

FORTIFY RESOURCES INC.

NEWS RELEASE

LETTER OF INTENT WITH PELKBUCK OIL & GAS LTD.

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December 17, 2013 - Vancouver, British Columbia – Fortify Resources Inc. (CNSX: FTY) (“**Fortify**”) is pleased to announce that it has signed a non-binding letter of intent (the “**LOI**”) with Pelkbuck Oil & Gas Ltd., a private British Virgin Islands corporation (“**Pelkbuck**”), which outlines the general terms and conditions pursuant to which Fortify and Pelkbuck are willing to complete a transaction that will result in a reverse take-over of Fortify by the shareholders of Pelkbuck (the “**Transaction**”). The LOI was negotiated at arm’s length and is effective as of December 12, 2013.

The LOI is to be superseded by a definitive merger, amalgamation or share exchange agreement (the “**Definitive Agreement**”) to be signed on or before December 20, 2013 (or such other date as may be mutually agreed in writing by Fortify and Pelkbuck). The Transaction is subject to requisite regulatory approval, including the approval of the Canadian National Stock Exchange (the “**CNSX**”) and standard closing conditions, including the approval of the directors of each of Fortify and Pelkbuck of the Definitive Agreement and completion of due diligence investigations to the satisfaction of each of Fortify and Pelkbuck, as well as the conditions described below. The legal structure for the Transaction will be determined after the parties have considered all applicable tax, securities law, and accounting efficiencies.

Fortify is incorporated under the provisions of the *Business Corporations Act* (British Columbia) with its registered and head office in Vancouver, British Columbia. Fortify is a “reporting issuer” within the meaning of the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Ontario)

Since the Transaction is an arm’s length transaction, Fortify does not anticipate requiring shareholder approval for the Transaction. However, Fortify may hold a special meeting of shareholders to approve certain matters ancillary to the Transaction.

The Proposed Transaction

Fortify proposes to acquire all of the issued and outstanding ordinary shares of Pelkbuck (each, a “**Pelkbuck Share**”) pursuant to the terms of the Definitive Agreement. It is expected that each Pelkbuck shareholder will receive one common share of Fortify (a “**Fortify Share**”) for each Pelkbuck Share held (the “**Exchange Ratio**”) resulting in the Pelkbuck Shareholders holding approximately 89.44% of the common shares of the combined entity (the “**Resulting Issuer**”) and the former Fortify Shareholders holding approximately 10.56% of the common shares of the Resulting Issuer upon completion of the Transaction (immediately prior to giving effect to the Offering (as defined below).

As part of the Transaction, an aggregate of 1,091,826 Fortify Shares, owned by certain directors, officers and shareholders of Fortify will be sold to certain investors to be designating by Pelkbuck at a purchase price of \$0.10 per Fortify Share (the “**Principal Sale**”). In addition, 2,183,651 share purchase warrants, exercisable at \$0.15 per share, and 1,041,667 share purchase warrants, exercisable at \$0.25 per share, shall be made available to investors designated by Pelkbuck, pursuant to the terms of the LOI.

Certain Conditions to Transaction

The completion of the Transaction will be subject to the satisfaction of certain conditions prior to closing, including the following:

- Pelkbuck must complete a financing (the “**Offering**”) for minimum gross proceeds of not less than Cdn\$750,000 or such other greater amount as may be required by the CNSX. It is expected that the Offering will be completed prior to the closing of the Transaction and the securities of Pelkbuck issued pursuant to the Offering will be exchanged into corresponding securities of Fortify in accordance with the Exchange Ratio. The net proceeds of the Offering will be released to the Resulting Issuer upon completion of the Transaction. Further details regarding the Offering will be included in a subsequent press release once additional details become available.
- Pelkbuck will provide assistance and details as to the business, assets, properties and operations of Pelkbuck and will be responsible for any and all audited financial statements related to its business and operations (and pro forma financial statements) as well as the National Instrument 51-101 *Standards of Disclosure for Oil & Gas Activities* (“**NI 51-101**”) compliant technical report with respect to Pelkbuck’s material properties.
- Pelkbuck and Fortify will enter into a Definitive Agreement in respect to the Transaction.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, CNSX approval, will have been obtained.
- Fortify will settle at least \$30,000 of its current liabilities through the issuance of shares at \$0.15 per share.
- Pelkbuck and Fortify acknowledge that Fortify is required to effect the issue of one million Fortify shares and make a payment in the amount of \$25,000 in respect of transaction fees.

About Pelkbuck

Pelkbuck is a corporation existing under the laws of the British Virgin Islands and was incorporated on July 13, 2012. Its registered office is located at ABM Chambers, P.O. Box 2283, Road Town, Tortola, British Virgin Islands.

Pelkbuck has a petroleum exploration license in Botswana and is presently exploring for oil and gas in Botswana. The company has completed a desktop study on the geological formations in the region and a review of the petroleum potential therein will continue in 2014.

About Fortify

Fortify is a precious metals property exploration company, which holds two adjoining mineral tenure claims, known as the Sericite East property (the “Property”), located in the Iskut River District, BC, approximately 90 kilometers north of Stewart, BC. A technical report on the Property has been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

The proposed transaction to acquire 100% of the issued and outstanding shares of Geostar Mining Bulgaria JSC (“Geostar”), announced by Fortify on December 7, 2012, has been terminated, effective immediately, by agreement between Fortify and the principle shareholders of Geostar.

Insiders of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that the board of directors and management of the Resulting Issuer will include the following:

Dr. Luc Antoine, President and Chief Executive Officer, Director

Dr. Antoine is a professional geologist and geophysicist who has worked on the African continent in such countries as Algeria, Libya, Tanzania, Sudan, Mozambique, South Africa, Angola, Congo, Gabon, Mauritania, Senegal, Morocco and Botswana for over 20 years. His expertise is focused on exploration, data security and quality control, data acquisition, and data interpretation. Dr. Antoine is co-founder and technical director of GeX Surveys Pty Ltd, a company specializing in airborne geophysical data acquisition contracting services since 2006. He is also co-founder and technical director of Geoscientific Exploration Services, a company offering geological, geotechnical, remote sensing and geophysical consulting and contracting services since 1999. During his career, Dr. Antoine has been extensively involved in developing exploration programs for leading mining and mineral companies including Anglo American Gold Corporation (1986 to 1987) and Anglo American Gold's base metals operations (1980 to 1986), as well as Falconbridge Exploration (1973 and 1978 to 1979). He also taught exploration methodology at the University of the Witwatersrand from 1987 to 2002. A resident of South Africa, Dr. Antoine is an Associate Member of South African Geophysical Association (President 1993), a member of the Geological Society of South Africa, the European Association of Geoscientists and Engineers, and the Society of Exploration Geophysicists. Dr. Antoine is also a Director of Sono Resources Inc. (OTC:SRCI). Dr. Antoine will devote such time and expertise as is reasonably required by the Resulting Issuer.

John A. Versfelt, Director

Mr. Versfelt is a Director, President and CEO of Credent Capital Corp.; and a Director, Chairman, President and CEO of Cabo Drilling Corp., a Canadian drilling services company. He has been an officer of Cabo Drilling Corp. since April 1992. He is a Director, President and CEO of International Millennium Mining Corp., a mineral exploration company and has been an officer of it since April 1993. He is a Director of Fortify Resources Inc. These companies are British Columbia/Alberta reporting issuers trading on the TSXV or CNSX. Mr. Versfelt was a director of Cabre Capital Corp. May 2010 – June 2011, Avian Capital Inc. October 2006 – December 2009 and Open EC Technologies Inc. November 2002 to February 2010. He is currently the President of American Resource Management Consultants Inc., a private company that has provided management consulting, accounting, administration and paralegal/regulatory services to numerous private and public companies for the past 32 years. Mr. Versfelt will devote such time and expertise as is reasonably required by the Resulting Issuer.

Paul R. Lindsay, Director

Mr. Lindsay has over 33 years mineral exploration and mining experience, focused on management and mine development. He has experience in both underground and surface mining and development of flat and decline mining operations. He is a specialist in mine development and construction and has a long history with Managing Civil & Mechanical Construction on surface and underground, as well as environmental management working towards I.S.O 14001 accreditation. He was the Mining Coach at the Geita Gold Mine operated by Anglo Gold Ashanti in Tanzania from 2007 to 2010 and was also the

Mining Manager at their Yatela Gold Mine in Mali during that time. He was the Senior Mining Engineer for De Beers' Venetia Mine in South Africa (1997-2007) and the Mine Overseer at De Beers' Finsch Mine, also located in South Africa (1981 to 1997). A resident of South Africa, Mr. Lindsay is an Associate Member of the South African Institute of Mining & Metallurgy and Fellow Member of the Institute of Quarrying. Mr. Lindsay is also a Director of Sono Resources Inc. (OTC:SRCI). Mr. Lindsay will devote such time and expertise as is reasonably required by the Resulting Issuer.

Mike Prinsloo, Director

Mr. Prinsloo has 35 years of experience in the gold mining industry. He has previously served as the CEO of Banro Corporation and Gold Fields Limited, as well as the Managing Director and CEO of Durban Roodepoort Deep Limited. He is the current CEO of M&M Resources Pty Ltd., a position he has held since 2010. Mr. Prinsloo has completed the Advanced Management Program at Harvard Business School, the Management Development Programme at the University of South Africa, and holds a B.Sc in Mining Engineering from Wits University. A resident of South Africa, Mr. Prinsloo is a member of the Engineering Council of South Africa and the Association of Mine Managers South Africa. Mr. Prinsloo will devote such time and expertise as is reasonably required by the Resulting Issuer.

Calvin Lucyshyn, Chief Financial Officer

Mr. Lucyshyn, a chartered accountant since 1993, has held financial control and reporting positions in the drilling industry for over seventeen years. From 1994-2005 he was the Controller for Westbay Sonship Yacht Builders Ltd., a semi-custom builder of fiberglass motor yachts. From 1998 to 2003 he was the Financial Controller at The Crossing Company Inc, a civil engineering horizontal drilling company operating in Canada and the USA. He is currently the CFO/Controller of Cabo Drilling Corp., a drilling service contractor for the mineral exploration industry, with locations throughout Canada, Central and South America, and Western Europe, a position he has held since 2005 and the CFO for International Millennium Mining Corp, a mineral exploration company, a position he has held since 2007. Mr. Lucyshyn also was the CFO of Cabre Capital Corp. from May 2010 to June, 2011 and the CFO, Corporate Secretary and Director of Credent Capital Corp., since March 2011. Mr. Lucyshyn will devote such time and expertise as is reasonably required by the Resulting Issuer.

Further Information

All information contained in this news release, with respect to Fortify and Pelkbuck, was supplied by the parties respectively, for inclusion herein. Each party and its directors and officers have relied on the other party for any information concerning the other party.

On behalf of the Board,

“John A. Versfelt”

John A. Versfelt

President and Chief Executive Officer

For further information, please contact:

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Completion of the transaction is subject to a number of conditions, including but not limited to, CNSX acceptance. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Transaction; the terms and conditions of the proposed Offering; future exploration and testing; use of funds; and the business and operations of the Resulting Issuer after the proposed transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the results of current exploration and testing. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Fortify and Pelkbuck disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.