

First Quarter Highlights

- In January, drilling began on the recently acquired Malmyzh project. The Malmyzh project is one of three copper and copper-gold projects in the Russian Far East that were recently acquired through a 51% Share Purchase Agreement with Freeport-McMoRan Exploration Corporation. Drilling was concluded in early April with 6,671 metres drilled in 23 holes and tested ten large geophysical and geochemical targets. Determination of hole locations for the first-pass drilling program was based almost exclusively on soil geochemistry and magnetic anomalies due to the extensive soil and vegetative cover that characterizes the Malmyzh licence.
- Highlights of phase 1 drilling at Malmyzh include Hole AMM-023 which intersected 414.2 metres grading 0.36% copper and 0.07 grams per tonne (g/t) gold including 102.8 metres (from 96.4 metres to 199.2 metres) grading 0.58% copper and 0.15 g/t gold for a copper equivalent of 0.66%. Other highlights include Hole AMM-017 which intersected 252.5 metres (from 18.6 metres to the bottom of the hole) grading 0.34% copper and 0.14 g/t gold for a copper equivalent of 0.42% over the entire bedrock length of the hole beneath the upper 18.6 metres of soil cover. Additionally, the hole intersected 119.7 metres (from 151.4 metres to the bottom of the hole) grading 0.43% copper and 0.15 g/t gold for a copper equivalent of 0.51%. Additionally, Hole AMM-002 intersected 474.7 metres grading 0.26% copper and 0.29 g/t gold.
- Fortress considers the assay results from all the Malmyzh targets to be encouraging and results from the Flats, Valley, and Central prospects to be particularly encouraging given the wide spacing of these drill holes and the thickness and continuity of mineralization. In addition, the drill holes at both the Flats and Valley targets contain significant gold which could further enhance the economics of the project. The phase 2 drill program, which is scheduled to commence in November 2010, will concentrate on delineation drilling of higher-priority mineralized targets identified in phase 1 and focused drilling in the priority prospects to identify higher-grade copper-gold feeder zones.
- The Company is pleased to announce that it has received the Exploration and Mining License for the Svetloye Gold Deposit valid until December 31, 2030. As a precursor to any production decision, Fortress will be required to complete pre-production exploration work and a Russian technical feasibility study.
- Mobilization to the Svetloye Gold Project in the Russian far east was completed in mid-March. A total of 400 tonnes of diesel fuel and 200 tonnes of supplies were shipped via the 310-kilometre winter road.
- The Company was also very pleased to announce that it has received two prestigious awards for excellence in exploration from the Khabarovsk Ministry of Natural Resources in Russia. The awards were presented to the Company in recognition of the discovery and continued successful exploration of the Svetloye gold deposit as well as the Malmyzh Copper-Gold Project.

Looking Forward

- The phase 1 exploration programs at Malmyzh and Limonite were concluded during the quarter, with 6,673 metres drilled in 23 widely-spaced holes at Malmyzh and 797 metres drilled in 4 widely-spaced holes at Limonite. A phase 2 drilling program at Malmyzh is planned to include 4,500 metres of drilling and is aimed at completing our Amur earn-in requirement of 12,000 drill metres. In addition to the planned drilling at Malmyzh, an extensive geophysics program is scheduled to commence in July 2010.
- The 2010 Svetloye exploration program is currently being evaluated.