

**RE: CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) FOR THE THREE MONTHS ENDED OCTOBER 31, 2022**

First quarter financial statements for the three months ended October 31, 2022 and 2021 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 the three months ended October 31, 2022 and 2021
(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, 2022 | July 31, 2022 |
|--|------|------------------|---------------|
| Assets | | | |
| Current assets | | | |
| Cash | | \$ 73,751 | \$ 272,697 |
| Other receivables | | 9,225 | 12,934 |
| Prepaid expenses | | 855 | 13,369 |
| | | 83,831 | 299,000 |
| Exploration and evaluation properties | 6 | 6,270,337 | 6,119,196 |
| Advances on exploration expenses | 6 | 14,797 | 14,797 |
| Total assets | | \$ 6,368,965 | \$ 6,432,993 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 343,079 | \$ 345,795 |
| | | 343,079 | 345,795 |
| Shareholders' equity | | | |
| Share capital | 8 | 13,904,006 | 13,817,731 |
| Reserves and contingent shares | 8 | 6,035,300 | 6,063,405 |
| Cumulative translation adjustment | | (13,871) | (13,871) |
| Deficit | | (13,899,549) | (13,780,067) |
| Total shareholders' equity | | 6,025,886 | 6,087,198 |
| Total liabilities and shareholders' equity | | \$ 6,368,965 | \$ 6,432,993 |

Nature of operations and going concern (note 1)

Approved by the Board of Directors

 "Ian Graham"

Director

 "Dean Pekeski"

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, | |
|--|------|-----------------------------------|------------------|
| | | 2022 | 2021 |
| General and administration expenses | | | |
| Administrative fees | | \$ (8,467) | \$ (6,393) |
| Consulting fee | | (102,675) | (109,385) |
| Foreign exchange | | (158) | 48,535 |
| Investor communications | | (5,000) | (72,058) |
| Legal and professional fee | | (3,182) | (14,521) |
| Loss for the period | | (119,482) | (153,822) |
| Loss per share | | | |
| Basic and diluted | | \$ (0.00) | \$ (0.00) |
| Weighted average shares outstanding | | | |
| Basic and diluted | | 85,704,884 | 61,703,671 |

Fidelity Minerals Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Amounts expressed in Canadian dollars, except where indicated)

| | Notes | Shares | Share capital | Contingent Shares | Foreign currency Translation reserves | Reserves | Deficit | Total equity |
|---------------------------------------|-------|------------|---------------|-------------------|---------------------------------------|--------------|-----------------|--------------|
| Balance as at July 31, 2022 | | 84,964,217 | \$ 13,817,731 | \$ 154,000 | \$ (13,871) | \$ 5,909,405 | \$ (13,780,067) | \$ 6,087,198 |
| Warrants exercised | 8 | 830,992 | 79,813 | - | - | (21,643) | - | 58,170 |
| Net loss for the year | | - | - | - | - | - | (119,482) | (119,482) |
| Balance as at October 31, 2022 | | 85,795,209 | \$ 13,904,006 | \$ 154,000 | \$ (13,871) | \$ 5,881,300 | \$ (13,899,549) | \$ 6,025,886 |

| | Notes | Shares | Share capital | Contingent Shares | Foreign currency Translation reserves | Reserves | Deficit | Total equity |
|---------------------------------------|-------|------------|---------------|-------------------|---------------------------------------|--------------|-----------------|--------------|
| Balance as at July 31, 2021 | | 61,703,671 | \$ 12,037,107 | \$ 154,000 | \$ - | \$ 5,550,437 | \$ (12,478,429) | \$ 5,263,115 |
| Net loss for the period | | - | - | - | - | - | (153,822) | (153,822) |
| Balance as at October 31, 2021 | | 61,703,671 | \$ 12,037,107 | \$ 154,000 | \$ - | \$ 5,550,437 | \$ (12,632,251) | \$ 5,109,293 |

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, | |
|---|------|---------------------------------------|--------------|
| | | 2022 | 2021 |
| Cash used in operating activities | | | |
| Net loss for the period | | \$ (119,482) | \$ (153,822) |
| Items not affecting cash | | | |
| Foreign exchange | | - | (10,578) |
| Change in non-cash working capital | | | |
| Decrease in other receivables | | 3,710 | 7,994 |
| Decrease (increase) in prepaid expenses | | 12,514 | 51,980 |
| Increase (decrease) in accounts payable and accrued liabilities | | (2,717) | 23,226 |
| Net cash used in operating activities | | (105,975) | (81,200) |
| Cash flows from financing activities | | | |
| Proceeds from exercise of warrants | 8 | 58,170 | - |
| Proceeds received from loan payable | | - | 250,000 |
| Net cash provided by financing activities | | 58,170 | 250,000 |
| Cash flows used in investing activities | | | |
| Purchase of mineral property | 6 | (151,141) | (420,404) |
| Proceeds received on sale of Cerro Dorado | | - | 191,070 |
| Net cash used in investing activities | | (151,141) | (229,334) |
| Increase (decrease) in cash | | (198,946) | (60,534) |
| Cash - beginning of year | | 272,697 | 116,187 |
| Cash - end of period | | \$ 73,751 | \$ 55,653 |

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

1 Nature of operations and going concern

Fidelity Minerals 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.

Going concern

At October 31, 2022, the Company had working capital deficit of \$259,248 and had not yet achieved profitable operations. In addition the Company had accumulated losses of \$13,899,549 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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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, 2022.

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, 2022.

The Board of Directors approved these condensed consolidated interim financial statements on December 19, 2022.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021
(Amounts expressed in Canadian dollars, except where indicated)

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.

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) 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.

(ii) 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.

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:

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

(i) 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.

(ii) 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 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.

(iii) 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.

(iv) 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, Cerro Dorado proceeds receivable, 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

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

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 12. 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.

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, 2022 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

| | Canadian Dollars | US Dollars | Soles | Total |
|---|------------------|-------------|------------|--------------|
| Financial assets | | | | |
| Cash | \$ 70,670 | \$ 137 | \$ 2,944 | \$ 73,751 |
| Other receivables | 9,225 | - | - | 9,225 |
| | 79,895 | 137 | 2,944 | 82,976 |
| Financial liabilities | | | | |
| Accounts payables and accrued liabilities | (239,611) | (99,048) | (4,420) | (343,079) |
| Net financial (liabilities) assets | \$ (159,716) | \$ (98,911) | \$ (1,476) | \$ (260,103) |

The Company's financial assets and liabilities as at July 31, 2022 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

| | Canadian Dollars | US Dollars | Soles | Total |
|---|------------------|-------------|------------|-------------|
| Financial assets | | | | |
| Cash | \$ 262,270 | \$ 7,483 | \$ 2,944 | \$ 272,697 |
| Other receivables | 12,934 | - | - | 12,934 |
| | 275,204 | 7,483 | 2,944 | 285,631 |
| Financial liabilities | | | | |
| Accounts payables and accrued liabilities | (254,168) | (87,207) | (4,420) | (345,795) |
| Net financial (liabilities) assets | \$ 21,036 | \$ (79,724) | \$ (1,476) | \$ (60,164) |

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 July 31, 2022, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial liabilities by approximately \$9,891 (July 31, 2022 - \$7,972). 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 net financial liability by approximately \$147 (July 31, 2021 - \$147) 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 Sale of Cerro Dorado

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 and Rey Salomon concessions 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.

On October 13, 2020, the Company revised payment terms. As a result of COVID-19 related regulatory delays and disruptions the Company worked with the Purchaser to negotiate amended payment terms for the remaining US\$930,000. On October 9, 2020, the Company executed an addendum to the original sale purchase agreement. On April 22, 2021, the payment schedule was further amended.

The revised payment terms for the outstanding balance, is outlined below:

- US\$100,000 on October 10, 2020 (received)
- US\$100,000 on November 25, 2020 (received)
- US\$100,000 on January 25, 2021 (received)
- US\$100,000 on April 23, 2021(received)
- US\$100,000 on May 28, 2021(received)
- US\$100,000 on June 25, 2021 (received)
- US\$330,000 on July 24, 2021 (see below)
- **US\$930,000 TOTAL**

During the year ended July 31, 2021, the Company further amended the payment terms of the final US\$330,000 payment. During the year ended July 31, 2022 the final amount owed of \$411,044 (USD \$330,000) was received and the sale was finalized.

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

6 Exploration and evaluation properties

| | Las Huaquillas | Porphyritic Copper project | Cerro El Bronce and Las Brujas Projects | Total |
|------------------------------------|----------------|----------------------------|---|--------------|
| Balance at July 31, 2021 | \$ 4,100,454 | \$ 229,275 | \$ 536,541 | \$ 4,866,270 |
| Sampling and assays | 62,835 | - | 4,721 | 67,556 |
| Concession acquisition | 250,350 | - | - | 250,350 |
| Community, camp and supplies | 397,597 | - | 11,803 | 409,400 |
| Geological and engineering | 348,676 | - | 4,249 | 352,925 |
| License, dues and fees | 169,862 | - | 2,833 | 172,695 |
| Balance at July 31, 2022 | \$ 5,329,774 | \$ 229,275 | \$ 560,147 | \$ 6,119,196 |
| Sampling and assays | 7,725 | - | - | 7,725 |
| Concession acquisition | 30,780 | - | - | 30,780 |
| Community, camp and supplies | 48,883 | - | - | 48,883 |
| Geological and engineering | 42,869 | - | - | 42,869 |
| License, dues and fees | 20,884 | - | - | 20,884 |
| Balance at October 31, 2022 | \$ 5,480,915 | \$ 229,275 | \$ 560,147 | \$ 6,270,337 |

As at October 31, 2022, the Company has \$14,797 in advances on exploration expenses related to money advanced Rial Minera SAC which has not yet been spent on the Las Huaquillas project.

a) Las Huaquillas

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

On July 8, 2021, the Company's Peruvian subsidiary Minera LBJ SAC signed a binding agreement with Alexander Ernesto Vidaurre Otayza and Lida Avelina Pimentel Jibaja, who own the other 55.5% of the Las Huaquillas project, to acquire an additional 5.5% of Rial Minera SAC ("Rial"). Upon closing of the transaction, the Company will hold a 50% interest in Rial (and thereby the Las Huaquillas project).

Per the terms of the agreement, the Company can acquire an additional 5.5% ownership of the Project by completing the following;

- Total cash consideration of USD \$500,000 payable in two instalments. The first instalment of USD \$300,000 to be paid upon signing the agreement. (Paid). An additional USD \$200,000 to be paid three months after signing (Paid).
- The Company will fund up to USD \$3,000,000 in underground sampling and exploration drilling to underwrite the publication of a new NI 43-101 technical report aimed at declaring inferred resources and to be completed within 18 months following receipt of drilling permit approvals.

b) Porphyritic Copper project

The Porphyritic Copper Project comprises three contiguous concessions 100% held by the Company located in La Libertad, Northern Peru. Further Milestone Payments of \$500,000 and \$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 \$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, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

c) Cerro El Bronce and Las Brujas Projects

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

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

- 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.

7 Promissory notes and advances

| | Promissory Note |
|---|-----------------|
| Balance July 31, 2021 | \$ - |
| Additional lending | 250,000 |
| Repayment | (250,000) |
| Balance July 31, 2022 and October 31, 2022 | \$ - |

- (a) On December 5, 2017, the Company entered into an unsecured promissory note with Lions Bay Capital Inc. (“Lions Bay”). The loan accrued interest at a rate of 6% per annum. The principal and interest were due on December 5, 2018 and subsequently became payable on demand. During the period ended October 31, 2022 the advances per the promissory note totaled \$nil (July 31, 2022 - \$250,000). During the period ended October 31, 2022, \$nil was repaid (July 31, 2022 - \$250,000), and \$nil was settled in shares (July 31, 2022 - \$nil). During the period ended October 31, 2022 \$nil (July 31, 2022 - \$nil) was recorded as interest expense.

8 Share capital

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

Fiscal 2023

- a) During the period ended October 31, 2022, the Company issued 830,992 common shares as a result of warrants exercises for gross proceeds of \$58,170.

Fiscal 2022

There was no movement in share capital for the period end October 31, 2021

Fidelity Minerals Corp.
Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021
(Amounts expressed in Canadian dollars, except where indicated)

The following is a summary of the share purchase warrants outstanding as at October 31, 2022 and July 31, 2022:

| | October 31, 2022 | | July 31, 2022 | |
|-------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding - beginning of year | 29,717,895 | \$ 0.14 | 33,752,530 | \$ 0.17 |
| Issued | - | - | 9,925,000 | 0.11 |
| Expired | (6,231,583) | 0.07 | (1,374,089) | 1.50 |
| Exercised | (830,992) | 0.07 | (12,585,546) | 0.05 |
| Outstanding – as at end of the year | 22,665,320 | \$ 0.16 | 29,717,895 | \$ 0.14 |

| Number of warrants | Exercise price per warrant | Expiry date |
|--------------------|----------------------------|------------------|
| 2,625,000 | \$0.40 | February 8, 2024 |
| 10,105,320 | \$0.15 | April 16, 2023 |
| 9,925,000 | \$0.11 | April 12, 2023 |
| 22,665,320 | | |

As at October 31, 2022, the weighted average exercise price of the warrants outstanding was \$0.16 (July 31, 2022 - \$0.14) with a weighted average remaining contractual life of 0.35 years (July 31, 2022 – 0.38 years).

9 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.

On March 10, 2022, the Company granted an aggregate of 4,225,000 incentive stock options to certain directors, officers and consultants at an exercise price of \$0.11 per share for a period of 5 years. The fair value of \$390,037 for these stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of 5 years, volatility of 159%, annual rate of dividends of 0.00% and risk free rate of 1.70%.

On March 28, 2022, the Company granted an aggregate of 250,000 incentive stock options to a consultants at an exercise price of \$0.11 per share for a period of 5 years. The fair value of \$23,128 for these stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of 5 years, volatility of 159%, annual rate of dividends of 0.00% and risk free rate of 2.46%.

The following is a summary of the stock options outstanding as at October 31, 2022 and July 31, 2022:

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Notes to Condensed Consolidated Interim Financial Statements

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(Amounts expressed in Canadian dollars, except where indicated)

| | October 31, 2022 | | July 31, 2022 | |
|---------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| Outstanding - beginning of year | 8,550,000 | \$ 0.10 | 4,934,999 | \$ 0.12 |
| Granted | - | - | 4,475,000 | 0.11 |
| Exercised | - | - | (750,000) | 0.075 |
| Cancelled or expired | - | - | (109,999) | 1.50 |
| Outstanding - end of year | 8,550,000 | \$ 0.10 | 8,550,000 | \$ 0.10 |

| Number of stock options outstanding and vested | Exercise price per stock option | Expiry date |
|--|---------------------------------|------------------|
| 1,275,000 | \$0.075 | January 24, 2025 |
| 1,650,000 | \$0.075 | July 6, 2025 |
| 900,000 | \$0.105 | August 12, 2025 |
| 250,000 | \$0.15 | March 9, 2026 |
| 4,225,000 | \$0.11 | March 10, 2027 |
| 250,000 | \$0.11 | March 28, 2027 |
| 8,550,000 | \$0.10 | |

As at October 31, 2022, the weighted average exercise price of the stock options outstanding was \$0.10 (July 31, 2022 - \$0.10) with the weighted average remaining contractual life of 3.52 years (July 31, 2022 - 3.78 years).

10 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 years ended October 31, 2022 and 2021 are as follows:

| | October 31, 2022 | October 31, 2021 |
|-----------------|------------------|------------------|
| Consulting fees | \$ 83,700 | \$ 81,300 |

As at October 31, 2022 the Company had amounts payable of \$123,389 (July 31, 2022 - \$118,434) 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 Capital Inc. ("Lions Bay"). The loan accrued interest at a rate of 6% per annum. The principal and interest were due on December 5, 2018 and subsequently became payable on demand. During the period ended October 31, 2022 the advances per the promissory note totaled \$nil (July 31, 2022 - \$250,000). During the period ended October 31, 2022, \$nil was repaid (July 31, 2022 - \$250,000), and \$nil was settled in shares (July 31, 2022 - \$nil). During the period ended October 31, 2022 \$nil (July 31, 2022 - \$nil) was recorded as interest expense.

11 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 relates to the recently acquired exploration projects in Peru. Other selected financial information by geographical segment is as follows

Fidelity Minerals Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2022 and 2021

(Amounts expressed in Canadian dollars, except where indicated)

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, 2022 | | | As at July 31, 2022 | | |
|---------------------------------------|------------------------|--------------|--------------|---------------------|--------------|--------------|
| | Canada | Peru | Total | Canada | Peru | Total |
| Assets | | | | | | |
| Exploration and evaluation properties | \$ - | \$ 6,270,337 | \$ 6,270,337 | \$ - | \$ 6,119,196 | \$ 6,119,196 |

12 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.

13 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 133,333 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 133,333 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.

The Company has completed the sale of Cerro Dorado, although as per the agreement retains the obligation to issue the contingent shares upon the above criteria.

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 800,000 in common shares, and by making a payment of US\$7,000 in cash. Further Milestone Payments of \$500,000 and \$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 \$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.