

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jim Adams, President of Fortune Graphite, Inc., acting as Chief Financial Officer certify that the financial statements of Fortune Graphite, Inc., and the notes thereto, present fairly, in all material respects, the financial position of the issuer and the results of its operations and cash flows for the year ended August 31, 2006, in conformity with accounting principles generally accepted in the United States, consistently applied. Ronald Haller, CMA was engaged to prepare these financial statements.

FORTUNE GRAPHITE, INC.
(INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A.)
BALANCE SHEET
AUGUST 31, 2006
(Unaudited)

	August 31, 2006	February 28, 2006
ASSETS		
Equipment (Note 3)	\$ 8,262	\$ 8,262
Mining Property	<u>1,500,000</u>	<u>1,500,000</u>
	<u>\$ 1,508,262</u>	<u>\$ 1,508,262</u>
LIABILITIES		
Current		
Accounts payable and accrued charges	\$ 31,484	\$ 29,084
Loans from Related Parties (Note 4)	<u>1,554,688</u>	<u>1,554,188</u>
	<u>1,586,172</u>	<u>1,583,272</u>
SHAREHOLDERS' EQUITY		
Capital Stock – 31,950,978 common shares outstanding	1,695,098	1,695,098
Paid in Capital	1,385,820	1,385,820
Deficit	<u>(3,158,828)</u>	<u>(3,155,928)</u>
	<u>(77,910)</u>	<u>(75,010)</u>
	<u>\$1,508,262</u>	<u>\$1,508,262</u>

See Notes to Financial Statements

FORTUNE GRAPHITE, INC.
(INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A.)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2006
(Unaudited)

	2006	2005
Sales	<u>\$ -</u>	<u>\$ -</u>
Expenses		
Consulting fees	-	36,000
Rent	-	20,000
Professional fees	500	15,000
Telephone and communications	-	3,000
Filing and transfer agent fees	2,400	2,407
Office and general	-	5,000
Sundry	<u>-</u>	<u>1,000</u>
	<u>2,900</u>	<u>82,407</u>
Net Loss	2,900	82,407
Deficit, beginning of period	<u>3,155,928</u>	<u>2,984,908</u>
Deficit, end of period	<u>\$ 3,158,828</u>	<u>\$ 3,067,315</u>

See Notes to Financial Statements

FORTUNE GRAPHITE, INC.

(INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A.)

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2006

(Unaudited)

1. Nature of Operations

The Company is in the business of acquiring and developing mining properties in Canada.

2. Summary of Significant Accounting Policies

a) Equipment and Depreciation

Equipment is stated at cost. Depreciation, based on the estimated useful lives of the assets, is provided using the undernoted annual rates and methods:

Furniture and equipment	20%	Declining balance
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b) Mining Property

The investment in mining property has been recorded at cost.

c) Foreign Currency Translations

Monetary assets and liabilities of the Company arising in foreign currency are translated at exchange rates prevailing at the balance sheet date. All other assets, liabilities, revenues and expenses arising in foreign currencies are translated at the average monthly exchange rates. The resulting gains or losses on foreign exchange are included in the results of operations for the year.

d) Measurement Uncertainty

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure or contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates and assumptions in determining carrying values, include mining properties and deferred exploration expenditures and reclamation accruals.

3. Equipment	August 31, 2006		February 28, 2005	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Deprciation</u>
Furniture and equipment	\$ 21,858	\$ 13,596	\$ 21,858	\$ 13,596
Net carrying amount		\$ 8,262		\$ 8,262

As the equipment was not used during the six month period ended August 31, 2006, no depreciation was recorded.

4. Loans from Related Parties

These loans are non-interest bearing with no specific terms of repayment.