FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company

Fortune Bay Corp.
1969 Upper Water Street
Suite 2001, Purdy's Wharf, Tower II
Halifax, Nova Scotia B3J 3R7

ITEM 2. Date of Material Change

May 7, 2020

ITEM 3. News Releases

A press release in the form of Schedule A attached hereto was disseminated on May 7, 2020 through the facilities of CNW Group and subsequently filed on the System for Electronic Document Analysis and Retrieval (www.sedar.com).

ITEM 4. Summary of Material Change

Fortune Bay Corp. (TSXV: FOR) ("**Fortune Bay**" or the "**Company**") has announced that it has closed its previously announced non-brokered private placement for aggregate gross proceeds of $2,750,000(the "**Offering**").

The proceeds of the Offering will be used to fund the Company's operating costs and the maintenance and exploration at Fortune Bay's Goldfields Project and Ixhuatán Project.

ITEM 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the Company’s press release which is attached as Schedule A and is incorporated herein.

In connection with the Offering, certain directors and officers of the Company (collectively, the "**Insiders**") have acquired 1,428,572 Units. The participation of Insiders in the Offering constitutes a “related party transaction”, as such terms are defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Company not being listed on specified markets, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ or certain overseas stock exchanges. The Company is also relying on the exemption from minority shareholder approval requirements under MI 61-101 as the fair market value of the participation in the

Offering by the Insiders does not exceed 25% of the market capitalization of the Company.

5.2 Disclosure for Restructuring Transactions

Not applicable.

ITEM 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

ITEM 7. Omitted Information

No significant facts have been omitted from this Material Change Report.

ITEM 8. Executive Officer

Sarah Oliver, CFO,
Fortune Bay Corp.
T: 902-422-1421
E: info@fortunebaycorp.com

ITEM 9. Date of Report

This report is dated this 8th day of May, 2020.

<u>**SCHEDULE A**</u>

HALIFAX, May 7, 2020 /CNW/ - Fortune Bay Corp. (TSXV: <u>FOR</u>) ("**Fortune Bay**" or the "**Company**") is pleased to announce that it has closed its previously announced non-brokered private placement for aggregate gross proceeds of $2,750,000(the "Offering"). The Company issued 7,857,144 units at an issue price of $0.35 per unit, with each unit comprised of one common share and one-half common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at an exercise price of $0.50 per share for a period of three years. Directors of the Company subscribed for an aggregate of 1,428,572 units.

The proceeds of the Offering will be used to fund the Company's operating costs and the maintenance and exploration at Fortune Bay's Goldfields Project and Ixhuatán Project. The Goldfields Project consists of a 100% ownership interest in two deposits, known as the Box and Athona deposits. The Box and Athona deposits are large, multi-million tonne open pit deposits located in northern Saskatchewan, near Uranium City. The Ixhuatán Project is also 100% owned and consists of the Rio Negro concession in the Chiapas State of Mexico. The Rio Negro concession is host to the Campamento gold deposit and several gold and gold-silver mineralized zones and exploration targets.

The Offering was led by Numus Capital Corp. ("Numus"). In connection with the Offering, Fortune Bay paid a finder's fee comprised of cash equal to seven percent (7.0%) of the gross proceeds received by Fortune Bay from the sale of units to Numus investors, plus warrants entitling Numus to purchase the number of shares in the Company that is equal to seven percent (7.0%) of the units sold by Numus as part of the Offering, with each warrant exercisable into a common share of Fortune Bay at $0.50 per share for a period of three years. This resulted in $192,500 in cash fees paid and 550,000 warrants granted to Numus.

All securities issued pursuant to the Offering will be subject to a statutory four-month hold period in accordance with Canadian securities legislation.

About Fortune Bay

Fortune Bay is in the business of resource property exploration and owns 100% interests in two properties: the Goldfields Project, located in Saskatchewan, Canada and the Ixhuatán Project located in the Chiapas State of Mexico.

Cautionary and Forward-Looking Statements

Except for the statements of historical fact contained herein, certain information presented constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. Such forward-looking information, includes, but is not limited to, the use of the proceeds of the Offering. While such forward-looking statements are expressed by Fortune Bay, as stated in this release, in good faith and believed by Fortune Bay to have a reasonable basis, they are subject to important risks and uncertainties. As a result of these risks and uncertainties, the events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance, given that they involve risks and uncertainties. Fortune Bay does not undertake any obligation to release publicly revisions to any forward-looking statement, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at investors' own risk.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information: Sarah Oliver, CFO, Fortune Bay Corp., 2001-1969 Upper Water Street, Halifax, NS, B3J 3R7, T: 902-422-1421, E: info@fortunebaycorp.com