FORTRESS MINERALS CORP.

YEAR END REPORT

December 31, 2012

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Fortress Minerals Corp. ("Fortress") and its subsidiary companies (collectively, the "Company") for the year ended December 31, 2012 provides a detailed analysis of the Company's business, and compares its financial results with those of the same period from the previous year.

This MD&A is dated as of April 23, 2013 and should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto for the fiscal years ended December 31, 2012 and 2011.

These audited consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS").

Other continuous disclosure documents, including the Company's press releases and quarterly and annual reports, are available through its filings with the securities regulatory authorities in Canada at www.sedar.com.

OVERVIEW

Fortress was originally incorporated in British Columbia and continued under the Canada Business Corporations Act in 2002. The common shares of Fortress were listed for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol "FST".

The Company had previously announced on April 26, 2012 that it had received notice from the TSX Venture Exchange that the Company had a Tier 2 Continued Listing Requirements Deficiency in relation to its assets and operations for a company classified as a Mining Issuer and was given a deadline of October 16, 2012 to provide a submission to the Exchange evidencing that it meets Tier 2 Continued Listing Requirements. The Company had not provided a submission by the deadline and therefore its listing was transferred to NEX and it now trades under the symbol FST.H effective October 17, 2012.

Pursuant to a special resolution passed by shareholders on November 16, 2010, the Company consolidated its capital on a 20 old for 1 new basis. As a result, all references to share, option, warrant and per share data have been adjusted to reflect the share consolidation that was completed during the year ended December 31, 2010.

During the 2010 fiscal year, the Company disposed of all Russian assets including Fortress' 100% interest in the Svetloye Gold Project as well as its interest in the Amur Properties. These transactions resulted in the disposition of all mineral property interests and related assets and signifies Fortress' exit from Russia. Fortress received net cash consideration of US$9,750,000 on the disposition of the Russian assets.

In January 2011, the Company completed a private placement of 5,000,000 common shares at a price of $3.00 per share for gross proceeds of $15,000,000. Share issue costs of $38,250 were incurred resulting in net proceeds of $14,961,750 from the private placement.

As at December 31, 2012, the Company had cash on hand of $22.8 million and 14,831,758 common shares issued and outstanding.

(Expressed in Canadian Dollars, Unless Otherwise Noted)

SELECTED ANNUAL FINANCIAL INFORMATION

	2012	2011	2010
Total exploration and operating expenses	$ (463,735)	$ (1,013,329)	$ (5,650,621)
Loss on disposition of subsidiaries	-	-	(7,016,459)
Net loss for the year	(463,735)	(1,013,329)	(12,667,080)
Basic and diluted loss per share	(0.03)	(0.07)	(1.38)
Weighted-average number of common shares outstanding	14,831,758	14,557,785	9,165,139
Total assets	22,890,538	23,154,139	9,276,782

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2012, the Company had cash of $22.8 million and a working capital surplus of $22.9 million as compared to cash and a working capital surplus of $23.1 million at December 31, 2011.

As the Company currently has no ongoing exploration activities and its working capital requirements have been substantially reduced, it is believed that the current working capital will be sufficient to fully fund operations while evaluating strategic alternatives in the natural resource sector.

To finance its future acquisition, exploration, development and operating costs, Fortress may require financing from external sources, including issuance of new shares or issuance of debt. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to Fortress.

OUTSTANDING SHARE DATA

As at December 31, 2012 and the date of this MD&A, there were 14,831,758 common shares issued and outstanding and stock options outstanding to purchase a total of 233,700 common shares for a total of 15,065,458 common shares outstanding on a fully-diluted basis.

(Expressed in Canadian Dollars, Unless Otherwise Noted)

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Total exploration and operating expenses	$ 96,734	$ 120,155	$ 119,056	$ 127,790
Net loss for the period	96,734	120,155	119,056	127,790
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Weighted-average number of common shares outstanding	14,831,758	14,831,758	14,831,758	14,831,758
Total assets	$ 22,890,538	$ 22,913,338	$ 22,996,345	$ 23,072,663
Working capital surplus	$ 22,857,613	$ 22,908,338	$ 22,972,589	$ 23,011,174

	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Total exploration and operating expenses	$ 113,702	$ 187,171	$ 269,031	$ 499,699
Loss (gain) on disposition of subsidiaries	(21,365)	(2,569)	(16,385)	(15,955)
Net loss for the period	92,337	184,602	252,646	483,744
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.02	$ 0.04
Weighted-average number of common shares outstanding	14,831,758	14,831,758	14,831,758	13,720,647
Total assets	$ 23,154,139	$ 23,235,731	$ 23,519,392	$ 23,801,015
Working capital surplus (deficit)	$ 23,124,139	$ 23,189,639	$ 23,363,863	$ 23,717,912

The Company historically has only operated in the exploration phase and therefore, has never generated any production revenue. The only income generated by the Company is interest income on its cash deposits.

The Company's net loss for the quarter has been reduced from prior periods as a result of a reduction in corporate activities, the suspension of exploration activities and the disposition of all mineral properties. The loss for the quarter was comprised primarily of stock-based compensation, office and general expenses and professional fees. Included in the office and general expense is office rent paid to a related party in the amount of $78,000.

DESCRIPTION OF MINERAL PROPERTIES

During fiscal 2010, the Company entered into two sale agreements to sell certain subsidiaries that held the Company's net assets in the Svetloye Gold Project, as well as its interest in the Amur Properties.

At December 31, 2012, the Company had no mineral property interests.

OUTLOOK

The Company continues to evaluate strategic alternatives in the natural resource sector.

TRANSACTIONS WITH RELATED PARTIES

During the 2012 period, the Company paid $312,000 (2011 - $304,000) to Namdo Management Services Ltd. ("Namdo"), a private corporation owned by the current President. In addition, in 2011, the Company paid $132,000 in office and general expenses to reimburse Namdo for the relocation and renovation of office space. The Company occupies office space in the Namdo offices for the Company's management, certain directors, investor relations personnel and support staff. Namdo charges a service fee and recovers out of pocket expenses related to the Company.

During the 2012 period, the Company also accrued $19,600 (2011 - Nil) to Lucara Diamond Corp. ("Lucara"), a company in which the current President is a director and the CFO is an officer. The charges relate to support services provided by the employees of Lucara to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

During the year ended December 31, 2012 and the year ended December 31, 2011 there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 3 in the notes to the audited consolidated financial statements for the year ended December 31, 2012.

Use of estimates

The preparation of these audited consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The audited consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, include, but are not limited to, the following:

i. the recoverability of amounts receivable which are included in the audited consolidated statements of financial position;
ii. the inputs used in accounting for stock-based compensation expense in the audited consolidated statements of comprehensive loss; and
iii. the future income tax asset recognition.

CRITICAL ACCOUNTING ESTIMATES (continued)

Future income taxes

The Company uses the liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in earnings in the period in which the change is substantively enacted.

Stock-based compensation

From time to time, the Company grants stock options to directors, officers and employees. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model, and other models which are used to value options, require inputs such as expected volatility, expected life to exercise and interest rates. Changes in any of these inputs could cause a significant change in the stock-based compensation expense charged in a period.

The Company issued 171,000 stock options during the 2012 period.

CHANGES IN ACCOUNTING POLICIES

Accounting Standards, Interpretations and Amendments to Existing Standards That Are Not Yet Effective

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. These revised standards and amendments are not expected to have a significant impact on the Company.

i. IFRS 10 *Consolidated Financial Statements* requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

ii. IFRS 11 *Joint Arrangements* requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Nonmonetary Contributions by Venturers*.

iii. IFRS 12 *Disclosure of Interests in Other Entities* establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

iv. IFRS 13 *Fair Value Measurement* is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

CHANGES IN ACCOUNTING POLICIES (continued)

v. IAS 1 *Presentation of Financial Statements* has been amended to require companies to group together items within Other Comprehensive Income ('OCI') that may be reclassified to the profit and loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments to this standard do not change the nature of the items that are currently recognized in OCI.

vi. IFRS 7 Financial Instruments: Disclosures has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments other than cash approximates their carrying values due to the short-term nature of these instruments.

Cash is measured at fair value using priority Level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

i. Currency risk

The Company's parent is Canadian and its capital is raised in Canadian dollars, with no ongoing foreign operations. As such, the Company is not subject to any significant risk due to fluctuations in the exchange rates of foreign currencies. The Company does not enter into derivative financial instruments to mitigate its exposure but given that no significant foreign exchange positions were held at year end, management does not believe the risk to be material.

ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables are made up of interest recoverable from large Canadian financial institutions and harmonized sales tax recoverable from the provincial government of British Columbia, Canada.

iii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no interest bearing financial obligations or assets.

iv. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

FORWARD LOOKING STATEMENTS

Certain statements in this document are "forward-looking statements". Forward-looking statements are statements that are not historical fact and are generally identified by words such as "believes", "anticipates", "expects", "estimates", "pending", "intends", "plans" or similar words suggesting future outcomes. By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Risks and uncertainties include, but are not limited to, risk with respect to general economic conditions, regulations and taxes, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

The Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise.

Any statements regarding the following are forward-looking statements:

- future earnings;
- future asset acquisitions or dispositions;
- future debt levels;
- future sources of liquidity, cash flows and their uses;
- ultimate recoverability of assets;
- expected operating costs;
- future foreign currency exchange rates;
- future market interest rates; and
- changes in any of the foregoing.

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others:

- market prices for commodities;
- the results of exploration and development drilling and related activities;
- foreign-currency exchange rates;
- economic conditions in the countries and regions in which we carry on business; and
- governmental actions including changes to taxes or royalties, changes in environmental and other laws and regulations.

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and management's future course of action would depend on our assessment of all information at that time. Although we believe that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity and achievements.

Undue reliance should not be placed on the statements contained herein, which are made as of the date hereof and, except as required by law, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

RISKS AND UNCERTAINTIES

Exploration, acquisition and development of mineral properties involves a high degree of financial risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of an ore body may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities at a site, developing metallurgical processes and extracting base and precious metals from ore.

Risk factors that should be taken into account in assessing the Company's activities and any investment in the Company include, but are not limited to, those that follow this paragraph. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

Limited operating history

The Company has had a limited operating history since its common shares were listed for trading on the NEX. The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. Its success will depend largely upon its ability to locate commercially productive mineral reserves. As a result of these factors, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

History of losses

The Company has incurred net losses every year since inception and as of December 31, 2012, had an accumulated deficit of $77,327,380. Since most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full, the Company expects to report substantial net losses for at least the foreseeable future.

No history of dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance potential acquisition, exploration or development activities. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues from production and may not currently have sufficient financial resources to undertake potential acquisition, exploration or development activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company may need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on future proposed transactions.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable resource properties. The principal competitive factors in the acquisition of such resource properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire, explore and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Fortress Minerals Corp.

We have audited the accompanying consolidated financial statements of Fortress Minerals Corp., which comprise the consolidated statements of financial position as at December 31, 2012 and 2011, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Fortress Minerals Corp. as at December 31, 2012 and 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

April 23, 2013

FORTRESS MINERALS CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		December 31, 2012		December 31, 2011
ASSETS					
Current assets					
Cash	4	$	22,834,935	$	23,109,638
Receivables			45,653		32,188
Prepaid expenses and advances			9,950		12,313
		$	22,890,538	$	23,154,139
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	32,925	$	30,000
EQUITY					
Share capital	5		97,948,333		97,948,333
Equity-settled share-based payment reserve	7		2,230,113		2,032,904
Foreign currency translation reserve	8		6,547		6,547
Deficit			(77,327,380)		(76,863,645)
			22,857,613		23,124,139
		$	22,890,538	$	23,154,139

Nature and continuance of operations (Note 1)

Approved by the Board of Directors

/s/ Lukas H. Lundin	*/s/ Ian W. Gibbs*
Lukas H. Lundin	Ian W. Gibbs

FORTRESS MINERALS CORP.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Years Ended December 31, 2012	2011
EXPENSES			
Investor relations		$ 3,249	$ 4,049
Office and general		372,429	642,407
Professional fees		70,118	164,584
Regulatory and transfer agent		27,215	21,113
Salaries and benefits		27,884	460,975
Stock-based compensation	7	197,209	94,467
Loss before other items		698,104	1,387,595
Loss (gain) on foreign exchange		16,883	(129,919)
Interest and other income		(251,252)	(244,347)
Net loss for the year		$ 463,735	$ 1,013,329
OTHER COMPREHENSIVE LOSS			
Currency translation adjustment	8	-	90,830
Comprehensive loss for the year		$ 463,735	$ 1,104,159
Basic and diluted loss per common share		$ 0.03	$ 0.07
Weighted-average number of common shares outstanding		14,831,758	14,557,785

FORTRESS MINERALS CORP.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Equity-settled Share-based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance December 31, 2010		9,831,758	$ 82,986,583	$ 1,938,437	$ 97,377	$ (75,850,316)	$ 9,172,081
Private placements	5	5,000,000	15,000,000	-	-	-	15,000,000
Share issue costs for private placements		-	(38,250)	-	-	-	(38,250)
Stock-based compensation	7	-	-	94,467	-	-	94,467
Currency translation adjustment	8	-	-	-	(90,830)	-	(90,830)
Net loss for the year		-	-	-	-	(1,013,329)	(1,013,329)
Balance December 31, 2011		14,831,758	$ 97,948,333	$ 2,032,904	$ 6,547	$ (76,863,645)	$ 23,124,139
Stock-based compensation	7	-	-	197,209	-	-	197,209
Net loss for the year		-	-	-	-	(463,735)	(463,735)
Balance December 31, 2012		14,831,758	$ 97,948,333	$ 2,230,113	$ 6,547	$ (77,327,380)	$ 22,857,613

The accompanying notes are an integral part of these consolidated financial statements.

FORTRESS MINERALS CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years Ended December 31, 2012	2011
OPERATING ACTIVITIES		
Net loss for the year	$ (463,735)	$ (1,013,329)
Item not affecting cash:		
Stock-based compensation	197,209	94,467
	(266,526)	(918,862)
Changes in non-cash working capital items:		
Receivables	(13,465)	(5,289)
Prepaid expenses and advances	2,363	10,879
Accounts payable and accrued liabilities	2,925	(74,701)
Net cash used for operating activities	(274,703)	(987,973)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	15,000,000
Share issuance costs	-	(38,250)
Net cash provided by financing activities	-	14,961,750
Effect of foreign exchange rate differences on cash	-	(90,830)
Net increase (decrease) in cash	(274,703)	13,882,947
Cash, beginning of year	23,109,638	9,226,691
Cash, end of year	$ 22,834,935	$ 23,109,638

Supplemental cash flow information (Note 11)

1. Nature and continuance of operations

Fortress Minerals Corp. ("Fortress" or the "Company") was originally incorporated in British Columbia and continued under the Canada Business Corporations Act in 2002, and is evaluating strategic alternatives in the natural resource sector.

The Company had previously announced on April 26, 2012 that it had received notice from the TSX Venture Exchange that the Company had a Tier 2 Continued Listing Requirements Deficiency in relation to its assets and operations for a company classified as a Mining Issuer and was given a deadline of October 16, 2012 to provide a submission to the Exchange evidencing that it meets Tier 2 Continued Listing Requirements. The Company had not provided a submission by the deadline and therefore its listing was transferred to NEX and it now trades under the symbol FST.H effective October 17, 2012.

The Company is located in Suite 2000, 885 W. Georgia Street, Vancouver, BC.

The Company estimates it has sufficient working capital to continue operations for the upcoming year.

2. Basis of preparation

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These consolidated financial statements were approved for issue by the Audit Committee and Board of Directors on April 23, 2013.

Critical accounting judgements

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgements or assessments made by management.

Critical accounting estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

i. the recoverability of receivables which are included in the consolidated statements of financial position;
ii. the inputs used in accounting for stock-based compensation expense in the consolidated statements of comprehensive loss; and
iii. the deferred tax asset recognition.

2. Basis of preparation (continued)

The following entity is included in these consolidated financial statements:

	Country of incorporation	Ownership interest December 31, 2012	Ownership interest December 31, 2011
Fortress Minerals Cyprus (I) Ltd.	Republic of Cyprus	100%	100%

3. Summary of significant accounting policies

The Company's principal accounting policies are outlined below:

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

(b) Presentation currency

The Company's presentation currency and the parent company's functional currency is the Canadian dollar ("$") while the functional currency of Fortress Minerals Cyprus (I) Ltd. is the U.S. dollar. These consolidated financial statements have been translated to the Canadian dollar in accordance with International Accounting Standard ("IAS") 21 *The Effects of Changes in Foreign Exchange Rates*. These guidelines require that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). Resulting exchange differences are recorded in other income, except for exchange differences on the net investment in foreign operations which is recorded in comprehensive income as Cumulative Translation Adjustment ("CTA") and accumulated in a separate component of shareholders' equity titled "Foreign Currency Translation Reserve".

(c) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit or loss.

(d) Current and non-current classification

Assets and liabilities are generally classified as current if expected to be realized or settled within twelve months following the reporting date. Receivables are included in current assets, except when maturities are greater than twelve months after the end of the reporting period, which results in classification as non-current assets.

3. Summary of significant accounting policies (continued)

(e) Financial assets

The Company classifies its financial assets in the following categories:

i. *Financial assets at fair value through profit or loss ("FVTPL")*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. The Company has classified its cash as FVTPL.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company has classified its receivables as loans and receivables.

The classification depends on the purpose for which the financial assets were acquired.

Recognition and measurement of financial assets

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding receivables, is directly reduced by the impairment loss. The carrying amount of receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and all risks and rewards of ownership to another entity.

3. Summary of significant accounting policies (continued)

(f) Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company has classified trade and other payables as other financial liabilities. Due to its current nature, the fair value of these instruments approximates their carrying value.

ii. Derecognition of financial liabilities

The group derecognizes financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

The Company is also required to provide disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

See Note 12 for relevant disclosures.

(g) Cash

Cash includes cash on hand and deposits held at call with banks.

(h) Receivables

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statements of comprehensive loss within "office and general expenses". When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against "office and general expenses" in the statements of comprehensive loss.

3. Summary of significant accounting policies (continued)

(i) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Due to the current nature of trade payables, the fair value of these instruments approximates their carrying value.

(k) Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(l) Stock-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to three years, with a vesting period of 18 months and at prices equal to or greater than the closing market price on the day when granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(m) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the years presented, this calculation proved to be anti-dilutive.

(n) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments and foreign currency gains or losses related to the net investment in foreign operations. The Company's comprehensive loss, components of other comprehensive loss and cumulative translation adjustments are presented in the statements of comprehensive loss and the statements of changes in equity.

3. Summary of significant accounting policies (continued)

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

i. Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Recently introduced accounting pronouncements

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. These revised standards and amendments are not expected to have a significant impact on the Company.

vii. IFRS 10 *Consolidated Financial Statements* requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

(Expressed in Canadian Dollars, unless otherwise noted)

3. Summary of significant accounting policies (continued)

viii. IFRS 11 *Joint Arrangements* requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Nonmonetary Contributions by Venturers*.

ix. IFRS 12 *Disclosure of Interests in Other Entities* establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

x. IFRS 13 *Fair Value Measurement* is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

xi. IAS 1 *Presentation of Financial Statements* has been amended to require companies to group together items within Other Comprehensive Income ('OCI') that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments to this standard do not change the nature of the items that are currently recognized in OCI.

xii. IFRS 7 Financial Instruments: Disclosures has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets.

4. Cash

The carrying amounts of the Company's cash is denominated in the following currencies:

Currency	December 31, 2012	December 31, 2011
Canadian dollars	$ 22,096,006	$ 22,325,907
US dollars	738,929	783,731
	$ 22,834,935	$ 23,109,638

(Expressed in Canadian Dollars, unless otherwise noted)

5. Share capital

(a) Authorized:
- Unlimited number of common shares without par value
- Unlimited number of preference shares without par value

(b) Private placement:

In January 2011, the Company completed a private placement of 5,000,000 common shares at a price of $3 per share for gross proceeds of $15,000,000. Share issue costs of $38,250 were incurred resulting in net proceeds of $14,961,750 from the private placement.

6. Stock options

The Company has a rolling stock-based compensation plan (the "Plan") allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all stock options are granted at the discretion of the Company's board of directors. The term of any option granted may not exceed ten years and the exercise price may not be less than the market price of the Company's common shares at the time of grant.

Current outstanding options have an expiry date of three years and vest over a period of 18 months.

During the year ended December 31, 2012, 171,000 options were granted.

A continuity summary of the stock options granted and outstanding under the Plan is presented below:

	Year Ended December 31, 2012			Year Ended December 31, 2011		
	Number of Common Shares		Weighted exercise price	Number of Common Shares		Weighted exercise price
Balance, beginning of year	133,625	$	6.02	138,875	$	10.43
Granted	171,000	$	4.01	65,500		5.21
Cancelled / Expired	(70,925)	$	6.73	(70,750)	$	13.92
Balance outstanding, end of year	233,700	$	4.33	133,625	$	6.02
Balance exercisable, end of year	148,200	$	4.52	100,875	$	6.28

The following table summarizes information concerning outstanding and exercisable options at December 31, 2012:

Expiry date		Exercise price	Options Outstanding	Options exercisable	Remaining Contractual Life (Years)
June 9, 2014	$	5.15	54,200	54,200	1.42
June 21, 2014	$	5.60	8,500	8,500	1.45
June 1, 2015	$	4.01	171,000	85,500	2.39
			233,700	148,200	

(Expressed in Canadian Dollars, unless otherwise noted)

6. Stock options (continued)

The fair value based method of accounting was applied to stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2012	2011
Risk-free interest rate	1.37%	1.45%
Expected stock price volatility	57.60%	64.04%
Expected life	2 years	2 years
Expected dividend yield	-	-
Weighted-average fair value per option granted	$1.31	$1.87

7. Equity-settled share-based payment reserve

The equity-settled share-based payment reserve comprises the fair value of employee options as measured at grant date and amortized over the period during which the employees become unconditionally entitled to the options.

During the year ended December 31, 2012, the Company recorded stock-based compensation expense of $197,209 (2011 – $94,467) relating to the vesting of options with a corresponding increase in the equity-settled share-based payment reserve.

8. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the net investments in foreign operations.

During the year ended December 31, 2012, the Company recorded a currency translation adjustment relating to foreign exchange differences on foreign operations of $Nil (2011 – $90,830).

(Expressed in Canadian Dollars, unless otherwise noted)

9. Related party transactions

(a) Related party expenses

During the year ended December 31, 2012 and December 31, 2011, the Company incurred the following:

Payee	Nature	Note		December 31, 2012		December 31, 2011
Namdo	Management fees	i	$	312,000	$	304,000
Namdo	Relocation / renovation fees	ii		-		132,000
Lucara	Support services	iii		19,600		-

i. Namdo Management Services Ltd. (“Namdo”), a company owned by an officer and director of the Company, provides services and office facilities to the Company pursuant to an Agreement.

ii. During the year ended December 31, 2011, the Company paid $132,000 in office and general expenses to reimburse Namdo for the relocation and renovation of office space.

iii. Lucara Diamond Corp. (“Lucara), a company related by way of officers and directors in common, provided support services to the Company. This balance is included in accounts payable and accrued liabilities at December 31, 2012.

(b) Key management compensation

Key management includes executive officers of the Company. The compensation paid or payable to key management for employee services is shown below.

		December 31, 2012		December 31, 2011
Salaries and benefits	$	24,523	$	127,972
Stock-based compensation		149,093		10,572
Severance		-		285,000
	$	173,616	$	423,544

(Expressed in Canadian Dollars, unless otherwise noted)

10. Income taxes

A reconciliation between tax expense and the product of accounting profit multiplied by the Company's domestic tax rate for the years ended December 31, 2012 and 2011 is as follows:

	December 31, 2012	December 31, 2011
Loss from operations	$ 463,735	$ 1,013,329
Combined Canadian federal and provincial statutory rate	25.0%	26.5%
Income tax recovery at statutory tax rate	115,934	268,532
Differences in foreign tax rates	-	508,082
Effect of changes in enacted rates	-	(34,679)
Permanent differences	(59,788)	(299,569)
Tax benefits not recognized	(68,162)	(574,213)
Change in estimates	12,016	135,645
Loss of future benefit from expiry of losses	-	(3,798)
Income tax expense	$ -	$ -

The tax effects of temporary differences resulting in deferred tax assets and liabilities are presented below:

	December 31, 2012	December 31, 2011
Deferred income tax assets		
Non-capital loss carry-forwards	$ 2,466	$ 7,694
Net deferred tax assets	2,466	7,694
Deferred income tax liabilities		
Unrealized foreign exchange	(2,466)	(7,694)
Net deferred tax liabilities	(2,466)	(7,694)
Net deferred income tax liabilities	$ -	$ -

The Company has the following deferred tax assets for which no benefit has been recognized as they may not be used to offset taxable profits elsewhere in the group and they have arisen in companies that have a history of losses.

	December 31, 2012	December 31, 2011
Non-capital loss carry-forwards	$ 2,336,070	$ 2,237,817
Net-capital loss carry-forwards	3,474,093	3,474,093
Resource expenditures	80,537	80,537
Capital assets	24,756	24,756
Cumulative eligible capital	66,609	66,609
Share issuance costs	11,607	41,698
Donations	96,250	96,250
Unrecognized deferred tax assets	$ 6,089,922	$ 6,021,760

The Company has non-capital losses which arose in Canada of $9,269,765 (December 31, 2011 - $8,917,389) that are available to offset against future taxable profits of the companies in which that arose. These losses will start to expire from 2014 through to 2032.

10. Income taxes (continued)

The Company also has net capital losses which arose in Canada of $27,792,742 (December 31, 2011 - $27,792,742) that are available indefinitely to offset against future capital gains.

A Cypriot subsidiary has tax losses which arose in Cyprus of $161,632 (December 31, 2011 - $161,632) that are available indefinitely to offset against future taxable profits of the Cypriot subsidiary.

At December 31, 2012, there was no recognized deferred tax liability (December 31, 2011 - $nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries.

11. Supplemental cash flow information

	December 31, 2012	December 31, 2011
Cash paid for taxes	$ -	$ -
Cash received for interest	251,109	230,980
Cash paid for interest	-	-

12. Financial instruments and risk management

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments other than cash approximates their carrying values due to the short-term nature of these instruments.

Cash is measured at fair value using Level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) Currency risk

The Company's parent is Canadian and its capital is raised in Canadian dollars, with no ongoing foreign operations. As such, the Company is not subject to any significant risk due to fluctuations in the exchange rates of foreign currencies. The Company does not enter into derivative financial instruments to mitigate its exposure but given that no significant foreign exchange positions were held at year end, management does not believe the risk to be material.

b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables are made up of interest recoverable from large Canadian financial institutions and harmonized sales tax recoverable from the provincial government of British Columbia, Canada.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no interest bearing financial obligations or assets.

12. Financial instruments and risk management (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

13. Capital risk management

The Company considers equity, comprising of issued common shares, equity-settled share-based payment reserve, foreign currency translation reserve and deficit, as capital.

The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

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Lukas Lundin
President, CEO & Director

Glenn Kondo
Chief Financial Officer

Antonietta Vodola
Corporate Secretary

DIRECTORS

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Audit Committee
Compensation Committee
Corporate governance and Nominating Committee

Lukas Lundin

Adam Lundin
Corporate Governance and Nominating Committee

Jim Cambon
Audit Committee
Compensation Committee

Ian Gibbs
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