

**FORTRESS MINERALS CORP.**  
**Second Quarter Report**  
**For the Period Ending June 30, 2007**

To Our Shareholders,

Drilling is progressing well at the Fortress Minerals Corp's ("Fortress" or the "Company's") Svetloye gold project in the Russian Far East. As of the 18<sup>th</sup> of August, the Company had completed approximately 6,150 metres at the Elena, Tamara and Amy targets this year. In addition to the drill program, over 62,700 cubic metres of trenching has also been completed this year. Partial results from the 2007 drill program will be available shortly.

Work on the Svetloye project has identified 7 key targets within a 7-square-kilometre zone of epithermal gold mineralization. Gold is associated with extensive zones of vuggy silica, alunite and late stage veins. This style of mineralization is common to Pierina, Veladero and other high sulphidation epithermal deposits. The current drill program will be directed principally at the Elena, Tamara and Amy prospects, while reconnaissance drilling will test the other four targets.

Final results from the 2006 drill campaign were received earlier this year with highlights including drill hole PDSC-062, which returned 52 metres grading 5.6 grams per tonne gold, including 4 metres grading 45.3 grams per tonne gold at the Elena target. Highlights from the Tamara drilling include hole PDSC-065 that returned 40.3 metres grading 3.3 grams per tonne gold including 2 metres grading 45.5 grams per tonne gold. These results were delayed because the Dalgeophysical Laboratory in Russia was closed for several months as they relocated their facilities. The Company has opened a sample crushing facility on site which should reduce the turn around time for analytical results from the drilling campaign.

In addition to the site work, the Company is actively working in Moscow on the conversion of the license from an exploration to a mining license. All local and provincial approvals have now been received. Federal approvals are pending, and the Company expects to receive this approval by year end. Fortress has also received an extension of its exploration license in the event that the mining license is not obtained by year end.

In Mongolia, the 2007 work program has begun with an IP survey at the Satyr Khudag (porphyry copper-gold) project. At the Huvsgul properties (mesothermal/shale hosted gold) in northern Mongolia, an airborne geophysical magnetic survey is slated for the Huvsgul licenses in late 2007. This data will be incorporated with work completed to date to identify additional areas of interest for follow-up field investigations. If results of this program are encouraging, a drilling program will be completed in early 2008.

In Nicaragua, the Company is evaluating the data from recent field programs and carrying out preliminary trenching programs.

In June, the Company announced the appointment of Mr. Ryan Torvik as Chief Financial Officer. Ryan brings extensive international experience to the Company.

On behalf of the board,

Ron F. Hochstein  
President and CEO

August 28, 2007