Fortune Bay Corp. (FOR)

Anomalous Radioactivity Intersected at Strike & Murmac

Event

Fortune Bay announced that the 2026 Summer campaign at the Strike and Murmac Projects (located in Saskatchewan) has completed. The program was fully funded by Manhattan Uranium Discovery Corp. (MANU) and operated by Fortune Bay under an option agreement.

Details

- **Drill Program Highlights –** The program completed 24 drill holes totalling 4,526.4m and encountered favourable graphitic host rocks, faulting and hydrothermal alteration, with radioactivity of 300 counts per second (cps) or higher reported in six holes, including shallow intersections beginning at 22.5m downhole at Strike's Tena target. Specifically, between June-September, the program completed 15 holes totalling 2,978.4m at Murmac and 9 holes totalling 1,548.0m at Strike.
- **Next Steps –** Drill core samples have been collected systematically from all zones with radioactivity greater than 300 cps and have been submitted to SRC Geoanalytical Laboratories in Saskatoon for U3O8 assay and multi-element characterization. The company will integrate these results with detailed geological logging to prioritize follow-up targets and assess additional regional targets for future drilling.

Conclusion

As Fortune Bay advances its flagship gold project - Goldfields, uranium optionality has been maintained via the option agreement negotiated with Aero Energy Ltd (now Manhattan Uranium, MANU) as announced on December 15, 2023. We would argue that given the generous option agreement terms for Murmac and Strike, Fortune Bay stands in an enviable position given a total package involving expected cash flow of C$1.35M, a management fee equating to 10% of exploration expenditures, C$2.15M in MANU shares and exploration upside given the C$6.0M MANU must spend over a 3.5 year timeframe. Provided the earn-in terms are satisfied by MANU, Fortune Bay will retain a solid 30% stake in the Murmac and Strike Projects. With a Goldfields PFS expected to be competed by year-end or Q1/2027, we would expect Fortune Bay to re-rate to similar valuation metrics as seen with its North American peer group. Given the most recent close (November 2), shares of Fortune Bay trade at a 0.03x P/NAV valuation, or at $49 EV/Au value – well below that of peers. We maintain our C$1.90 per share, 12-month price objective. The full online details can be found here:

Company Profile

Sector	Mining
Sub-Sector	Gold
Company	Fortune Bay Corp.
Ticker	FOR
Current Price (C$)	C$0.51
12-Mth Price Objective (C$)	C$1.90
Potential Upside	272%
Mkt Cap, Basic (C$M)	$36.4
EV (C$M)	$31.8
Shares O/S Basic (M)	71.3
1-Mth Return	-29.2%
3-Mth Return	-17.7%
YTD Return	-28.2%

Measured & Indicated	Grade g/t Au	Attrib. oz
Goldfields	1.28	989,600
Poma Rosa	1.84	1,041,000

Inferred Resources	Grade g/t Au	Attrib. oz
Goldfields	0.90	214,200
Poma Rosa	1.01	703,000

Company Description

Fortune Bay Corp. is a Canadian gold development and exploration company advancing the flagship, PEA-stage Goldfields Project, located in northern Saskatchewan. Other wholly-owned projects include the Poma Rosa Gold project, located in Mexico. The company also maintains ownership of two uranium projects in the Athabasca Basin, both are currently under option.

2-Year Stock Chart

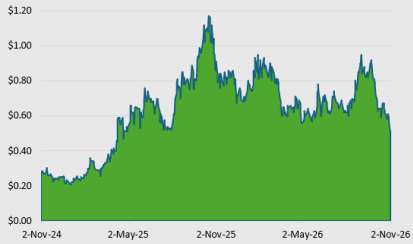

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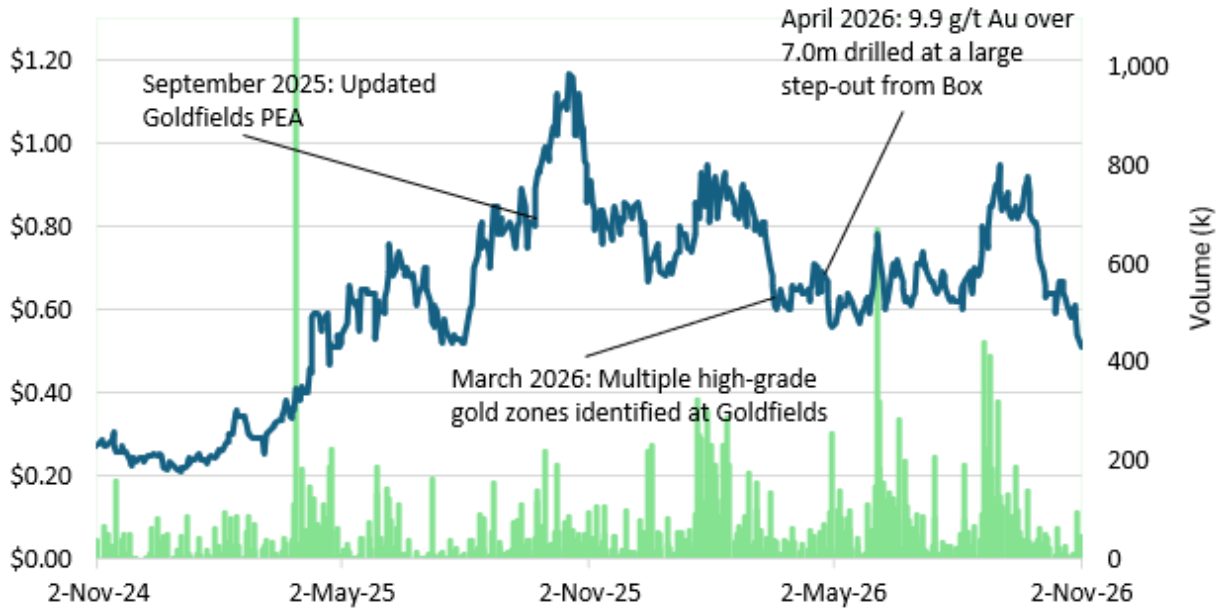
Exhibit 1. Two-Year Share Price Performance



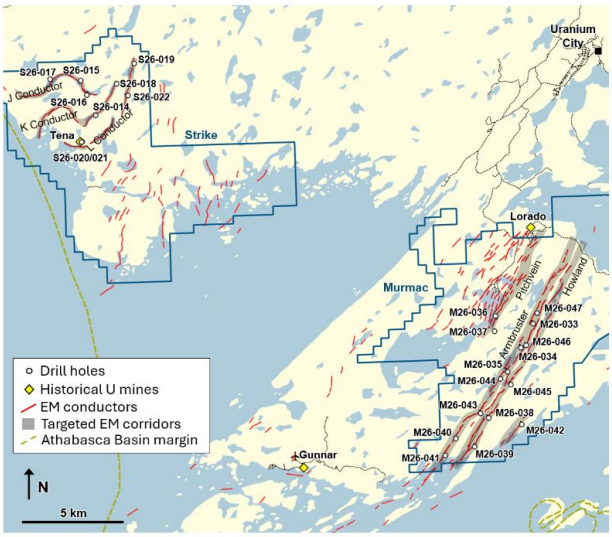
Source: HoldCo Markets Inc.

DRILLING SUMMARY AT MURMAC & STRIKE

The Murmac and Strike Projects comprise 21 mineral claims covering an area of approximately 20,000 hectares located within 25km of Uranium City in Northern Saskatchewan, Canada, on the northern rim of the Athabasca Basin. The Project is endowed with established infrastructure including existing roads, active hydro-powerline, and nearby facilities and an airport at Uranium City.

Between June-September, the program completed 15 holes totalling 2,978.4m at Murmac and 9 holes totalling 1,548.0m at Strike. Murmac drilling tested the Pitchvein, Armbruster, Howland and Howland East targets while at Strike, drilling tested targets along the J, K and L Conductors and at Tena. Targets were selected using electromagnetic and gravity data, geological and structural interpretations, historical uranium occurrences and previous drilling results. Drilling encountered geological features commonly associated with high-grade, basement-hosted uranium mineralization related to the Athabasca Basin.

Exhibit 2. Drill Collar Locations at Strike & Murmac



Hold ID		From (m)	To (m)	Interval (m)	CPS
M26-037		131.06	131.87	0.81	314
M26-040		126.95	127.1	0.15	310
		128.5	128.6	0.1	310
S26-014		72.6	72.8	0.2	310
		111.27	111.83	0.56	378
		152.47	152.64	0.17	340
S26-015		173.94	174.12	0.18	300
		174.59	174.96	0.37	300
		175.79	176	0.21	300
S26-017		193.78	193.97	0.19	305
		195.17	195.3	0.13	305
		196.56	196.76	0.2	305
S26-020		22.5	29.3	6.8	348
	incl.	23.4	24	0.6	737
	incl.	27.7	29.3	1.6	338
		34.5	40.1	5.6	324
	incl.	35.2	35.4	0.2	950
		59.13	61.03	1.9	489
	incl.	60.03	60.23	0.2	1,890

Source: Fortune Bay Corp.

Of note, shallow radioactivity of 300 cps or higher were seen in 6 of the 24 holes, hosted in graphitic pelites, gneisses and granites and commonly associated with favourable geological features. Among the highlight drill holes:

- **M26-037:** Tested target P8 in the Pitchvein Corridor at Murmac. The targeted graphitic pelite (electromagnetic conductor) was intersected from 159.43m-167.98m, between more competent granite/gneiss units. A maximum radioactivity reading of 340 cps was recorded within a larger interval from 131.06m-131.87m that averaged 314 cps over 0.81m.
- **M26-040:** This hole tested target A1, a gravity low at the south end of the Armbruster Corridor at Murmac. The targeted graphitic pelite was intersected from 91.41m-138.04m down hole.
- **S26-014:** Tested target K5 on the K Conductor at Strike, an electromagnetic high anomaly approximately 500 m along strike from hole S22-013, which returned 0.43% U3O8 over 0.10m from 145.70m-145.80m in Fortune Bay's 2022 drilling campaign.
- **S26-020:** This hole tested down-dip of the Tena historical adit at Strike. Elevated radioactivity was detected hosted in pelitic gneiss and is associated with variable amounts of brittle faulting and hydrothermal alteration. Figure 7 shows radioactivity averaging 1,890 cps over 0.20m (60.03m-60.23m) within a broader interval averaging 489 cps over 1.90m (59.13m-61.03m) down hole.

NEXT UP:

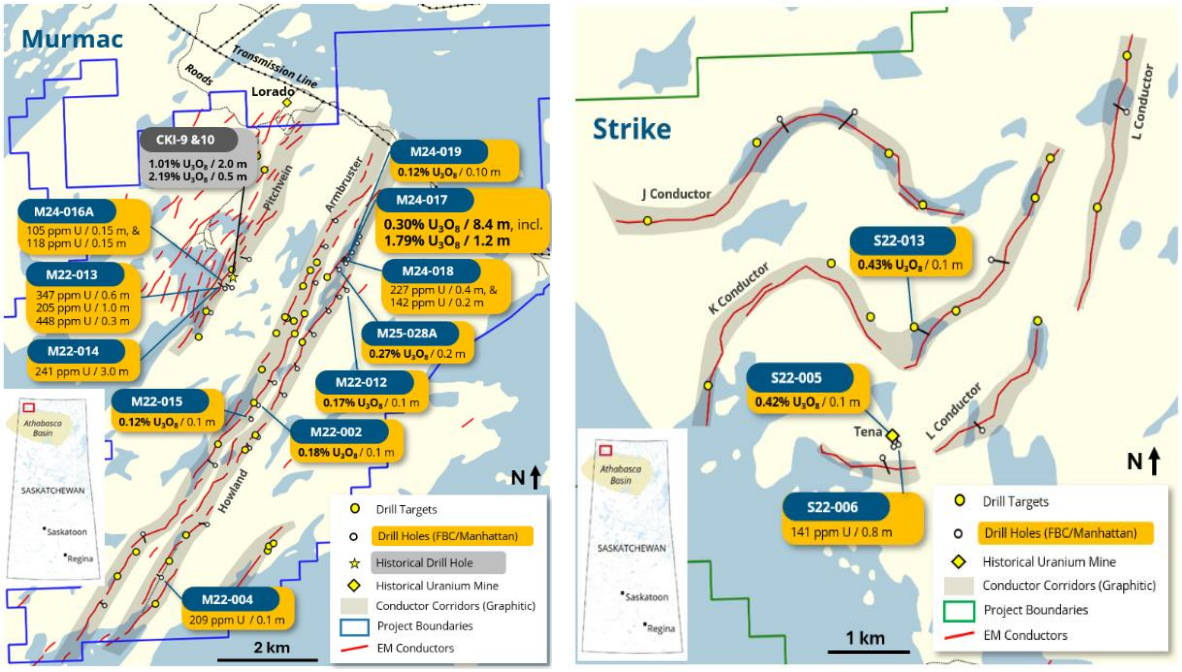
Drill core samples have been collected systematically from all zones with radioactivity greater than 300 cps and have been submitted to SRC Geoanalytical Laboratories in Saskatoon for U3O8 assay and multi-element characterization. The company will integrate these results with detailed geological logging to prioritize follow-up targets and assess additional regional targets for future drilling.

PREVIOUS EXPLORATION HIGHLIGHTS AT MURMAC & STRIKE

At Murmac, previous drilling has confirmed shallow uranium mineralization associated with structured graphitic rocks, the typical host rocks for basement-hosted high-grade Athabasca Basin uranium deposits. Drill hole M24-017, completed at Howland Lake North, intersected 8.40m grading 0.30% U3O8, including 1.20m grading 1.79% U3O8, with individual assays up to 13.80% U3O8 over 0.10m and 4.54% U3O8 over 0.10m. This high-grade mineralization was intersected at approximately 64m below surface within favourable structured graphitic rocks. Drilling at Murmac has intersected elevated uranium (> 100 ppm) associated with graphitic rocks and hydrothermal alteration in 12 of 31 previous holes across the entire length of the targeted conductors, indicating the presence of a large-scale uranium mineralizing system.

At Strike, historical small-scale mining at the Tena Zone reportedly produced over 1,000 tons in the 1950s at grades of 0.6% to 3.5% U3O8. Confirmatory surface sampling by Fortune Bay returned high-grade uranium assays, including 3.51% U3O8 and 1.75% U3O8, confirming the presence of high-grade uranium mineralization at surface. Fortune Bay's maiden drill program at Strike also confirmed basement-hosted uranium mineralization. Analytical results confirmed anomalous uranium in three of nine shallow drill holes, including a maximum individual assay of 0.43% U3O8. Uranium mineralization was associated with enriched pathfinder elements commonly associated with high-grade, unconformity-related uranium deposits in the Athabasca Basin.

Exhibit 3. Previous Results & Drill Targets at Murmac and Strike



Source: Fortune Bay Corp.

VALUATION & CONCLUSION

As Fortune Bay advances its flagship Goldfields Project, uranium optionality has been maintained via the option agreement negotiated with Aero Energy Ltd (now Manhattan Uranium, MANU) as announced on December 15, 2023. We would argue that given the generous option agreement terms for Murmac and Strike, Fortune Bay stands in an enviable position given a total package involving expected cash flow of C$1.35M, a management fee equating to 10% of exploration expenditures, C$2.15M in MANU shares and exploration upside given the C$6.0M

MANU must spend over a 3.5 year timeframe. Provided the earn-in terms are satisfied by MANU, Fortune Bay will retain a 30% stake in the Projects.

We continue to value Goldfields using a base case, LT gold price of $4,000 per ounce. Factoring in a partial future equity financing (post-PFS provided a positive FID), we derive a 12-month price objective of C$1.90 per share (rounded) by applying a 0.15x NAV8% multiple. Given the most recent close (November 2), shares of Fortune Bay currently trade at a 0.03x P/NAV multiple. As mentioned, Fortune Bay also trades at an attractive EV per ounce value of $49 – well below the peer group. Acknowledging the acute sensitivities to the LT gold price (below), our price objective equates to upside of +272% from the most recent close.

Exhibit 4. NAV, Sensitivities and Valuation

	Discount	Value (C$M)	$ Per Share	% of NAV
Goldfields	8.0%	$1,101.5	$15.45	95%
Poma Rosa	$60/oz at 70% M&I	$42.0	$0.59	4%
Uranium Projects under option		$10.0	$0.14	1%
Total Mining Assets		**$1,153.5**	**$16.18**	**100%**
Cash & ST Investments	Q2/2026	$4.7	$0.07	0%
Current Debt	Q2/2026	-$2.2	-$0.03	0%
LT Debt	Q2/2026	-$1.7	$0.00	0%
Expected Equity Additions	est.	-$120.0	-$1.68	-12%
		-$119.2	**-$1.65**	
Net Asset Value			**$14.53**	
Current Share Price			**$0.50**	
P/NAV			**0.03x**	

Pre-Tax Goldfields Contribution to NAV:

$370	$3,000	$3,500	$4,000	$4,500	$5,000
6%	$747	$1,119	$1,492	$1,865	$2,238
7%	$686	$1,035	$1,384	$1,733	$2,082
8%	$631	$958	$1,286	$1,613	$1,940
9%	$581	$888	$1,195	$1,503	$1,810
10%	$535	$824	$1,112	$1,401	$1,690

Post-Tax Goldfields Contribution to NAV:

$185	$3,000	$3,500	$4,000	$4,500	$5,000
6%	$537	$910	$1,282	$1,655	$2,028
7%	$490	$839	$1,188	$1,537	$1,886
8%	$447	$774	$1,102	$1,429	$1,756
9%	$408	$715	$1,022	$1,330	$1,637
10%	$372	$661	$950	$1,239	$1,528

Pre-Tax Goldfields Contribution to NAVPS:

$0	$3,000	$3,500	$4,000	$4,500	$5,000
6%	$10.47	$15.70	$20.93	$26.16	$31.39
7%	$9.63	$14.52	$19.42	$24.31	$29.20
8%	$8.85	$13.44	$18.03	$22.62	$27.21
9%	$8.15	$12.46	$16.76	$21.07	$25.38
10%	$7.50	$11.55	$15.60	$19.65	$23.71

Post-Tax Goldfields Contribution to NAVPS:

$0	$3,000	$3,500	$4,000	$4,500	$5,000
6%	$7.53	$12.76	$17.99	$23.22	$28.44
7%	$6.87	$11.77	$16.66	$21.56	$26.45
8%	$6.27	$10.86	$15.45	$20.04	$24.63
9%	$5.72	$10.03	$14.34	$18.65	$22.96
10%	$5.22	$9.27	$13.32	$17.37	$21.43

Source: HoldCo Markets Inc.

We are excited with Fortune Bay's prospects this year and note that 2026 will be the first year in which the company should potentially re-rate to being viewed as a pure-play gold company with an advanced project working towards PFS completion by ~year-end. Recall that in previous years, the company was considered as a uranium exploration company focused primarily on the Murmac uranium project. With a PFS expected to be competed by year-end or Q1/2027, as the story becomes more familiar to the market, we would expect this company to re-rate to similar valuation metrics as seen with the North American Peer group. Moreover, given further evidence that the resource is expanding beyond the historically defined area, we would expect the upcoming PFS to surprise on the upside in terms of production metrics and economics. For additional details, refer to our February 3, 2026 initiation of coverage report.

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