



Fidelity Minerals Corp.

Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(expressed in Canadian dollars, except where indicated)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fidelity Minerals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Fidelity Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at July 31, 2025 the Company had a working capital deficit of \$1,198,092, had not yet achieved profitable operations, and has accumulated losses of \$16,979,409 since inception. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets").

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$6,734,252 as of July 31, 2025. As more fully described in Notes 3 and 4 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Obtaining, on a test basis through government websites and legal counsel, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

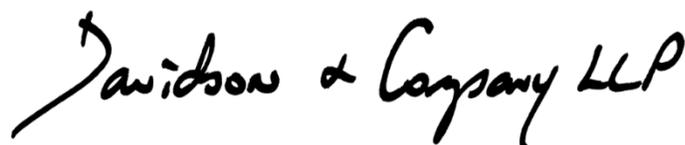
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zachary Faure.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

November 28, 2025

Fidelity Minerals Corp.
Consolidated Statements of Financial Position
(Amounts expressed in Canadian dollars, except where indicated)

	Note	July 31, 2025	July 31, 2024
Assets			
Current assets			
Cash		\$ 2,106	\$ 120,177
Other receivables		5,705	2,550
Prepaid expenses		8,668	12,000
		16,479	134,727
Exploration and evaluation properties	6	6,734,252	6,642,318
Total assets		\$ 6,750,731	\$ 6,777,045
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	\$ 497,309	\$ 795,321
Advances from related party	7	717,262	315,302
		1,214,571	1,110,623
Promissory notes	8	575,236	-
		1,789,807	-
Shareholders' equity			
Share capital	9	15,261,317	15,207,722
Reserves and contingent shares	9,10	6,521,412	6,476,307
Cumulative translation adjustment		78,986	74,278
Deficit		(16,979,409)	(16,196,885)
Total shareholders' equity attributable to owners of the Company		4,882,306	5,561,422
Non-controlling interest	6	78,618	105,000
Total shareholders' equity		4,960,924	5,666,422
Total liabilities and shareholders' equity		\$ 6,750,731	\$ 6,777,045

Nature of operations and going concern (note 1)
Commitments (note 14)
Subsequent events (note 17)

Approved by the Board of Directors

"Ian Graham"

Director

"Dean Pekeski"

Director

Approved on November 28, 2025

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

Fidelity Minerals Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Amounts expressed in Canadian dollars, except where indicated)

	Note	Years Ended July 31,	
		2025	2024
General and administration expenses			
Administrative fees		\$ (75,382)	\$ (61,596)
Consulting fees	11	(515,754)	(288,665)
Foreign exchange		805	962
Investor communications		-	(6,400)
Legal and professional fees		(68,524)	(59,694)
Share-based compensation	10	-	(176,600)
Travel		-	(14,500)
		(658,855)	(606,493)
Other expense			
Impairment of exploration and evaluation properties	6	(151,392)	-
Gain on shares for debt transaction	9	-	70,189
Other		-	(32,892)
Loss for the year		\$ (810,247)	\$ (569,196)
Other comprehensive income ("OCI")			
Cumulative translation adjustment		6,049	52,102
Loss and comprehensive loss for the year		\$ (804,198)	\$ (517,094)
Loss attributable to:			
Owners of the Company		(782,524)	(569,196)
Non-controlling interest		(27,723)	-
		(810,247)	(596,196)
Other comprehensive income attributable to:			
Owners of the Company		4,708	52,102
Non-controlling interest		1,341	-
		6,049	52,102
Loss per share			
Basic and diluted		\$ (0.04)	\$ (0.03)
Weighted average shares outstanding			
Basic and diluted		21,591,471	21,396,562

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

Fidelity Minerals Corp.

Consolidated 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	Non-controlling Interest	Total equity
Balance as at July 31, 2024		21,396,562	\$ 15,207,722	\$ 154,000	\$ 74,278	\$ 6,322,307	\$ (16,196,885)	\$ 105,000	\$ 5,666,422
Private placement	9	334,000	54,410	-	-	45,790	-	-	100,200
Share issuance costs	9	-	(815)	-	-	(685)	-	-	(1,500)
Cumulative translation adjustment		-	-	-	4,708	-	-	1,341	6,049
Loss for the year		-	-	-	-	-	(782,524)	(27,723)	(810,247)
Balance as at July 31, 2025		21,730,562	\$ 15,261,317	\$ 154,000	\$ 78,986	\$ 6,367,412	\$ (16,979,409)	\$ 78,618	\$ 4,960,924

	Notes	Shares	Share capital	Contingent Shares	Foreign currency Translation reserves	Reserves	Deficit	Non-controlling Interest	Total equity
Balance as at July 31, 2023		17,759,032	\$ 14,212,544	\$ 154,000	\$ 22,176	\$ 6,301,691	\$ (15,627,689)	\$ 105,000	\$ 5,167,722
Options exercised	9	830,000	363,484	-	-	(155,984)	-	-	207,500
Share-based compensation	10	-	-	-	-	176,600	-	-	176,600
Shares for debt transaction	9	2,807,530	631,694	-	-	-	-	-	631,694
Cumulative translation adjustment		-	-	-	52,102	-	-	-	52,102
Loss for the year		-	-	-	-	-	(569,196)	-	(569,196)
Balance as at July 31, 2024		21,396,562	\$ 15,207,722	\$ 154,000	\$ 74,278	\$ 6,322,307	\$ (16,196,885)	\$ 105,000	\$ 5,666,422

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

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

	Note	For Years Ended July 31,	
		2025	2024
Cash used in operating activities			
Loss for the year		\$ (810,247)	\$ (569,196)
Items not affecting cash			
Share-based compensation	10	-	176,600
Impairment of exploration and evaluation properties	6	151,392	-
Gain on shares for debt transaction	9	-	(70,189)
Other		-	32,892
Change in non-cash working capital			
Decrease in other receivables		(3,155)	3,707
Decrease in prepaid expenses		3,332	55
Increase in accounts payable and accrued liabilities		277,224	245,710
Net cash used in operating activities		(381,454)	(180,421)
Cash flows from financing activities			
Proceeds from private placement, net of share issuance costs	9	98,700	-
Proceeds from options exercise	9	-	207,500
Proceeds from advances from related party	7	401,960	394,582
Net cash provided by financing activities		500,660	602,082
Cash flows used in investing activities			
Purchase of exploration and evaluation property	6	(243,326)	(345,113)
Net cash used in investing activities		(243,326)	(345,113)
Increase (decrease) in cash		(124,120)	76,548
Effect of foreign exchange on cash		6,049	42,047
Cash - beginning of year		120,177	1,582
Cash - end of year		\$ 2,106	\$ 120,177

Supplemental cash flow information (note 16)

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

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(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 July 31, 2025, the Company had working capital deficit of \$1,198,092 and had not yet achieved profitable operations. In addition the Company had accumulated losses of \$16,979,409 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.

On June 26, 2025, the Company completed a share consolidation on the basis of one (1) new share for every five (5) previously outstanding shares. All share, per share, stock option, and warrant information has been retrospectively restated in these consolidated financial statements to reflect this share consolidation.

2 Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved this set of financial statements on November 28, 2025.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting with the exception of the consolidated statement of cash flows.

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(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) 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.

(ii) Impairment of exploration and evaluation properties

The carrying value of exploration and evaluation properties 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.

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 Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(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.

4 Summary of Material Accounting Policy Information

Principles of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned Peruvian subsidiaries, Minera Strait Gold Peru S.A.C. ("MSG Peru"), Montan Ventures Corp. ("MCC") and Minera LBJ SAC, Minera Chao S.A.C, Minera Las Brujas S.A.C., Fletcher Resources S.A.C., LBM Resources S.A.C., Cobre Celestial S.A.C., Minera Cobre Celestial S.A.C. and Minera Fletcher S.A.C in addition to its lone Ecuadorian subsidiary Fidelity Minerals Ecuador S.A. These consolidated financial statements also incorporate the financial statements of the Company's 75% ownership of Greensands Australia Pty Ltd. and the Company's 44.5% ownership of Rial Minera SAC. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Exploration and evaluation assets

(i) Pre-license costs:

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs:

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized on a property by property basis until such time as the lease expires, the mineral properties abandoned, sold or considered impaired in value or is transferred to mines under construction as development costs. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

(iii) Mines under construction and development costs:

When technical feasibility and economic viability of projects have been determined and the decision to proceed with development has been approved the asset is first tested for impairment and thereafter, the expenditures related to construction are capitalized as mines under construction and classified as a component of mine properties, plant and equipment. Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues. Commercial production is deemed to have occurred when management determines certain production parameters are met.

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Amounts expressed in Canadian dollars, except where indicated)

In order for production to occur, the Company must first obtain exploitation and other permits on such properties. Such permits are subject to the approval of the local government and government controlled entities. Unless and until such permits are obtained there can be no assurance that such permits will be obtained. As such, permits need to be obtained before costs are reclassified from exploration and evaluation properties to mines under construction.

(iv) Mine properties:

Once a mineral property has been brought into commercial production as intended by management, costs of any additional work on that property are expensed as incurred, except for large development programs, which will be deferred and depleted over the remaining useful life of the related assets. Mine properties include deferred stripping costs and decommissioning and restoration costs related to the reclamation of mine properties. Mine properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in profit or loss.

Costs of producing mine properties are depreciated and depleted on the unit of production (“UOP”) basis using estimated resources. Depreciation or depletion is recorded against the mine property only upon the commencement of commercial production.

Mine properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

Impairment of exploration and evaluation properties

The Company reviews and evaluates the recoverable amount of its exploration and evaluation properties when events or changes in circumstances indicate that the carrying amounts of assets or groups of assets might not be recoverable. For the purposes of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of expected future cash flows of the asset). At the end of each reporting period, non-financial assets are reviewed for impairment to determine if there is any indication that the carrying amount may not be recoverable.

Indicators for an impairment review arise typically when any one of the following circumstances applies:

- (i) substantive expenditure on further exploration and evaluation is not planned
- (ii) title to the asset is compromised
- (iii) the right to explore the property has expired or will expire shortly
- (iv) adverse changes in the regulatory or taxation environment
- (v) adverse changes in commodity prices and markets

The existence of any of the above conditions may signify that an impairment exists in the fair value of properties.

The recoverability of the carrying values of the properties is dependent on the ability of the Company to obtain the necessary financing and permits to continue exploration, the establishment of economically recoverable reserves, future profitable production and/or proceeds from the disposition thereof.

Long-term assets

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company’s policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset.

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Amounts expressed in Canadian dollars, except where indicated)

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units of production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company estimates that the present value of the required restoration, rehabilitation and environmental costs resulting from disturbance to date to be immaterial.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as units. Under the relative fair value method, the Company first determines the fair values of the shares and warrants included in the units, then allocates the unit price based on the relative fair value of the instruments included in the unit. The Company considers the fair value of common shares issued in these types of transactions to be determined by the closing quoted bid price on the issuance date. The fair value of the warrants included is determined using the Black-Scholes option pricing model. Any fair value attributed to the warrants is recorded to reserves.

Flow-through shares

Current Canadian tax legislation permits mining entities to issue flow-through shares to investors. Flow-through shares are securities issued to investors whereby the deductions for tax purposes related to exploration and evaluation expenditures may be claimed by investors instead of the entity. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference, if any, between the current market price of the Company's common shares and the issue price of the flow-through shares. Upon incurring eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a flow-through share premium on the statement of operations and reduces the liability

Foreign currencies

The presentation currency of the Company is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The functional currency of all the Company's Peruvian subsidiaries is the Peruvian Sol and the functional currency of the Company's Australian subsidiary is the Australian Dollar.

The functional currency determinations were made by management based on an analysis of factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Translation of subsidiary results into the presentation currency

The operating results and statements of financial position of the Company's subsidiaries are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of loss and comprehensive loss are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transaction; and
- All resulting exchange differences are recognized directly in OCI and accumulated in the foreign currency translation reserve.

Fidelity Minerals Corp.

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On consolidation, exchange differences arising from the transaction of the net investment in foreign entities are recognized in a separate component of equity, foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to profit or loss on disposal.

Share-based compensation

Share-based compensation arising out of the fair value of options granted under the Company's share option plan is recognized as a share-based payment expense with a corresponding increase in equity. When determinable, share-based payments are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used. The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair-value of the options granted is measured using the Black-Scholes option pricing model. At the end of each financial reporting period the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest.

Comprehensive loss

The Company includes in comprehensive loss certain gains and losses arising from changes in fair value. Comprehensive income would include the following unrealized gains and losses which are potentially relevant to the Company: changes in the currency translation adjustment arising from translating the financial results of foreign operations to the Company's reporting currency, and unrealized gains and losses on available-for-sale investments, if any.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are based on differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income tax recovery or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

Fidelity Minerals Corp.

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Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

Financial Instruments - Recognition and Measurements

(i) Non-derivative financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and other receivables are measured at amortized cost with subsequent impairments recognized in profit or loss.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(ii) Non-derivative financial liabilities

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable and accrued liabilities, promissory notes, and advances from related party, are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in profit or loss.

(iii) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value and subsequently measured at fair value with changes in fair value recognized in profit or loss. Transaction costs are recognized in profit or loss as incurred.

Fidelity Minerals Corp.

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New accounting standards issued but not yet effective

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. The Company is in the process of assessing the impact on the financial statements of the new standard.

5 Financial instruments

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities, advances from related party and promissory notes. 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 financial institutions in Canada and Peru 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 13. The accounts payable and accrued liabilities 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 and foreign exchange rates.

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, Australia 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.

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

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(Amounts expressed in Canadian dollars, except where indicated)

The Company's financial assets and liabilities as at July 31, 2025 are denominated in United States Dollars, Canadian Dollars, and Australian Dollars, and are set out in the following table:

	Canadian Dollars	US Dollars	AUD Dollars	Total
Financial assets				
Cash	\$ 13	\$ 2,093	\$ -	\$ 2,106
Other receivables	5,705	-	-	5,705
	5,718	2,093	-	7,811
Financial liabilities				
Accounts payables and accrued liabilities	(315,466)	(79,992)	(101,851)	(497,309)
Advances from related parties	(717,262)	-	-	(717,262)
Promissory notes	(575,236)	-	-	(575,236)
Net financial (liabilities) assets	\$ (1,602,246)	\$ (77,899)	\$ (101,851)	\$ (1,781,996)

The Company's financial assets and liabilities as at July 31, 2024 are denominated in United States Dollars, Canadian Dollars, and Australian Dollars, and are set out in the following table:

	Canadian Dollars	US Dollars	AUD Dollars	Total
Financial assets				
Cash	\$ 116,061	\$ 4,116	\$ -	\$ 120,177
Other receivables	2,550	-	-	2,550
	118,611	4,116	-	122,727
Financial liabilities				
Accounts payables and accrued liabilities	(634,077)	(82,608)	(78,636)	(795,321)
Advances from related parties	(315,302)	-	-	(315,302)
Net financial (liabilities) assets	\$ (830,768)	\$ (78,492)	\$ (78,636)	\$ (987,896)

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and Canadian dollar to Peruvian Sol and Canadian dollar to Australian dollar exchange rates. As of July 31, 2025, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial liabilities by approximately \$7,790 (July 31, 2024 - \$7,849). 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 Australian dollar relative to the Canadian dollar would have increased net financial liability by approximately \$10,185 (July 31, 2024 - \$7,864) and a 10% depreciation of the Australian dollar 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.

Fidelity Minerals Corp.
Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Amounts expressed in Canadian dollars, except where indicated)

6 Exploration and evaluation properties

	Las Huaquillas	Sunsets	Greensands	Total
Balance at July 31, 2023	\$ 5,880,531	\$ -	\$ 424,553	\$ 6,305,084
Community, camp and supplies	239,092	-	-	239,092
License, dues and fees	11,642	-	94,135	105,777
Recoveries	(17,689)	-	-	(17,689)
Impacts of foreign exchange	10,054	-	-	10,054
Balance at July 31, 2024	\$ 6,123,630	\$ -	\$ 518,688	\$ 6,642,318
Community, camp and supplies	41,926	-	46,201	88,127
Acquisition	-	151,392	-	151,392
Impairment	-	(151,392)	-	(151,392)
Impacts of foreign exchange	5,642	-	(1,835)	3,807
Balance at July 31, 2025	\$ 6,171,198	\$ -	\$ 563,054	\$ 6,734,252

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. The drilling permits have not been received as at July 31, 2025.

b) Greensands Australia

During the year ended July 31, 2023, the Company purchased a seventy-five percent (75%) interest in Greensands Australia Pty Ltd ("GAL"), which owns an exploration licence covering the Florina Greensand Project in the Northern Territory, Australia. The other 25 per cent (25%) is being acquired by Lions Bay Capital Inc. ("LBI", "Lions Bay"), which is a related party due to common executive and directors.

Fidelity Minerals Corp.

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Under the terms of the agreement with GAL, the Company will:

- 1) Issue 3,000,000 ordinary common shares; (Issued, valued at \$315,000).
- 2) Agree to fund its seventy-five per cent share of Stage 1 costs estimated to be AUD \$250,000 (the Company's share AUD \$187,500);
- 3) Agree to fund its seventy-five per share of Stage 2 costs estimated to be AUD \$1,000,000 including a scoping study (the Company's share estimated to be AUD \$750,000).
- 4) Upon completion of the scoping study, issue an additional 3,000,000 ordinary common shares of the Company.
- 5) Should the scoping study show a pre-tax IRR of over 19 per cent then the vendors will be entitled to a bonus payment of AUD \$1,000,000 to be satisfied by cash and shares (with a minimum fifty per cent cash) (Fidelity's share estimated to be AUD \$750,000). Any shares issued would be issued at a floor price of \$0.06.
- 6) GAL must pay a royalty of the lesser of AUD \$4 per tonne or 5% of the net sale price of products sold on the first 250,000 tonnes of production from the project (the "Royalty"). The Royalty will be reduced to AUD \$2 per tonne after the initial 250,000 tonnes. The Royalty cannot exceed 5% of the sales price of the product. Otherwise, the Royalty shall be paid on industry standard terms and conditions, to be documented within a formal Royalty Agreement.

The operations of GAL did not meet the definition of a business under IFRS 3, consequently the acquisition of the 75% interest in GAL is accounted for as the acquisition of assets. The only asset acquired was the exploration license.

Consideration consisted of the following:

3,000,000 common shares issued recorded at a share price of \$0.105	\$	315,000
Non-controlling interest on acquisition		105,000
Exploration and evaluation properties	\$	420,000

Management has determined that the fair value on the date of acquisition of the probability adjusted requirements to issue an additional 3,000,000 common of shares of the Company on completion of the scoping study and other contingent consideration is de minimis.

The assets and liabilities of Greensand as at July 31, 2025 is summarized below:

Assets and Liabilities of Greensand	July 31, 2025
Exploration asset	138,501
Loan payable to the Company	176,806
Accounts payable	71,248
Shareholders equity	(109,553)

Statement of Loss	July 31, 2025	July 31, 2024
General and admin	1,988	-
Consulting fees	108,906	-
Loss for the period	110,894	-

Fidelity Minerals Corp.

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c) Sunsets

On October 10, 2024, the Company entered into an Option Agreement (the “Agreement”) with Standard Drilling & Engineering Ltd. (“Standard”) pursuant to which Standard has granted the Company the sole and exclusive right and option (the “Option”) to acquire a 50% interest, with a right to increase to 100%, in the El Toro East project (the “Project” or “Sunsets Project”) located in British Columbia (“BC”).

Under the terms of the Agreement, the Company can acquire 100% of the Sunsets Project in two stages with each stage increasing the Company’s interest by 50%. The Company can acquire an initial 50% stake by (i) paying Standard an aggregate of \$300,000 (\$25,000 on signing (Paid), \$125,000 on completion of due diligence (November 15, 2024) (Paid) and \$150,000 on or by October 10, 2025); and (ii) incurring \$1,000,000 in Exploration Expenditures (\$500,000 by September 30, 2025; and \$500,000 by September 30, 2026); and (iii) issuing to Standard 5,000,000 shares of Fidelity by December 15, 2024. The Company is in the process of obtaining TSX-V approval to issue the shares.

Upon the Company earning the initial 50% interest, the parties will enter into a participating joint venture (“JV”) with respect to the Sunsets Project, with the Company as the initial operator of the JV. Under the JV, the Company will have the right to earn Standard’s remaining interest in the JV by: (i) paying to Standard an aggregate of \$300,000 (\$150,000 within three (3) months of the notice to Standard to earn-in to 100% of the JV (the “Notice”); and \$150,000 on or before fifteen (15) months after the Notice); and (ii) incurring \$1,000,000 in Exploration Expenditures over the 24-month period after the Notice; and (iii) within 60 days of the Notice issuing to Standard \$250,000 in shares of Fidelity (valued on the 20-day VWAP directly following the Notice).

Standard will retain a 2% net smelter return royalty (“NSR”) on the Sunsets Project and will be entitled to receive advance royalty payments under the NSR commencing two years after the first month after the JV has been formed (being \$25,000 for the first two (2) years and \$50,000 for each year thereafter). The Company can buy-down half of the NSR for \$1,000,000 at any time prior to the commencement of commercial production; the remaining portion of the Royalty retained by Standard can be purchased by the Company during the ensuing three-year period for \$4,000,000, less any monies previously paid by the Company toward the Royalty including advance Royalty payments.

During the year ended July 31, 2025 management determined they would not proceed with the option and took an impairment charge of \$151,392. Subsequent to July 31, 2025, the Company gave its termination notice to Standard.

7 Advances from related parties

Balance July 31, 2023	\$ 363,805
Advances	394,582
Shares for debt settlement	(425,000)
Debt forgiveness	(18,085)
Balance July 31, 2024	\$ 315,302
Advances	401,960
Balance July 31, 2025	\$ 717,262

Fidelity Minerals Corp.

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For the years ended July 31, 2025 and 2024

(Amounts expressed in Canadian dollars, except where indicated)

As at July 31, 2025, the Company has \$717,262 (July 31, 2024 - \$315,302) in advances from LBI, which is a related party due to common CFO and directors. The advances are unsecured, non-interest bearing with no repayment terms. During the period ended July 31, 2025, LBI advanced \$401,960 (2024 - \$394,582) to the Company, settled \$nil (2024 - \$425,000 in debt for 8,500,000 common shares of the Company) and forgave \$nil (2024 - \$18,085) in debt.

8 Promissory notes

On July 31, 2025, the Company entered into promissory notes with key management of the Company converting accounts payable of \$575,236 into promissory notes which are payable on December 31, 2026, are unsecured and bear interest at 6% per annum.

9 Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at July 31, 2025, the Company had 21,730,562 (2024 – 21,396,562) common shares issued and outstanding.

Fiscal 2025

- a) On December 20, 2024, the Company issued a total of 334,000 flow-through units (each, a "FT Unit") at a price of \$0.30 per FT Unit for aggregate gross proceeds of \$100,200. Each FT Unit consists of one flow-through common share (each, a "FT Share") in the capital of the Company and one non-flow-through warrant (each, a "Warrant"), with each Warrant exercisable into one additional non-flow-through common share (each, a "Warrant Share") at a price of \$0.45 until December 20, 2026. The fair value of the warrants issued was calculated as \$0.185 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: 3.05% risk free interest rate, expected life of 2 years, 217% annualized volatility and 0% dividend rate. The value of the share was determined to be \$0.225. The share purchase warrant's relative fair value of \$45,790 was allocated to the warrant and recorded in reserves. The Company incurred \$1,500 in transaction costs as part of the financing.

Fiscal 2024

- a) During the year ended July 31, 2024, the Company issued 830,000 common shares as a result of option exercises for gross proceeds of \$207,500. In connection with the exercise, the Company transferred \$155,984 from reserves to share capital.
- b) During the year ended July 31, 2024, the Company issued 2,807,530 common shares valued at \$631,694 as part of a shares for debt settlement. As a result of the settlement transaction the Company recorded a gain on settlement of \$70,189.

The following is a summary of the share purchase warrants outstanding as at July 31, 2025 and July 31, 2024:

	July 31, 2025		July 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of year	-	\$ -	525,000	\$ 2.00
Expired	-	-	(525,000)	(2.00)
Issued	334,000	0.45	-	-
Outstanding – as at end of the year	334,000	\$ 0.45	-	\$ -

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

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As at July 31, 2025, the weighted average exercise price of the warrants outstanding was \$0.45 (July 31, 2024 - \$nil) with a weighted average remaining contractual life of 1.39 years (July 31, 2024 – nil years).

Number of warrants	Exercise price per warrant	Expiry date
334,000	\$0.45	December 20, 2026

10 Share-based compensation

The Company adopted a fixed stock option plan whereby the aggregate number of common shares reserved for issuance, together with any other common shares reserved for issuance under any other plan or agreement of the Company, shall not exceed twenty (20%) percent of the total number of issued common shares (calculated on a non-diluted basis) as at the Company's annual general meeting.

On May 9, 2024, the Company granted an aggregate of 830,000 incentive stock options to certain directors, officers and consultants of the Company pursuant to the Company's previously approved stock option plan. The options are exercisable at a price of \$0.25 per share for a period of 5 years. The fair value of \$155,984 for these stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of 5 years, volatility of 169%, annual rate of dividends of 0.00% and risk free rate of 3.68%.

During the year ended July 31, 2025, the Company recognized a share-based payment expense of \$nil (2024 - \$176,600) related to incentive stock options granted and vested.

The following is a summary of the stock options outstanding as at July 31, 2025 and July 31, 2024:

	July 31, 2025		July 31, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding - beginning of year	2,720,000	\$ 0.50	2,720,000	\$ 0.50
Granted	-	-	830,000	0.25
Exercised/Expired	(585,000)	0.375	(830,000)	0.25
Outstanding - end of year	2,135,000	\$ 0.55	2,720,000	\$ 0.50

Number of stock options outstanding	Number of stock options outstanding and vested	Exercise price per stock option	Expiry date
180,000	180,000	\$0.525	August 12, 2025
50,000	50,000	\$0.75	March 9, 2026
845,000	845,000	\$0.55	March 10, 2027
50,000	50,000	\$0.55	March 28, 2027
1,010,000	1,010,000	\$0.55	April 12, 2028
2,135,000	2,135,000	\$0.55	

As at July 31, 2025, the weighted average exercise price of the stock options outstanding was \$0.55 (July 31, 2024 - \$0.50) with the weighted average remaining contractual life of 1.97 years (July 31, 2024 – 2.49 years).

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

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11 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 July 31, 2025 and 2024 are as follows:

	July 31, 2025	July 31, 2024
Consulting fees	\$ 210,000	\$ 210,000
Share-based payments	-	129,674

As at July 31, 2025 the Company had amounts payable of \$166,070 (July 31, 2024 - \$546,002) to these parties. These amounts are unsecured and non-interest bearing.

As at July 31, 2025, the Company has \$717,262 (July 31, 2024 - \$315,302) in advances from LBI, which is a related party due to common CFO and directors. The advances are unsecured, non-interest bearing with no repayment terms. During the period ended July 31, 2025, LBI advanced \$401,960 (2024 - \$394,582) to the Company, settled \$nil (2024 - \$425,000 in debt for 8,500,000 common shares of the Company) and forgave \$nil (2024 - \$18,085) in debt.

On July 31, 2025, the Company entered into promissory notes with key management of the Company converting accounts payable of \$575,236 into promissory notes which are payable on December 31, 2026, are unsecured and bear interest at 6% per annum.

12 Segment disclosures

The Company operates in three geographical and one operating segment. The operating segment relates to exploration and evaluation of mineral reserves and are managed separately based on the nature of operations. The Company's assets by country are:

	As at July 31, 2025			
	Canada	Australia	Peru	Total
Assets				
Exploration and evaluation properties	\$ -	\$ 563,054	\$ 6,171,198	\$ 6,734,252

	As at July 31, 2024			
	Canada	Australia	Peru	Total
Assets				
Exploration and evaluation properties	\$ -	\$ 518,688	\$ 6,123,630	\$ 6,642,318

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

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13 Capital management

The capital of the Company consists of items included in shareholders' equity. 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. The Company did not adjust its strategy for managing capital during the year ended July 31, 2025.

14 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.

15 Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	July 31, 2025	July 31, 2024
Loss for the year	\$ (810,247)	\$ (569,196)
Expected income tax recovery	(219,000)	(154,000)
Change in statutory, foreign tax, foreign exchange rates and other	(49,000)	(29,000)
Permanent differences	-	34,000
Adjustment to prior years provision and expiry of non-capital losses	20,000	(146,000)
Change in unrecognized deductible temporary differences	248,000	295,000
Total income tax expense (recovery)	\$ -	\$ -

Fidelity Minerals Corp.

Notes to Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

(Amounts expressed in Canadian dollars, except where indicated)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Temporary Differences	July 31, 2025		July 31, 2024	
	\$	Expiry	\$	Expiry
Share issuance costs	6,000	2025 to 2029	24,000	2024 to 2026
Non-capital losses available for future periods	13,830,000	2026 to 2024	12,665,000	2026 to 2043
Allowable capital losses	200,000	No expiry	200,000	No expiry
Exploration and evaluation assets	2,024,000	No expiry	675,000	No expiry
Property and equipment	5,000	No expiry	-	No expiry
Investment tax credits	-	No expiry	1,000	No expiry

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16 Supplemental cash flow information

	Note	For Year Ended July 31,	
		2025	2024
Accounts payable transferred to promissory notes	8	\$ 575,236	\$ -
Warrants issued as part of private placement	9	38,772	-
Reduction in accounts payable on shares for debt transaction		-	206,694
Reduction in advances from related party on shares for debt transaction	7	-	425,000
Cash paid for interest		-	-
Cash paid for taxes		-	-

17 Subsequent events

- i) On October 7, 2025, the Company closed the first tranche of a non-brokered private placement which comprised a total of 13,500,000 units at \$0.10 per unit for gross proceeds of \$1,350,000. Each unit consists of one common share in the capital of the Company and one-half transferable common share purchase warrant, with each full warrant exercisable into one additional common share at a price of \$0.20 until October 7, 2027.

The Company paid cash finder's fees of \$33,775 and issued 337,750 finder's warrants to finders in connection with the first tranche. Each warrant being exercisable to purchase one common share at a price of \$0.20 until October 7, 2027.

- ii) Subsequent to year end, on November 20, 2025, the Company settled debt in the amount of approximately \$436,975 by the issuance of 3,361,344 common shares at a price of \$0.13 per share.