

Fidelity Minerals Corp.: Corporate Update May 2019

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- **Update on Completion and Timetable for Recently Announced Transactions.**
- **Recent Corporate Activity Further Supports Strategic Project Generator Strategy.**

[Fidelity Minerals Corp.](#) (TSX-V: FMN | FSE: S5GM | SSE: MNYC) ("Fidelity Minerals" or "the Company") is pleased to provide the following update.

Porphyritic Copper Project

On April 29, 2019, the Company announced its intention to acquire a 100% interest in the Porphyritic Copper project located in the district of La Libertad, Northern Peru. In order to allow the timely completion of the acquisition, the Company has applied to the TSX-Venture Exchange for approval to grant the Consideration Shares, which constitute the majority of the acquisition costs. The additional cash consideration cost is US\$7,000. Further Milestone Payments of C\$500,000 and C\$250,000 are payable, if within 5 years, a NI 43-101 compliant resource of >500,000T of contained copper is published by Fidelity Minerals (Milestone 1), and/or a transaction exceeding C\$5,000,000 is consummated (Milestone 2), respectively.

The Company is in the process of establishing a subsidiary to hold the 100% interest in the project, as well as any additional interests which will form part of the expanded project. The Company has decided to hold the project interests in a dedicated project entity, in order to facilitate the orderly introduction of a joint-venture partner into the project once the project evaluation studies have advanced appropriately. Based on recent regional transaction activity, the Company remains confident a suitable joint-venture partner will be introduced to the project at a substantially higher valuation than that incurred by the Company.

New Project Generation Update

The Company is leveraging its historical geoscience database, as well as recent data acquisition as the basis for identifying earlier stage project opportunities which have similarities with large well-defined copper and gold projects and have synergies with the Company's existing project portfolio. The Company has a distinct advantage in Northern Peru as the company has developed proprietary regional data-sets which enable the systematic origination of proprietary project opportunities which are not immediately obvious to parties less familiar with aspects of the geology of the region. The Company is in the process of assembling a portfolio of these proprietary project opportunities which are proximal to major regional resources, with a particular bias for large copper projects.

Whilst these new project opportunities are at an earlier stage than opportunities the Company is targeting elsewhere, the low-cost entry and relatively large-scale targets provide the Company with an attractive opportunity to build substantial optionality within the growing project portfolio. As these new project opportunities are being generated organically by the company with the assistance of a specialised geoscientific contractor, the Company is acquiring a 100% interest in projects which are free of any earn-in related obligations, providing the Company with the flexibility to farm-out these projects as target definition study milestones are achieved. Based on the extent of Recent Regional Transaction Activity, the Company is confident it will attract partners to these projects in order to fund the more capital-intensive aspects of work-programmes which will enable the Company to retain a valuable interest in a portfolio of highly prospective projects, for minimal cost to Fidelity Minerals.

Polymetallic Project

Further to the news release dated April 29, 2019, the Company has progressed discussions with the vendors and the major project shareholder. The envisaged transaction remains conditional on a range of items, including but not limited to further due-diligence and negotiations. There is therefore no certainty that the

transaction as originally envisaged will complete.

Management Commentary

Director & CEO of Fidelity Minerals, Mr. Ian Graham commented: "We are pleased with progress being made by Fidelity, particularly with respect to moving towards closing the Porphyritic Copper project acquisition, as well as with a portfolio of more generative stage projects. Whilst the generative projects are invariably at an earlier stage of evaluation, these targets are proximal to large mineralized structures and are being developed based on a comprehensive geological dataset to which we are applying recent cutting-edge exploration techniques. We are encouraged by the initial indications of this initiative which are spotlighting similarities between defined resources and some very large regional prospects which are on-trend and hosted in similar geological settings. Although our primary focus remains the appraisal of our flagship Greater Las Huaquillas project, and the recently announced Porphyritic Copper project, we view the assembling of a high-potential, low-cost project pipeline to be a key component of our objective of establishing Fidelity Minerals as a leading Strategic Project Generator in Northern Peru.

Executive Chairman of Fidelity Minerals, Mr. Bahay Ozcakmak added: "Several recent reports by a number of leading commodity market analysts including S&P Global Market Intelligence, continue to highlight the lack of very large copper discoveries during the last decade, despite an estimated US\$25.8 billion investment¹ in copper exploration. In addition to market forecasts -and perhaps more importantly - industry transaction activity is supporting the thesis that increasing copper production to meet increased demand is presenting a sector-wide challenge as the frequency of large-scale copper discoveries diminishes. As a board, we continue to be encouraged by regional transaction activity - on the same day we announced our acquisition of two additional projects (April 29, 2019), we were pleased to read Chakana Copper (TSX-V: PERU), a fellow Peru-focused junior resource company had secured a strategic investment of C\$8,000,000 from [Gold Fields Ltd.](#) (JSE: GFI). In addition to recent transaction activity, the Chakana-Gold Fields transaction is providing a compelling signal that whereas equity markets are failing to value attractive resource opportunities adequately, the mining industry is prepared to make strategic investments in order to acquire project and equity interests in projects generated by the juniors. In the case of the Chakana transaction, Gold Fields has made their investment at a ~35% premium to the prevailing market price, highlighting the deep implicit value in quality projects, particularly in the Andean copper belts which host a large proportion of global copper resources."

About Fidelity Minerals Corp.

[Fidelity Minerals Corp.](#) is assembling a portfolio of high-quality mining assets in Peru through the implementation of our Strategic Project Generator (SPG) model. The project generator model involves the identification and acquisition of appraisal stage opportunities with near-term valuation catalysts, including potential for high-impact M&A. The company is backed by an experienced management team with diverse technical, market, and commercial expertise and is supported by committed and sophisticated investors focused on building long term value.

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1 S&P Global Market Intelligence (SPGMI), Reserve Replacement Report, April 2019.

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