

**RE: CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) FOR THE THREE MONTHS ENDED OCTOBER 31, 2019**

First quarter financial statements for the three months ended October 31, 2019 and 2018 have not been reviewed by the auditors of Fidelity Minerals Corp.

Fidelity Minerals Corp.

“Anthony Balic”

Anthony Balic

Chief Financial Officer



Fidelity Minerals Corp.

Condensed Consolidated Interim Financial Statements
For three months ended October 31, 2019 and 2018
(Unaudited - expressed in Canadian dollars, except where indicated)

Fidelity Minerals Corp.
Condensed Consolidated Interim Statements of Financial Position

(Amounts expressed in Canadian dollars, except where indicated)

	Note	October 31, 2019	July 31, 2019
Assets			
Current assets			
Cash		\$ 185,425	\$ 204,146
Other receivables	5	14,058	15,977
Prepaid expenses	5	130,633	22,434
Sale proceeds receivable	7	1,705,600	-
		2,035,716	242,557
Property plant and equipment	7	-	606,965
Exploration and evaluation properties	8	3,637,308	4,673,317
Total assets		\$ 5,673,024	\$ 5,522,839
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,034,876	\$ 912,494
Loan payable	10	200,981	201,690
Promissory notes and advances	9	120,634	120,634
		1,356,491	1,234,818
Shareholders' equity			
Share capital	11	10,651,633	10,607,706
Reserves	11	4,458,611	4,408,535
Deficit		(10,793,711)	(10,728,220)
Total shareholders' equity		4,316,533	4,288,021
Total liabilities and shareholders' equity		\$ 5,673,024	\$ 5,522,839

Nature of operations and going concern (note 1)

Subsequent event (note 17)

Approved by the Board of Directors

 "Ian Graham"

Director

 "Bahay Ozcakmak"

Director

The accompanying notes are an integral part of these consolidated financial statements.

Fidelity Minerals Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Amounts expressed in Canadian dollars, except where indicated)

	Note	Three months Ended October 31,	
		2019	2018
General and administration expenses			
Administrative fees		\$ (23,687)	\$ (63,757)
Amortization		-	(26,362)
Gain on sale of Cerro Dorado	7	165,210	-
Consulting fee		(136,162)	(99,179)
Foreign exchange		(285)	(36,261)
Investor communications		(52,000)	(3,000)
Legal and professional fee		(20,837)	(10,355)
		(67,761)	(238,914)
Other expense			
Finance cost – interest expense	9,10	(1,670)	(7,865)
Other income		-	12,935
Gain on settlement of accounts payable		3,940	-
Loss for the year		\$ (65,491)	\$ (233,844)
Other comprehensive (loss) income (“OCI”)			
Cumulative translation adjustment		13,768	(32,467)
Cumulative translation adjustment recognized on sale	7	27,500	-
Loss and comprehensive loss for the year		\$ (24,223)	\$ (266,311)
Loss per share			
Basic and diluted		\$ (0.00)	\$ (0.01)
Weighted average shares outstanding			
Basic and diluted		131,359,430	62,113,521

Fidelity Minerals Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Amounts expressed in Canadian dollars, except where indicated)

	Notes	Shares (note 11,17)	Share capital	Contingent Shares	Foreign currency Translation reserves	Reserves	Deficit	Total equity
Balance as at July 31, 2019		131,226,222	\$ 10,607,706	\$ 154,000	\$ (41,268)	\$ 4,295,803	\$ (10,728,220)	\$ 4,288,021
Cumulative translation adjustment		-	-	-	13,768	-	-	13,768
Cumulative translation adjustment recognized on sale of Cerro Dorado	7	-	-	-	27,500	-	-	27,500
Share issuance – private placement	11	1,068,000	43,927	-	-	8,808	-	52,735
Net loss for the year		-	-	-	-	-	(65,491)	(65,491)
Balance as at October 31, 2019		132,294,222	\$ 10,651,633	\$ 154,000	\$ -	\$ 4,304,611	\$ (10,793,711)	\$ 4,316,533

	Notes	Shares (note 11,17)	Share capital	Contingent Shares	Foreign currency Translation	Reserves	Deficit	Total equity
Balance as at July 31, 2018		61,132,586	\$ 6,588,827	\$ 154,000	\$ (38,636)	\$ 2,515,599	\$ (8,737,572)	\$ 482,218
Cumulative translation adjustment		-	-	-	(32,467)	-	-	(32,467)
Share issuance - private placements	11	6,942,000	182,845	-	-	140,836	-	323,681
Net loss for the year		-	-	-	-	-	(233,844)	(233,844)
Balance as at October 31, 2018		68,074,586	\$ 6,771,672	\$ 154,000	\$ (71,103)	\$ 2,656,435	\$ (8,971,416)	\$ 539,588

The accompanying notes are an integral part of these consolidated financial statements.

Fidelity Minerals Corp.
Condensed Consolidated Interim Statement of Cash Flows
(Amounts expressed in Canadian dollars, except where indicated)

	Note	For three months ended October 31,	
		2019	2018
Cash used in operating activities			
Net loss for the year		\$ (65,491)	\$ (233,844)
Items not affecting cash			
Amortization		-	26,362
Foreign exchange		(708)	(14,556)
Gain on sale of Cerro Dorado	7	(165,210)	-
Change in non-cash working capital			
Decrease (Increase) in other receivables		1,919	(11,227)
Decrease (Increase) in prepaid expenses		(108,199)	(28,767)
Increase (Decrease) in accounts payable and accrued liabilities		175,116	(11,276)
Net cash used in operating activities		(162,573)	(273,308)
Cash flows from financing activities			
Proceeds from private placements	11	-	325,850
Proceeds of promissory notes and advances	9	-	120,000
Repayment of promissory notes and advances	9	-	(106,535)
Repayment of loan payable	10	-	(24,375)
Proceeds received on sale of Cerro Dorado	7	130,000	-
Net cash provided by financing activities		130,000	314,940
Cash flows used in investing activities			
Purchase of mineral property		(6,658)	-
Net cash used in investing activities		(6,658)	-
Effect of exchange rate changes on cash		20,510	(4,101)
Increase (decrease) in cash		(18,721)	37,531
Cash - beginning of year		204,146	15,765
Cash - end of year		\$ 185,425	\$ 53,296

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018
(Amounts expressed in Canadian dollars, except where indicated)

1 Nature of operations and going concern

Montan Mining Corp. was incorporated under the Business Corporations Act of the Province of Ontario, Canada, on March 7, 2003. The Company continued to British Columbia on June 7, 2018 and changed its name to Fidelity Minerals Corp. ("the Company") on January 24, 2019.

The head office of the Company is located at Suite 1201 – 1166 Alberni St., Vancouver, BC, V6E 3Z3 Canada and the registered office of the Company is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 1H2.

The Company is in the process of exploring its resource properties and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

Subsequent to period end, on December 13, 2019, the Company completed a 5:1 consolidation of the common shares of the Company. Following the consolidation, the number of outstanding common shares of 132,294,222 was reduced to 26,458,844 post-consolidation common shares. The share data in these financial basis are presented on a pre-consolidated basis.

Going concern

At October 31, 2019, the Company had net working capital of \$679,225 (July 31, 2019 – working capital deficit \$992,261) and had not yet achieved profitable operations. In addition, the Company had accumulated losses of \$10,793,711 (July 31, 2019 – \$10,728,220) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work program on its mineral properties, meet its on-going levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. In the past, the Company has been successful in obtaining financing, although there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

2 Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2019.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed consolidated interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended July 31, 2019.

The Board of Directors approved these condensed consolidated interim financial statements on December 30, 2019.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018
(Amounts expressed in Canadian dollars, except where indicated)

3 Estimates, risks and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Significant judgments in applying accounting policies

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

(i) Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values, including those of the cash-generating units, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

(ii) Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploratory drilling and evaluation costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

(iii) Functional currency

The functional currency for each of the Company's subsidiaries, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(iv) Acquisition of Minera LBJ S.A.C.

During fiscal 2019, the Company acquired 100 % of the outstanding shares of Minera LBJ S.A.C., which holds a 44.5% ownership in Rial Minera S.A.C. which holds mineral concessions in Peru (Note 6). Management determined that the purchase represented an acquisition of assets rather than a business combination. The allocation of purchase consideration to each component is based on the relative fair value of the assets acquired.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

(v) Stage of development

The Company has determined that all are properties held should be classified as exploration and evaluation assets. In making this determination, the Company must assess whether or not the properties meet the criteria for technical feasibility and commercial viability to be recognized as development stage assets.

Key sources of Estimation Uncertainty

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could materially differ from these estimates. The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

(i) Depreciation and depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves and a portion of measured and indicated and inferred resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on mineral reserves.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(ii) Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

(iii) Deferred taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

(iv) Decommissioning and restoration provision

The Company assesses its reclamation provisions at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent, cost, and timing of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate, and changes in discount rates. These uncertainties may result in future expenditures differing from the amounts currently provided.

(v) Contingent consideration

For asset acquisitions, contingent share consideration is an estimate of the fair value of the contingent amounts expected to be payable in the future. (Note 6)

4 Financial instruments

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities, loan payable and promissory notes and advances. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

- Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3 Inputs that are not based on observable market data

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and other receivables. The Company's cash is held through large Canadian financial institutions and other receivables are primarily related to tax credits receivable from the government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 15. The accounts payable and loans are due within the current operating period. The Company is exposed to liquidity risk.

Market Risk

The Company's market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is not exposed to significant interest rate risk. A 1% change in market interest rates would result in no significant change in value of cash and other financial instruments.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

Foreign Exchange Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada and Peru. Certain costs and expenses are incurred in US dollars and Peruvian sol. The Company attempts to mitigate currency risk through the preparation of short and long term expenditure budgets in the foreign currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

The Company's financial assets and liabilities as at October 31, 2019 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

	Canadian Dollars	US Dollars	Peruvian Soles	Total
Financial assets				
Cash	\$ 55,425	\$ 130,000	\$ -	\$ 185,425
Other receivables	14,058	-	-	14,058
	69,483	130,000	-	199,483
Financial liabilities				
Accounts payables and accrued liabilities	(638,881)	(237,596)	(158,399)	(1,034,876)
Loan payable	-	(200,981)	-	(200,981)
Promissory notes and advances	(120,634)	-	-	(120,634)
Net financial (liabilities) assets	\$ (690,032)	\$ (308,577)	\$ (158,399)	\$ (1,157,008)

The Company's financial assets and liabilities as at July 31, 2019 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

	Canadian Dollars	US Dollars	Peruvian Soles	Total
Financial assets				
Cash	\$ 203,591	\$ -	\$ 556	\$ 204,146
Other receivables	15,977	-	-	15,977
	219,567	-	556	220,123
Financial liabilities				
Accounts payables and accrued liabilities	(530,375)	(229,272)	(152,847)	(912,494)
Loan payable	-	(201,690)	-	(201,690)
Promissory notes and advances	(120,634)	-	-	(120,634)
Net financial (liabilities) assets	\$ (431,441)	\$ (430,962)	\$ (152,291)	\$ (1,014,694)

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and US dollar to Peruvian Sol exchange rate. As of October 31, 2019, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial liabilities by approximately \$30,858 (July 31, 2019 - \$43,096). A 10% appreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. A 10% appreciation of the Peruvian Sol relative to the CAD dollar would have increased

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

net financial liability by approximately \$15,840 (July 31, 2019 - \$15,229) and a 10% depreciation of the Peruvian Sol would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

5 Receivables and prepaid expenses

	October 31, 2019	July 31, 2019
GST receivable	\$ 14,308	\$ 15,977
Peruvian tax credits	-	-
Other receivables - total	\$ 14,308	\$ 15,977
Prepaid expenses	\$ 130,633	\$ 22,434

6 Mineral property acquisitions

Minera LBJ S.A.C. Acquisition

On February 11, 2019 the Company completed the acquisition of 100% of the outstanding shares of Minera LBJ S.A.C. ("LBJ"), a Peruvian Company. The Company purchased 100% of the shares of LBJ, for consideration of 25,000,000 common shares and 12,500,000 warrants (\$0.08, 5 year term) in addition to finders fees of 1,250,000 common shares and 625,000 warrants (\$0.08, 5 year term). The purchase price allocation is summarized as follows:

25,000,000 common shares of the Company at \$0.085 CAD per share	\$ 2,125,000
12,500,000 share purchase warrants	1,053,134
1,250,000 common shares of the Company at \$0.085 CAD per share, finders' fees	106,250
625,000 share purchase warrants, finders' fees	52,657
Transaction costs	16,859
Total consideration	\$ 3,353,900

Allocated to:

Exploration and evaluation properties	3,353,900
Total consideration	\$ 3,353,900

Porphyritic Copper project

On May 22, 2019, the Company completed the acquisition of a 100% interest in the Porphyritic Copper project located in the district of La Libertad, Northern Peru, by issuing 4,000,000 in common shares, and by making a payment of US\$7,000 in cash. 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.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

The purchase price allocation is summarized as follows:

4,000,000 common shares of the Company at \$0.05 CAD a share	\$	200,000
Milestone 1 – NI 43-101 compliant resource of > 500,000T of contained copper ⁽¹⁾		-
Milestone 2 – Transaction exceeding \$5,000,000 is consummated ⁽²⁾		-
Cash – USD \$7,000		9,136
Transaction costs		3,437
Total consideration	\$	212,573

⁽¹⁾ Management has determined that Milestone 1 of obtaining a NI 43-101 compliant resource of > 500,000T within 5 years is unlikely and therefore allocated a 0% probability.

⁽²⁾ Management has determined that Milestone 2 of consummating a transaction exceeding \$5,000,000 within 5 years is unlikely and therefore allocated a 0% probability.

Allocated to:

Exploration and evaluation properties		212,573
Total consideration	\$	212,573

Cerro El Bronce and Las Brujas Projects

On June 11, 2019, the Company entered into an acquisition agreement for 100% interest in the Cerro El Bronce and Las Brujas projects, located in the provinces of Cajamarca and Ancash, Northern Peru, respectively.

Total consideration for the acquisitions is as follows:

- Cash of USD \$10,000 upon the transfer of title into its Peruvian subsidiary.

- In the event the Company sells the concessions to an unrelated third party in the future, the vendors will receive 10% of the cash profits generated from the sale. The determination of cash profits essentially consists of the sale proceeds minus total expenditures made by the Company on the project up to the time of the sale, including transaction costs and taxes and duties related to the sale transaction.

- In the event the Company makes a decision to mine at the Las Brujas project, the Company will establish a 75:25 unincorporated JV with the vendors, where the majority interest in the JV is owned by the Company. In the event that the Las Brujas project is sold, any right by the Vendors to participate in a JV will expire.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

7 Property, plant and equipment

	Roads/ Tailings Dam	Buildings	Machinery & Equipment	Vehicles	Total
Cost					
Balance as at July 31, 2018	\$ 328,946	\$ 78,337	\$ 334,538	\$ 96,364	\$ 838,185
Movement in foreign exchange	7,892	1,878	7,478	1,456	18,804
Balance at July 31, 2019	\$ 336,838	\$ 80,215	\$ 342,016	\$ 97,820	\$ 856,889
Accumulated Depreciation					
Balance as at July 31, 2018	\$ 31,157	\$ 7,532	\$ 65,262	\$ 32,597	\$ 136,548
Depreciation expense	49,553	11,751	34,064	18,008	113,376
Balance at July 31, 2019	\$ 80,710	\$ 19,283	\$ 99,326	\$ 50,605	\$ 249,924
Carrying Amount					
Balance at July 31, 2019	\$ 256,128	\$ 60,932	\$ 242,690	\$ 47,215	\$ 606,695

	Roads/ Tailings Dam	Buildings	Machinery & Equipment	Vehicles	Total
Cost					
Balance as at July 31, 2019	\$ 336,838	\$ 80,215	\$ 342,016	\$ 97,820	\$ 856,889
Movement in foreign exchange	-	-	-	-	-
Balance at October 1, 2019	\$ 336,838	\$ 80,215	\$ 342,016	\$ 97,820	\$ 856,889
Accumulated Depreciation					
Balance as at July 31, 2019	\$ 80,710	\$ 19,283	\$ 99,326	\$ 50,605	\$ 249,924
Depreciation expense	-	-	-	-	-
Balance at October 1, 2019	\$ 80,710	\$ 19,283	\$ 99,326	\$ 50,605	\$ 249,924
Carrying Amount					
Balance at October 1, 2019	\$ 256,128	\$ 60,932	\$ 242,690	\$ 47,215	\$ 606,965
Disposed of on sale of Cerro Dorado	\$ (256,128)	\$ (60,932)	\$ (242,690)	\$ (47,215)	\$ (606,965)
Balance at October 31, 2019	\$ -	\$ -	\$ -	\$ -	\$ -

- a) On October 1, 2019, the Company entered into a binding agreement with certain private Peruvian interests ("the Purchasers"), to sell Cerro Dorado which includes all the property, plant and equipment to immediately commence the final capital investments required to upgrade and commission the Cerro Dorado CIL plant in Arequipa, Peru. The transaction involves staged payments to the Company and will conclude with the final transfer of the Cerro Dorado SAC subsidiary to the Purchaser, at completion. Cerro Dorado SAC holds title to four mineral concessions, including the Rey Salomon mine and the Cerro Dorado gold plant.

The binding agreement commits the Purchasers to perform certain capital improvements to the plant, including the purchase and installation of a weigh-scale, metallurgical and assay laboratory, tailings liner and other production related improvements, and to make quarterly payments to the Company over a twelve month period. The total Cerro Dorado cash consideration for the sale of Cerro Dorado SAC is US\$1,430,000, with the first payment of US \$100,000 already received by the Company. Certain adjustments, deductions and disbursements will be made from the consideration payments to clear local accounts payable and entitlements, prior to the assumption of operatorship by the Purchaser. As part of the acquisition the Company recorded a gain on sale of \$165,210.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

8 Exploration and evaluation properties

	Rey Salomon	Las Huaquillas	Copper project	Cerro El Bronce and Las Brujas Projects	Total
Balance as at July 31, 2018	\$ 1,010,538	\$ -	\$ -	\$ -	\$ 1,010,538
Acquisition costs	-	3,353,900	212,573	-	3,566,473
Additions	-	64,177	-	-	64,177
Movement in foreign exchange	32,129	-	-	-	32,129
Balance at July 31, 2019	\$ 1,042,667	\$ 3,418,077	\$ 212,573	\$ -	\$ 4,673,317
Additions	-	-	-	6,658	6,658
Movement in foreign exchange	-	-	-	-	-
Disposed on sale of Cerro Dorado	(1,042,667)	-	-	-	-
Balance at October 31, 2019	\$ -	\$ 3,418,077	\$ 212,573	\$ 6,658	\$ 3,637,308

a) Rey Salomon property

Exploration and evaluation properties are comprised of certain concessions located in the district of Arequipa, province of Caravelí, Peru. On September 23, 2019, the Company completed with certain private Peruvian interests ("the Purchasers"), to sell Cerro Dorado which includes the Rey Salomon concessions see note 6.

b) Las Huaquillas

The Las Huaquillas project is a precious and base metal project in northern Peru that is 44.5% held by the Company (Note 6). The concessions are located to the immediate south of the border with Ecuador.

c) Porphyritic Copper project

The Porphyritic Copper Project comprises three contiguous concessions 100% held by the Company (Note 6) located in La Libertad, Northern Peru.

d) Cerro El Bronce and Las Brujas Projects

The Las Brujas project consists of four concessions 100% held by the Company (Note 6) located in the Cajamarca province of Peru.

The Cerro El Bronce project consists of 2 concessions 100% held by the Company (Note 6) located in the Ancash province of Peru.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

9 Promissory notes and advances

	Advances (a)	Promissory Note (b)	Promissory Note (c)	Total
Balance July 31, 2018	\$ 23,985	\$ 91,550	\$ 214,837	\$ 330,372
Additional lending	-	-	256,597	256,597
Settlement in shares	-	-	(359,800)	(359,800)
Repayment	(14,985)	(91,550)	-	(106,535)
Balance July 31, 2019 and October 31, 2019	\$ 9,000	\$ -	\$ 111,634	\$ 120,634

- (a) On July 31, 2017, the Company received advances from various parties in the amount of \$91,800. The advances are unsecured, are non-interest bearing and have no repayment terms. During the year ended July 31, 2018, the Company received \$14,685 of additional advances. \$82,500 of the advances were purchased by Lions Bay which was then settled in the shares for debt transaction completed on July 6, 2018. During the year ended July 31, 2019, \$14,985 was repaid.
- (b) On August 21, 2017, the Company entered into an unsecured promissory note agreement for \$25,000 with a private Canadian company. The loan accrued interest at a rate of 2% per annum. The principal and interest were due in one year. On September 6, 2017 and October 27, 2017 further advances were received for \$50,000 and \$16,550 respectively. These amounts accrue interest at a rate of 2% per annum. The principal and interest were due one year subsequent to advance. During the year ended July 31, 2019, \$nil (July 31, 2018 - \$1,600) was recorded as interest expense. During the year ended July 31, 2019 the Company repaid the full amount of principal and interest.
- (c) On December 5, 2017, the Company entered into an unsecured promissory note with Lions Bay. The loan accrues interest at a rate of 8% per annum. The principal and interest were due on December 5, 2018 and are now payable on demand. During the three months ended October 31, 2019 the advances per the promissory note totaled \$nil (July 31, 2019 - \$256,579). During the three months ended October 31, 2019, \$nil was repaid (July 31, 2019 - \$359,800 made up of \$12,900 in a warrant exercise and \$346,900 in private placements). During the three months ended October 31, 2019 \$1,670 (July 31, 2019 - \$17,841) was recorded as interest expense.

10 Loan payable

As part of the Cerro Dorado acquisition, the Company acquired a secured loan payable to M&F Minera Ofir S.A.C. ("OFIR"). The total amount owing to OFIR was USD \$453,968 with an effective interest rate of 2.6% per annum which will be repaid in 24 equal monthly installments of USD \$18,915 commencing January 25, 2017 and ending December 25, 2018. During the three months ended October 31, 2019, \$nil (July 31, 2019- \$2,612) was recorded as interest expense. During the three months ended October 31, 2019, the Company repaid \$nil (July 31, 2019 - \$157,248). During the year ended July 31, 2019 the Company restructured the loan to transfer the liability and security to Lions Bay Capital Inc ("Lions Bay"), a company with common directors and officers.

	October 31, 2019	July 31, 2019
Opening balance, beginning of year	\$ 201,690	\$ 366,774
Repayment	-	(157,248)
Interest expense	-	2,612
Interest paid	-	(15,900)
Foreign exchange	(709)	5,452
Closing balance, end of period	\$ 200,981	\$ 201,690

On October 31, 2019, the Company completed with certain private Peruvian interests ("the Purchasers"), to sell Cerro Dorado and repay this amount as part of the sale. (See note 7)

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

11 Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Subsequent to period end, on December 13, 2019, the Company completed a 5:1 consolidation of the common shares of the Company. Following the consolidation, the number of outstanding common shares of 132,294,222 was reduced to 26,458,844 post-consolidation common shares. The share data in these financial basis are presented on a pre-consolidated basis.

In addition to the above, as at October 31, 2019 the Company had 500,000 (July 31, 2019 – 500,000) common shares held in escrow as part of the Cerro Dorado acquisition. In total 3,333,333 shares were to be issued and 333,333 were released from escrow on closing on January 17, 2017, and 500,000 common shares will be released on every six (6) month anniversary of closing until all common shares are released by the end of 3 years.

Fiscal 2020

- a) On September 4, 2019, Company issued 1,068,000 units at \$0.05 per unit for a reduction of \$53,400 in accounts payable. Each unit consists of one common share and one half transferable share purchase warrant with each warrant exercisable into one additional share at \$0.06 per share for one (1) year following the closing date.

Fiscal 2019

- a) On October 18, 2018, the Company issued 6,517,000 units at \$0.05 per unit for gross proceeds of \$325,850. Each unit consists of one common share and one transferable share purchase warrant with each warrant exercisable into one additional share at \$0.06 per share for one (1) year following the closing date. The fair value of the warrants issued was calculated as \$0.03 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.30% risk free interest rate, expected life of 1 year, 166% annualized volatility and 0% dividend rate. The value of the share was determined to be \$0.07. The share purchase warrant's relative fair value of \$117,140 was allocated to the warrant and recorded in reserves.

In connection with the first tranche, the Company issued finders' fees of 425,000 units having the same terms described above and 425,000 broker warrants with each broker warrant exercisable into one additional share at \$0.06 per share for two (2) years following the closing date. The fair value of the warrants associated with the units issued was calculated as \$0.04 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.30% risk free interest rate, expected life of 1 year, 166% annualized volatility and 0% dividend rate. The share purchase warrant's fair value of \$7,639 was recorded as transaction costs within share capital. The fair value of the broker warrants issued was calculated as \$0.04 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.31% risk free interest rate, expected life of 2 years, 170% annualized volatility and 0% dividend rate. The share purchase warrant's fair value of \$16,057 was recorded as transaction costs within share capital.

- b) On December 4, 2018, Company issued 80,000 units at \$0.05 per unit for gross proceeds of \$4,000. Each unit consists of one common share and one transferable share purchase warrant with each warrant exercisable into one additional share at \$0.06 per share for one (1) year following the closing date. The fair value of the warrants issued was calculated as \$0.03 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.31% risk free interest rate, expected life of 1 year, 171% annualized volatility and 0% dividend rate. The value of the share was determined to be \$0.07. The share purchase warrant's relative fair value of \$1,459 was allocated to the warrant and recorded in reserves.
- c) On February 6, 2019, the Company closed the first tranche of a private placement and issued 6,800,000 units at a price of \$0.05 per unit, for total gross proceeds of \$240,000 and a reduction in promissory notes payable of \$100,000. Each unit consists of one common share and a whole warrant, with each whole warrant exercisable into one additional common share at \$0.06 per share for one (1) year after the closing date. The fair value of the warrants issued was calculated as \$0.04 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.84% risk free interest rate, expected life of 1 year, 148% annualized volatility and 0% dividend rate. The share purchase warrant's relative fair value of \$160,346 was recorded as transaction costs within share capital.
- d) On February 11, 2019, the Company closed the transaction to acquire the core Las Huaquillas Project for consideration of 25,000,000 common shares and 12,500,000 warrants (\$0.08, 5 year term) in addition to finders fees of 1,250,000 common shares and 625,000 warrants (\$0.08, 5 year term). The fair value of the 13,125,000 warrants issued was calculated as \$0.08 per warrant and

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.79% risk free interest rate, expected life of 5 year, 232% annualized volatility and 0% dividend rate. The share purchase warrant's fair value of \$1,105,792 was recorded as acquisition costs (note 7).

- e) On February 22, 2019, the Company closed the second and final tranche of the non-brokered private placement. The private placement was oversubscribed, and for the second tranche the Company issued 8,927,800 units at \$0.05 per unit for gross proceeds of \$346,390 and a reduction of \$100,000 in promissory notes payable. Each unit consists of one common share and one transferable share purchase warrant with each warrant exercisable into one additional Share at \$0.06 per share for one (1) year following the closing date. The fair value of the warrants issued was calculated as \$0.03 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.78% risk free interest rate, expected life of 1 year, 150% annualized volatility and 0% dividend rate. The share purchase warrant's relative fair value of \$150,389 was recorded as transaction costs within share capital.

In connection with the private placement, the Company paid a total of \$38,270 in finders' fees and issued 540,000 broker warrants with each broker warrant exercisable into one additional share at \$0.06 per share for one (1) year following the closing date. The broker warrants had the same weighted average assumptions as the unit warrants above. A value of \$13,718 was allocated to reserves.

- f) On May 22, 2019, the Company completed the acquisition of a 100% interest in the Porphyritic Copper project located in the district of La Libertad, Northern Peru, by issuing 4,000,000 common shares (Note 7).
- g) On July 12, 2019, the Company closed the first tranche of a non-brokered private placement and issued 11,010,000 units at a price of \$0.05 per unit, for total gross proceeds of \$253,000 and a reduction in accounts payable of \$127,500 and \$170,000 reduction in promissory notes. Each unit consists of one common share and one half transferable share purchase warrant with each full warrant exercisable into one additional share at \$0.06 per share for one (1) year following the closing date. The fair value of the 5,505,000 warrants issued was calculated as \$0.03 per warrant and was determined using the relative fair value method on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.58% risk free interest rate, expected life of 1 year, 143% annualized volatility and 0% dividend rate. The share purchase warrant's relative fair value of \$90,174 was recorded as transaction costs within share capital.
- h) During the year ended July 31, 2019, 2,750,000 options were exercised for a reduction in accounts payable of \$148,700.
- i) During the year ended July 31, 2019, 2,000,000 warrants were exercised for a reduction in promissory notes payable of \$12,900 and 107,100 in accounts payable.
- j) During the year ended July 31, 2019, 1,333,836 shares were issued to settled \$66,692 in accounts payable.

The following is a summary of the share purchase warrants outstanding as at October 31, 2019 and July 31, 2019:

	October 31, 2019		July 31, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of year	49,215,246	\$ 0.10	23,146,935	\$ 0.16
Issued	534,000	0.06	42,344,800	0.06
Expired	(6,942,000)	0.06	(14,276,489)	0.13
Exercised	-	-	(2,000,000)	0.06
Outstanding – as at end of the period	42,807,246	\$ 0.11	49,215,246	\$ 0.10

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

Number of warrants	Exercise price per warrant	Expiry date
2,723,328	\$0.30	October 27, 2021
3,113,785	\$0.30	December 15, 2021
1,033,333	\$0.30	January 13, 2022
425,000	\$0.06	October 18, 2020
80,000	\$0.06	December 4, 2020
6,800,000	\$0.06	February 4, 2020
13,125,000	\$0.08	February 8, 2024
9,467,800	\$0.06	February 22, 2020
5,505,000	\$0.06	July 11, 2020
534,000	\$0.06	September 4, 2020
42,807,246		

As at October 31, 2019, the weighted average exercise price of the warrants outstanding was \$0.10 (July 31, 2019 - \$0.10) with a weighted average remaining contractual life of 1.87 years (July 31, 2019 – 1.86 years).

12 Share based compensation

The Company adopted a stock option plan (the “Stock Option Plan”) under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

During the year ended October 31, 2019, the Company granted an aggregate of nil (2018 – nil) incentive stock options to certain directors, officers and consultants of the Company pursuant to the Company’s previously approved Stock Option Plan.

The following is a summary of the stock options outstanding as at October 31, 2019 and July 31, 2019:

	October 31, 2019		July 31, 2019	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding - beginning of year	8,719,930	\$ 0.09	6,113,260	\$ 0.09
Granted	-	-	5,690,000	0.06
Exercised	-	-	(2,750,000)	0.06
Cancelled or expired	-	-	(333,330)	0.30
Outstanding - end of year	8,719,930	\$ 0.09	8,719,930	\$ 0.09

Number of stock option outstanding and vested	Exercise price per stock option	Expiry date
74,998	\$0.30	March 7, 2020
499,997	\$0.30	August 2, 2021
50,000	\$0.21	January 17, 2022
5,154,935	\$0.08	July 9, 2023
2,880,000	\$0.06	February 28, 2028
60,000	\$0.06	April 17, 2020
8,719,930	\$0.09	

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

As at October 31, 2019, the weighted average exercise price of the stock options outstanding was \$0.09 (July 31, 2019 - \$0.09) with the weighted average remaining contractual life of 3.7 years (July 31, 2019 – 4.0 years). The average fair value of options issued during the three months ended October 31, 2019 was \$nil (2018 - \$nil).

13 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors or companies with common directors of the Company.

The remuneration of the Company's directors and other key management personnel during the three months ended October 31, 2019 and October 31, 2018 are as follows:

	October 31, 2019	October 31, 2018
Consulting fees	\$ 91,494	\$ 40,500
Professional fees	7,500	7,500
Share-based payments	-	-

As at October 31, 2019 the Company had amounts payable of \$208,208 (July 31, 2019 - \$61,729) to these parties. These amounts are unsecured and non-interest bearing.

On December 5, 2017, the Company entered into an unsecured promissory note with Lions Bay. The loan accrues interest at a rate of 8% per annum. The principal and interest were due on December 5, 2018 and are now payable on demand. During the three months ended October 31, 2019 the advances per the promissory note totaled \$nil (July 31, 2019 - \$256,579). During the three months ended October 31, 2019, \$nil was repaid (July 31, 2019 - \$359,800 made up of \$12,900 in a warrant exercise and \$346,900 in private placements). During the three months ended October 31, 2019 \$1,670 (July 31, 2019 - \$17,841) was recorded as interest expense.

14 Segment disclosures

The Company operates in two geographical and two operating segments. The operating segments are managed separately based on the nature of operations. Exploration and development is primarily the Cerro Dorado project and the recently acquired exploration projects in Peru. Other selected financial information by geographical segment is as follows

The Company operates in two operating segments in two countries, with corporate in Canada and exploration in Peru. The Company's assets by country are:

	As at October 31, 2019			As at July 31, 2019		
	Canada	Peru	Total	Canada	Peru	Total
Assets						
Property, plant and equipment	\$ -	\$ -	\$ -	\$ -	\$ 606,965	\$ 606,965
Exploration and evaluation properties	\$ -	\$ 3,637,308	\$ 3,637,308	\$ -	\$ 4,673,317	\$ 4,673,317

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2019 and 2018

(Amounts expressed in Canadian dollars, except where indicated)

15 Capital management

The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

16 Commitments

On January 17, 2017, the Company completed the acquisition of Cerro Dorado S.A.C. ("Cerro Dorado"), a Peruvian Company. As part of the acquisition the Company has the following contingent consideration:

1. Issue 666,667 common shares of the Company upon the sale of 1,000 oz gold-contained ore or dore from either the mine or the plant.
2. Issue 666,667 common shares of the Company upon the sale of an additional 2,000 oz of gold-contained ore or dore (3,000 oz total) from either the mine or the plant.

On May 22, 2019, the Company completed the acquisition of a 100% interest in the Porphyritic Copper project located in the district of La Libertad, Northern Peru, by issuing 4,000,000 in common shares, and by making a payment of US\$7,000 in cash. 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. Management has determined that Milestone 1 and 2 are unlikely and therefore allocated a 0% probability of achieving them.

17 Subsequent events

a) Share consolidation

On December 13, 2019, the Company completed a 5:1 consolidation of the common shares of the Company. Following the consolidation, the number of outstanding common shares of 132,294,222 was reduced to 26,458,844 post-consolidation common shares.

b) Private Placement

On December 20, 2019, the Company closed a non-brokered private placement (the "Private Placement"). The Private Placement was oversubscribed, and the Company issued 5,000,000 units (each, a "Unit") at \$0.05 per Unit for gross proceeds of \$250,000. Each Unit consists of one common share (each, a "Share") and one transferable share purchase warrant (each, a "Warrant") with each Warrant exercisable into one additional Share at \$0.06 per Share for two (2) years following the closing date.