$19.55	-	$15.37	-
Equipment / Facility Lease Costs	$4.07		$0.41			
Total Operating Cost - Lease	$34.24		$19.96		$15.51	

1.11 Economic Analysis

An economic analysis was conducted to determine the net present value (NPV), internal rate of return (IRR), payback period, and cash cost per ounce. The analysis was completed for both the purchase option and the lease option. For the economic analysis, an average gold price of $1,250/troy oz was used. The economic indicators are presented in Table 1-8. The NPV at a 5% discount rate was $144,308,000 with an IRR of 19.6%. The cash cost per ounce of gold was $601. The payback period was five years.

Table 1-8: Summary of Economic Indicators

Variable	Location	Values
NPV @ 5%	**Project**	**$144,308,000**
	Box	$80,110,000
	Athona	$64,197,000
IRR	**Project**	**19.6%**
	Box	15.5%
	Athona	151.1%
Cash Cost ($/oz)	**Project**	**$601**
	Box	$605
	Athona	$585
Total Cost ($/oz)	**Project**	**$940**

A sensitivity analysis demonstrated that the project economics were most sensitive to the process recovery followed closely by the gold price. Operating cost and capital cost were less sensitive. Figure 1-1 shows the relative sensitivity of the variables. The steepest line is the most sensitive variable.

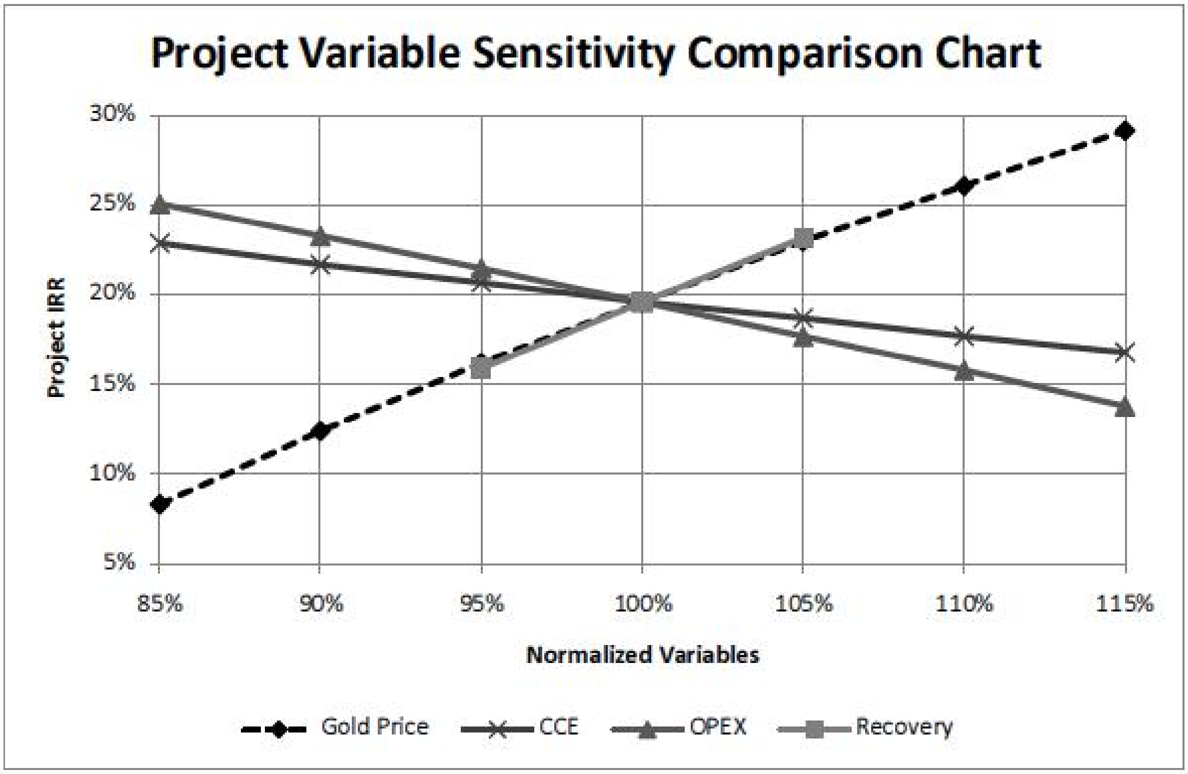


Figure 1-1: Plot of Sensitivity Analysis for Project Variables

1.12 Environmental and Permitting

The Goldfields Project is under the jurisdiction of both federal and provincial regulatory agencies.

The Saskatchewan Ministry of Environment (MOE) regulates the operation of this project under the terms of "The Environmental Assessment Act". Due to the project's possible impact on aquatic habitat, the Department of Fisheries and Oceans (DFO), under the terms of the Aquatic Habitat Protection Permit, also maintains jurisdiction, as a regulatory agency. The water quality parameters, as defined by the "Metal Mining Effluent Regulations" (MMER) of the Federal Fisheries Act, and provincially, the Saskatchewan Surface Water Quality Objectives (SSWQO), define the discharge parameters for effluents generated by the future operations of Goldfields.

The MOE is designated as the Coordinating Regulatory Agency under the terms of Canada-Saskatchewan Agreement on Environmental Assessment Cooperation. In this role as Coordinator, the MOE has, in consultation with appropriate regulatory agencies, assessed potential impacts on the environment from the project as contained in the Environmental Impact Statement (EIS)(2008) and issued a ministerial approval dated May 28, 2008, for the project to proceed.

1.13 Conclusions

The PFS for the Goldfields Project has been completed and includes an estimate of the capital costs, operating costs, gold resources and reserves for the purposes of developing an economic model for the Goldfields Project. The results of the PFS are presented in this report.

1.14 Recommendations

Based on the results of the PFS the following opportunities were identified for the project:

- Continue exploration drilling in relevant areas of both deposits to enhance the resource estimate
- Conduct project specific process test work and optimize process recovery
- Complete the geotechnical assessment and update the ore reserve models to reflect the potential revised pit slopes
- Advance the project planning and design to minimize potential execution risks

During the fiscal year ended 2014, the Company has incurred resource property expenditures of $84,317 on the Goldfields Project, primarily related to geological expenditures and maintenance of the properties.

Other Properties

Ixhuatán Project, Mexico

<u>General</u>

In September 2010, Brigus reduced its property concessions from owing 100% of the mineral rights on four contiguous exploration concessions covering 98,044 hectares down to one concession (Rio Negro), covering 4,176 hectares representing the Ixhuatán Project in northern Chiapas State, Mexico. The Rio Negro concession covers all of the mineralized occurrences discovered by Linear in the region. The majority of the surface rights to the Ixhuatán concessions are controlled by various ejidos (government created local farm communities) and private owners.

An agreement was signed with the local community holding surface rights to the Campamento gold-silver deposit as well as significant other surface lands within the concession.

The Ixhuatán Project is located immediately southwest of the Santa Fe mine owned by Minera Frisco. The Ixhuatán Project is accessible by unimproved roads running 5 km east of the town of Rayon, Chiapas. Rayon is situated two hours south of Villahermosa, Tabasco, on an all season federal highway. Access within the Ixhuatán Project is difficult and attained primarily through trails and small dirt roads.

Property Description and Location

The area is one of dense tropical vegetation, covered by thick soils, rugged topography with incised rivers making travel difficult. Maximum elevation in the general area is 2,470 m above sea level.

All required environmental permits for the Ixhuatán Project have been acquired and to date, all the conditions of grant have been adhered to. Under terms of the environmental drilling permit, any significant disruption to the land surface caused by drilling activities must be reclaimed.

The Santa Fe/La Victoria gold deposits are located to the immediate east-northeast of the Ixhuatán Project. Property boundaries are common. Physiographically the area is underlain by the Chiapas Northern Range and Chiapas Highlands geological sub-provinces. The original discovery was made during the later stages of the nineteenth century and over the years Mexican, British and French mining companies have carried out limited mining activity in the area. The Santa Fe deposits have been mined since the beginning of the 20th century by a number of companies, both foreign and domestic, and although no historical production records exist, it is assumed that the richest surface ore shoots were exploited. The La Victoria deposits were discovered more recently and records suggests exploitation from 1966 to 1970 by Minera Corzo, S.A. who commenced operation in 1966 but soon ceased as a result of the company's poor economic situation.

History

The Ixhuatán Project was acquired by Linear Gold Corp. ("**Linear**") in 2003, following completion of a stream sediment geochemical orientation study carried out in the northern part of Chiapas state by Mount Isa Mines ("**MIM**"). The study covered an area in the general proximity of the Santa Fe poly-metallic deposits, a former gold, silver and copper producer.

Pursuant to an option agreement signed on October 22, 2007 ("**Kinross Option Agreement**"), Kinross Gold Corporation ("**Kinross**") became the operator of the Ixhuatán Project and had the right to earn up to a 70% interest in Ixhuatán by incurring exploration expenditures of US$15 million over a 24-month period and making cash payments of up to US$115 million to Linear.

In December 2009, Kinross notified Linear that the option would not be exercised. Pursuant to the terms of the Kinross Option Agreement, Kinross paid Linear US$3.4 million, representing the difference between the minimum required expenditures and the actual expenditures incurred by Kinross during the option period. Consequently, Brigus (and following completion of the Arrangement, Fortune Bay) became the owner of a 100% interest in the Ixhuatán Project.

In 2011, Brigus signed an option agreement (the "**Cangold Option Agreement**") with Cangold Limited ("**Cangold**"), whereby Cangold was to acquire a 75% interest in the Ixhuatán Project. Pursuant to the terms of the Cangold Option Agreement, Cangold paid Brigus $1.0 million and issued 6.0 million Cangold shares. Cangold was also required to pay Brigus $1.0 million and issue 6.0 million Cangold shares 12 months after the Cangold Option Agreement was signed, and pay an additional $3.0 million and issue 4.0 million Cangold shares within 24 months of signing the Cangold Option Agreement.

To exercise its option, Cangold was required to pay an additional $5 million and issue 4.0 million Cangold shares as well as complete an independent third-party feasibility study on the Campamento Deposit within 36 months of the signing of the Cangold Option Agreement. Following the exercise of the purchase option, Cangold and Brigus would hold 75% and 25% interests, respectively, and would be responsible for their pro-rata costs in jointly developing the Ixhuatán Project. Brigus would retain a 2% NSR royalty over the Ixhuatán Project and upon commencement of commercial production will receive a payment of $5.00 per ounce of gold in the Proven and Probable category included in the feasibility study.

On September 10, 2012, Cangold provided notice to Brigus that they were terminating the Cangold Option Agreement. Cangold was no longer obligated to make any further payments to Brigus. Brigus retained the $1.0 million deposit and 6.0 million shares received in Q4 2011 when the option was signed. As part of the Arrangement, Fortune Bay acquired the 6.0 million shares of Cangold.

Geology

As defined by Consejo de Recursos Minerales of Mexico ("**CRM**"), the Ixhuatán - Santa Fe region is underlain by folded sedimentary units intruded by tertiary intrusives of possible economic interest included within the Chiapas Fold and Fault Belt. A volcanic/plutonic igneous complex crosscuts the deformed underlying sedimentary basement.

Geological mapping by Linear in the south-central portion of the Ixhuatán Project has outlined a volcanic/plutonic complex of andesitic to syenitic porphyritic intrusive rocks, lahars, tuffs and volcaniclastic breccias of Pliocene age developed in and on a sequence of Eocene-Pliocene aged carbonates, siltstones and sandstones. The volcanic sequence is intruded by Tertiary age syenites, diorites and granodiorites. Mineralization appears to be related to hydrothermal alteration associated with multiple phases of the younger intrusive activity.

Exploration and Drilling

Linear, followed by exploration work by Kinross, completed extensive stream sediment, soil, and rock sampling programs over the Ixhuatán Project. Approximately 1,950 stream sediment samples, 7,895 soil samples and 7,258 rock samples have been collected. The detailed surface sampling has outlined gold and copper anomalies over an area of 4 by 5 km, associated with the volcanic/plutonic complex that trends northeast southwest through the area. Detailed soil sampling has identified numerous gold and copper soil anomalous areas in excess of 400 m x 400 m in area. All of the anomalies, including the Campamento, Cerro la Mina, San Isidro, Caracol (formerly Northern), Laguna Grande, Western, Laguna Chica, Central, and Cacate areas display the alteration and mineralization characteristics typical of porphyry intrusive related districts.

Follow-up surface exploration by Kinross from October 2007 to December 2009 included geological mapping and rock sampling focusing mainly on the known anomalies. An in-fill 482 sample, soil geochemical survey (Caracol Road), covering the area between the Cerro la Mina and Caracol anomalies has defined an elongate cluster of anomalous gold values centered on the Central Zone and extending 200 m to the south as well as a gold anomaly to the north. In addition, soil geochemical surveys were conducted in an area to the south and the east of San Isidro.

Linear initiated a drilling program in early 2004. Early-stage drilling by Linear focused on the San Isidro (drill holes IX-01-04, 06), Buenos Aires (drill hole IX-05), Cerro la Mina (drill hole IX-07) and Central (drill hole IX-08) anomalies before making the first significant gold discovery at the Campamento Zone with drill hole IX-09. Drilling subsequently focused on the Campamento Zone and has extended to the Cerro la Mina, Caracol, Laguna Grande and Laguna Chica areas. Kinross focused on defining the Cerro la Mina anomaly and the north-northwest structure, as well as, testing the Laguna Chica, San Isidro, Cacate, Central and Caracol anomalies. Approximately 89,707 m of drilling in 342 drill holes was completed through to the end of December 2009. No further drilling or exploration work has been conducted at Ixhuatán since December, 2009.

All core samples were split in half using a saw, hydraulic splitter or manually with samples taken at continuous two metre intervals. Samples and embedded internal and commercial standards were shipped by air freight to the ALS Chemex labs in Guadalajara, Mexico where gold is analyzed by 30 or 50 gram digestion with a fire assay-AA finish, with samples greater than 10 gpt by gravimetric finish. Silver and base metals were analyzed by Induction Coupled Plasma spectrometry ("**ICP**"). Check analyses were performed on both pulps and bulk reject material. Review of assays from internal standards and check assays verified the quality of the analytical results.

For the year ending December 31, 201, the Company incurred $76,926 of expenditures on the Ixhuatán Project, related to ongoing maintenance of the Ixhuatán Project. The Company is currently evaluating its alternatives for the development and advancement of the Ixhuatán Project.

Huizopa Project, Mexico

The Huizopa Project is located in the Sierra Madres in Chihuahua, Mexico.

On December 23, 2010, Brigus entered into an agreement (the "**Huizopa Agreement**") to sell 100% of Minera Sol de Oro and Minas de Argonautas (collectively, "**MSO**"), two former subsidiaries, which include the Huizopa Project to Cormack Capital Group LLC ("**Cormack**"). The Huizopa Agreement provided Cormack with an option until December 31, 2011 to return the Huizopa Project to Brigus and retain a 20% carried interest in the Huizopa Project. Under the Huizopa Agreement, Brigus retained certain rights over the voting shares of Minera Sol de Oro and Minas de Argonauts until the end of the marketing period, which was identified as December 31, 2011.

In December 2011, Brigus revised the terms of the Huizopa Agreement with Cormack. Based on the revised terms, Cormack was required to pay $3.0 million, payable in eight escalating annual installments of $0.05 million, $0.08 million, $0.1 million, $0.3 million, $0.4 million, $0.6 million, $0.7 million and $0.8 million (the "Annual Payments") commencing in June 2012 with the final installment due in June 2019. Cormack could also elect to pay up to 50% of the purchase price through the issuance of common shares in a publicly traded company listed on a recognized U.S. or Canadian national stock exchange. In addition, Brigus was entitled to receive a production bonus payments totalling $4.0 million within two years of the commencement of commercial production at the Huizopa Project. The revised terms extended the marketing period to June 15, 2013.

On May 23, 2013, Brigus signed an amended and restated agreement with Cormack. Brigus agreed to waive all payments owing to Brigus under the agreement dated December 21, 2011 and transferred 100% of the issued share capital of Minera Sol de Oro and Minas de Argonautas, including the interest in the Huizopa Project to Cormack. Brigus retained a 2% NSR over future production from the Huizopa Project and a production bonus of $4.0 million payable over two years from the date commercial production commences. Fortune Bay acquired the NSR as part of the Arrangement. Cormack may reduce the NSR to 1% by making a $1.0 million payment to Fortune Bay. The Company is entitled to 20% of the proceeds of disposal of the Huizopa Project, if it is disposed of prior to reaching commercial production. There is no value assigned to the NSR in the financial statements of the Company.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid cash dividends on its Common Shares and the Company does not anticipate paying any cash dividends until its financial position and earnings so permit. For the foreseeable future, Fortune Bay's cash resources will be used to evaluate existing Exploration Properties, acquire new properties and fund ongoing activities

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized share capital of the Company consists of an unlimited number of Common Shares. At March 24, 2015, a total of 27,828,496 Common Shares are issued and outstanding. Each Common Share carries one vote at all meetings of shareholders, participates ratably in any dividend declared by the directors and carries the right to receive a proportionate share of the assets of the Company available for distribution to holders of Common Shares in the event of the liquidation, dissolution or winding-up of the Company. All of the Common Shares outstanding are fully paid and non-assessable.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "FOR".

The price ranges and trading volumes of the Company's Common Shares traded on the TSX since the commencement of trading on March 17, 2014 to December 31, 2014 were as follows:

Month	High	Low	Volume
March 2014	$0.495	$0.23	6,679,902
April 2014	$0.35	$0.29	1,540,362
May 2014	$0.32	$0.30	1,034,655
June 2014	$0.33	$0.28	2,300,721

Month	High	Low	Volume
July 2014	$0.355	$0.30	3,091,898
August 2014	$0.36	$0.305	910,638
September 2014	$0.35	$0.28	374,572
October 2014	$0.30	$0.24	729,174
November 2014	$0.33	$0.26	1,514,592
December 2014	$0.33	$0.29	992,074

Prior Sales

In April 2014, the Company completed a non-brokered flow-through financing for aggregate gross proceeds to the Company of $450,000. The Company issued 1,607,144 units at an issue price of $0.28 per unit, with each unit comprised of one flow-through Common Share and one-half of one warrant. Each whole warrant is exercisable into a Common Share of the Company at an exercise price of $0.30 per Common Share for a period of three years.

DIRECTORS AND OFFICERS

The following table sets out, for each of the Company's directors and executive officers, the person's name, province or state and country of residence, positions with the Company, principal occupation and the month and year in which the individual was appointed. The term of office for each of the directors will expire at the time of our next annual shareholders meeting or when their successors are elected.

Name, Residence and Position With the Company	Principal Occupation for the past five years	Director or Officer of the Company Since
Wade K. Dawe Nova Scotia, Canada Chairman and Chief Executive Officer	Chief Executive Officer of the Company; Mining Executive; Former Chairman and Chief Executive Officer of Brigus Gold Corp; Chairman of Stockport Exploration Inc.; Director of Immunovaccine Inc.	January 2014
Sarah Oliver Nova Scotia, Canada Chief Financial Officer	Chief Financial Officer of the Company; Former Senior Manager at PricewaterhouseCoopers LLP	November 2014
Brent MacKinnon Ontario, Canada President and Chief Operating Officer	President and Chief Operating Officer of the Company; Former Partner at Abbey Group	November 2014

Name, Residence and Position With the Company	Principal Occupation for the past five years	Director or Officer of the Company Since
David Peat(1) Florida, USA Director	Financial Consultant since March 2009; Former Vice President and CFO of Frontera Copper Corp.; Former Director of Brigus Gold Corp.	January 2014
Michael Gross(1)(2) Nova Scotia, Canada Director	Professor of Surgery at Dalhousie University since 1987; Independent consultant since 1987; Founder & Chairman of NWest Energy prior to 2008 and CEO of LNB Oil; Former Director of Brigus Gold Corp.	January 2014
Derrick Gill(1)(2) Newfoundland, Canada Director	Executive VP & Principal Consultant of Strategic Concepts Inc. since 1990; Executive VP & Director of Vale Inco Newfoundland Limited from 1995 to December 2009; Former Director of Brigus Gold Corp.	January 2014

(1) Member of the Company's Audit Committee
(2) Member of the Company's Compensation Committee

As of the date of this report, the Company's directors and officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 4,331,030 Common Shares, representing 15.6% of the issued and outstanding Common Shares of the Company. In addition, the directors and executive officers of the Company as a group hold incentive stock options for the purchase of an aggregate of 1,400,000 Common Shares of the Company, which options are exercisable at $0.30 per Common Share and expire between March 18, 2019 and January 2, 2020.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the directors or executive officers of the Company is, as at the day of the AIF, or was within 10 years before the date of the AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

In addition, to the knowledge of the Company, none of the directors of executive officers of the Company, or shareholders holding a sufficient number of securities of Continental to materially affect control of the Company:

(a) is, at the date of the AIF, or has been within the 10 years before the date of the AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in entities that are potential competitors. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. Any conflicts which arise are required to be disclosed by the directors and officers in accordance with the Canada Business Corporations Act and they are required to govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer, shareholder who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction since the incorporation of the Company or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 2008, Halifax, Nova Scotia, B3J 3R7 acts as Fortune Bay's transfer agent and registrar.

MATERIAL CONTRACTS

Since its incorporation, Fortune Bay has entered into the Arrangement Agreement and a number of agreements pursuant to which it acquired the Exploration Properties; however, the only contract that is considered, pursuant to applicable securities legislation, to be material to Fortune Bay is the Arrangement Agreement dated as of December 16, 2013 among Fortune Bay, Brigus and Primero. The Arrangement Agreement is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The Goldfields Report was completed by March Consulting Associates Inc., in cooperation with Wardrop (now Tetra Tech), DMA and EHA Engineering Ltd. Each of the following experts, who participated in the preparation of the Goldfields Report is independent of the Company within the meaning of NI 43-101 and to the knowledge of the Company did not have any interest in the securities or properties of the Company at the time of preparation of the reports: Cliff Lusby, P.Eng., Kyle Krushelniski, P.Eng., Dan A. Mackie, P.Eng., Al Hayden, P.Eng., Tim Maunula, P.Geo., Paul Daigle, P.Geo.

PricewaterhouseCoopers LLP, the auditors of the Company, are independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

AUDIT COMMITTEE AND RELATED INFORMATION

The Audit Committee Charter

The responsibilities and duties of the audit committee (the "**Audit Committee**") of the board of directors of Fortune Bay (the "**Board**" or the "**Board of Directors**") are set out in the Audit Committee's Charter (the "**Charter**"), the text of which is set forth in Appendix A to this AIF.

Composition of the Audit Committee

The Audit Committee is composed of Messrs. David Peat (Chair), Michael Gross and Derrick Gill. The Board of Directors of Fortune Bay believes that the composition of the Audit Committee reflects a high level of financial literacy and expertise. The majority of the members of the Audit Committee have been determined by the Board of Directors of Fortune Bay to be "independent" and "financially literate" as such terms are defined under Multilateral Instrument 52-110 *Audit Committees* of the CSA. The Board has made these determinations based on the education, professional qualifications and breadth and depth of experience of each member of the Audit Committee.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is, in addition to such member's general business experience, relevant to the performance of his responsibilities as a member of the Audit Committee.

Mr. David W. Peat – Mr. Peat has over 30 years of executive experience in financial leadership in support of mining corporations. Mr. Peat has held multiple executive positions, including as Vice President and Chief Financial Officer of Frontera Copper Corporation from 2006 through 2009; Vice President and Global Controller of Newmont Mining Corporation from 2002 through 2004;

and Vice President of Finance and Chief Financial Officer of Homestake Mining from 1999 through 2002. Mr. Peat began his career at Price Waterhouse in Toronto and he has been a member of the Chartered Professional Accountants of Ontario (formerly known as the Institute of Chartered Accountants of Ontario) since 1978. He is currently a director and chairman of the Audit Committees of Gabriel Resources Ltd. and AQM Copper Inc. and a director and chairman of the Audit Committee of the Sunshine Silver Mining and Refining Corporation, a privately held silver exploration and development company. He was previously a director of Brigus Gold Corp. and its predecessor company, Apollo Gold Corporation. Mr. Peat received his bachelor's degree in economics from the University of Western Ontario, and a bachelor's degree in commerce, with honours in business administration, from the University of Windsor, Ontario.

Mr. Derrick Gill – Mr. Gill is co-founder and a director of Strategic Concepts and SCI Software, which provides strategic planning, financial modeling and business development consultation to major mining and oil and gas projects in Canada. He is also a member of the advisory board of the Atlantic Canada Opportunities Agency's Atlantic Innovation Fund. Mr. Gill's 30-year career has included executive roles at Voisey's Bay Nickel, Diamond Fields Resources and Bristol Communications. Mr. Gill received his undergraduate degree in business administration from Memorial University.

Dr. Michael Gross – Dr. Gross has extensive capital markets experience, having served as either an executive or as a director with a number of venture stage companies. Dr. Gross was a founder and chairman of the board of NWest Energy Corp. prior to its successful initial public offering in 2008. A Professor of Orthopaedic surgery for over 20 years, he consults extensively in design and implantation techniques with the Orthopaedic manufacturing industry. Dr. Gross is also the founder of companies specializing in proprietary medical devices. He received his degree in medicine from the University of Newcastle Upon Tyne in England. He obtained a Fellowship in Surgery in London and a Canadian Fellowship in Orthopaedic Surgery in 1981. Dr. Gross has completed the Rotman Directorship program and is a member of the Institute of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in section 2.4 (De Minimus Non-audit Services), section 3.2 (Initial Public Offerings), section 3.3(2) (Controlled Companies), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Member), section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), section 3.8 (Acquisition of Financial Literacy) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Pre-Approved Policies and Procedures

The Audit Committee has adopted the policies and procedures in respect of the engagement of Fortune Bay's auditors in respect of non-audit services, being services other than audit services. Pursuant to the Charter, the Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with applicable regulatory requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

External Auditor Service Fees (By Category)

PricewaterhouseCoopers, LLP, Chartered Accountants are the auditors of the Company. The following table provides information about the aggregate fees billed to the Company for professional services rendered by PricewaterhouseCoopers, LLP during the fiscal year ended December 31, 2014. The auditors of the Company for fiscal 2013 were Deloitte LLP. The Company was not a reporting issuer in the fiscal year 2013.

	Dec 31, 2014
Audit fees	$24,500
Audit related fees	-
Tax fees	-
Total fees	$24,500

ADDITIONAL INFORMATION

Additional information regarding the Company may be obtained on SEDAR, under the Company's name, at www.sedar.com as well as from the Company's website at www.fortunebaycorp.com.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be disclosed in the Company's information circular to be prepared in connection with the Company's upcoming annual meeting of shareholders, and financial information will be provided in the Company's audited financial statements and management's discussion and analysis for the financial year ended December 31, 2014. All such documents will be available on SEDAR at www.sedar.com.

APPENDIX A
FORTUNE BAY CORP.
AUDIT COMMITTEE CHARTER

1. INTRODUCTION

The Audit Committee (the "**Committee**" or the "**Audit Committee**") of Fortune Bay Corp. (the "**Corporation**") is a committee of the Board of Directors (the "**Board**"). The Committee shall oversee the accounting and financial reporting practices of the Corporation and the audits of the Corporation's financial statements and exercise the responsibilities and duties set out in this Mandate.

2. MEMBERSHIP

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Instrument 52-110 Audit Committees, as may be amended from time to time, subject to any exemptions or relief that may be granted from such requirements.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this Mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. MEETINGS

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Corporation's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

4. DUTIES AND RESPONSIBILITIES

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The auditors are responsible for auditing the Corporation's annual consolidated financial statements and for reviewing the Corporation's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and results of operation ("**MD&A**"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Corporation, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

(i) meet with management and the auditors to discuss the financial statements and MD&A;

(ii) review the disclosures in the financial statements;

(iii) review the audit report or review report prepared by the auditors;

(iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

(v) review the accounting policies followed and critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;

(vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under Canadian GAAP;

(vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(viii) review management's report on the effectiveness of internal controls over financial reporting;

(ix) review the factors identified by management as factors that may affect future financial results; and

(x) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing, or based upon, financial results of the Corporation and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Corporation.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Corporation; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Corporation that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

(k) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the Corporation's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in, the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;

(iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Corporation's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. NO RIGHTS CREATED

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's By-laws, it is not intended to establish any legally binding obligations.

6. MANDATE REVIEW

The Committee shall review and update this Mandate annually and present it to the Board for approval.