

To Our Shareholders,

The past year has been one of expansion and geographical diversification for Fortress Minerals Corp. ("Fortress" or the "Company") with new programs announced in Russia and Nicaragua. These programs are in addition to Fortress' extensive base and precious metal exploration programs in Mongolia. Of the diversification efforts, the most significant has been the Russian Svetloye project, located in the far east of the Russian Federation in the Khabarovsk region. Near the end of the first quarter of 2005, the Company signed an agreement with Phelps Dodge Exploration Corporation ("PDEC") to acquire up to an 80% interest in this project through payment of US\$500,000 and various work commitments.

During the second and third quarter the Company undertook a highly successful trenching program on the Svetloye project. The results from the trench samples indicate extensive high grade gold concentrations at surface within the Elena Target and have identified a new high grade zone to the southeast which expands the size potential of the target significantly. The 2005 trench program highlights include Trench 5 East which returned 50.7 metres running 3.76 grams per tonne gold and Trench 4 where samples graded 14.5 grams per tonne gold over a channel length of 23.2 metres. Trenches 4 and 5 are eastern extensions off of earlier trenches from Phelps Dodge's 2004 program and have now resulted in combined intervals of 160.7 metres grading 3.96 grams per tonne gold and 160.2 metres grading 6.76 grams per tonne gold, respectively. Both trenches remain open to the northwest and southeast. Other notable results included: Trench 13, which intercepted 150 metres (entire length of the trench) grading 2.74 grams per tonne gold; Trench 11, which returned 130 metres grading 7.12 grams per tonne gold; Trench 7 East which returned 63.6 metres grading 4.44 grams per tonne gold; and Trench 12, which returned 35 metres grading 5.72 grams per tonne gold. In addition to the trenching on the Elena Target, the Company also undertook trenching on the Tamara, Ludmilla, and Larissa targets, four of the seven targets identified to date within the Svetloye Project. Initial trench results from the Tamara target returned 125 metres grading 2.12 g/t gold.

Mineralization at the Elena target is open in all directions. These trench sample results not only continue to indicate extensive high grade gold concentrations at surface within the Elena Target, but now indicate that similar high grades over impressive intervals also occur at the Tamara Prospect, 1.3 km to the west-northwest.

In December 2005, the Company commenced mobilization for a planned 20,000 metre combined reverse circulation and diamond drill program on the project, which included the construction of a winter road from the coastal town of Okhotsk to the Svetloye site. The Company experienced a number of setbacks on the construction of the winter road including warmer than average weather and higher than average snow fall, both of which inhibited the freeze up of a number of areas along the route. Eventually, the Company made the decision to mobilize two drills in by helicopter and in March 2006, the first of three drill rigs slated for the Svetloye drill program arrived on site and commenced drilling. The initial drilling is concentrated within the Elena Target. A second drill arrived on site in early April and has commenced drilling within the Elena target. A third core drill has arrived in Russia and will mobilize to site in the coming weeks. In addition to the Elena target, drilling is also planned on the remaining six target areas within the Svetloye project. The Company is also planning further exploration work throughout the project area in 2006 which will include up to 30,000 cubic meters of trenching, the collection of more than 2,000 soil samples within highly prospective extensions off the known target areas, and the completion of 1:5,000 scale geologic and alteration mapping program.

In Mongolia the Company signed a Strategic Alliance agreement with PDEC. The strategic alliance requires PDEC to invest US\$3.0 million in the Company and by this investment PDEC has the right to earn a 70% interest in any project by funding that project through to feasibility. The Company maintains a large portfolio of exploration properties in Mongolia. As of the end of the year, the Company has 100% interest in 64 exploration licenses and rights to acquire a further 100% interest in two exploration licenses under property option agreements. In March 2005, the Company commenced its 2005 exploration program in Mongolia with a Phase One combined reverse circulation and diamond drill program on Teltiin Gol, which is in the Erdenet trend in north-central Mongolia. Based on the alteration and mineralization character encountered in this first phase of drilling, ground magnetic surveys, which were completed in 2004, and surface and downhole geochemical results, a Phase Two drill program was undertaken. Two holes (FTG-007, and FTG-008) were drilled into a covered, or blind, geophysical target characterized by an induced polarization ("IP") anomaly. Hole FTG-008 intercepted anomalous copper mineralization throughout its 325 metre length. Holes FTG-007 and FTG-008. The geophysical target was the third conceptual target tested during reconnaissance drilling within the project in 2005. The discovery of copper mineralization over such significant widths within the blind target is considered a very positive development. A drill rig has arrived on-site with follow-up drilling scheduled to begin immediately in an effort to further define the extent and grade of mineralization associated with the geophysical anomaly.

In addition to the Teltiin Gol drill program, the Company also drilled the Oyuut Uul project, which is also located in the Erdenet region. A follow up drill program is planned for 2006, as well as an initial drill program on the Satyr Hudag project, located in south western Mongolia. Perhaps the greatest level of work is being done on the Company's Huvsgol properties. The Huvsgol region covers approximately 3.2 million hectares and is located in northern Mongolia. The 2005 field program included stream sediment sampling and field reconnaissance. Geochemical results for the majority of the reconnaissance programs have been received and results are encouraging. Current plans are to complete follow-up stream sediment and rock chip sampling programs on numerous stream sediment point anomalies discovered during the 2005 reconnaissance program. In addition, three prospects containing rock chip and clustered stream sediment anomalies were discovered during 2005 that will be investigated through geologic mapping, rock chip sampling, and soil sampling programs during early to mid 2006. The political climate, as it affects the mining industry, has been the source of a number press articles over the past year. Currently the Government of Mongolia is reviewing potential amendments to the 1997 Minerals Law, which is the law outlining the requirements for licensing of land for exploration and mining, environmental regulations, and the royalty regime. The Company is actively involved with industry associations working with a number of government Working Groups, who are responsible for the drafting of the proposed Mineral Law amendments. At the present time, the Company believes that the proposed amendments will, in the short term, increase the cost of our exploration programs through higher license fees; but, in the longer term will not significantly impact the mineral exploration industry. However, the amendments have not been submitted to parliament and as a result the Company continues to closely monitor and provide input to the amendment process. The Government of Mongolia is also amending the tax law with a draft tax bill now before parliament. The Company's understanding of the draft bill is that, if passed, it will have a positive impact on the fiscal environment for mining with several new favourable provisions.

Finally, in Nicaragua the Company has applied for a number of licenses covering approximately 138,000 hectares. Preliminary indications are that the Company has been granted a majority of the licenses applied for. Once we get formal notification the Company will undertake a

preliminary program which will consist of stream sediment sampling and field reconnaissance.

Regretfully, Mr. Steve Swatton, President and Chief Executive Officer and Mr. Doug Leishman, Director, resigned to pursue other interests in June 2005 and January 2006, respectively. Steve was instrumental in securing the Strategic Alliance with Phelps Dodge and the acquisition of the option to earn the interest in the Svetloye project. Mr. Leishman was a tremendous support in the early stages of getting Fortress up and running following the acquisition of the Mongolian assets from International Uranium Corporation. On behalf of the Board of Directors, I would like to thank Steve and Doug for their efforts and dedication to the Company.

The upcoming year will be a busy and exciting one for the Company. With the large aggressive program planned for Svetloye the Company is looking forward to moving that project forward and expanding the Company's efforts in the far eastern region of Russia. In Nicaragua an extensive field program is planned for 2006 which should enable the Company to be ready to drill some of those projects in 2007. In Mongolia, the Company is maintaining its exploration program at similar levels to last year's program and will continue to monitor the political climate.

On behalf of the Board of Directors and our employees, I would like to thank our shareholders for your continued support.

ON BEHALF OF THE BOARD

Ron F. Hochstein,

President and Chief Executive Officer

April 28, 2006