



## **Fidelity Minerals Provides Key Project & Corporate Update**

- Acceleration of the Greater Las Huaquillas project appraisal strategy.
- Pre-commissioning capital estimates for Cerro Dorado nearing completion. Negotiations for securing multi-year ore feedstock for Cerro Dorado are ongoing and progressing well.
- Potential major project acquisition and M&A opportunities.
- Bahay Ozcakmak appointed executive chairman and advisory board established.
- Market-making services provider VLP engaged by the Company.

**Vancouver, BC, March 13<sup>th</sup>, 2019** – Fidelity Minerals Corp. (TSX-V: FMN | FSE: S5GM | SSE: MNYC) (“**Fidelity Minerals**” or the “**Company**”) is pleased to provide the following update.

### **Greater Las Huaquillas (GLH) Project, Cajamarca Province, Northern Peru**

The Company has recently acquired a comprehensive geoscientific database consisting of all the historic drilling, trenching, geochemical, assay certificate and underground drawing data files generated by past project owners between 1988 and 2012; the dataset includes drill hole cross sections assembled via Kilborn Engineering (since acquired by SNC-Lavalin), from work performed prior to 1998. The historic holders of the project include ProInversion, the Government of Peru agency involved with mining (where underground vein exploratory mining occurred jointly between INGEMMET and BGR (Germany) starting in 1988), Sulliden (geochemistry, drilling, underground re-assay in 1997 – 98) as well as the most recent project operator. There has been no systematic technical work undertaken at the GLH project since 2012.

Following the acquisition of a 44.5% interest in the Core Las Huaquillas concessions (3,600 Ha) and the subsequent acquisition of 9 additional concessions (3,800 Ha) by the Company on a 100% basis, the company has continued its review of regional prospectivity and has recently applied for further concessions increasing the strategic land holding of the GLH by a further 3,000 Ha. This additional land holding increases the total GLH project area to 10,400 Ha, with more than 65% of the project area wholly owned by the Company, providing maximum operational flexibility.

### GLH Strategic Consulting Agreement

Fidelity Minerals and a leading Australian geoscience consulting company, Global Ore Discovery Pty Ltd (“**Global Ore**”), are pleased to announce the signing of a strategic consulting agreement that will initially focus on the rapid appraisal of the GLH project. Under the terms of the agreement, Global Ore will also provide geological consulting services on an exclusive basis for an initial twelve-month period within Cajamarca Province, to assist Fidelity Minerals in the appraisal of additional precious and base metal opportunities. The Cajamarca Province hosts a number of world class gold and copper mines including Newmont’s Yanacocha gold mine, the largest epithermal gold deposit globally, with a total gold endowment in excess of 50M oz.

Global Ore has a successful track-record of providing consulting services to rapidly advance projects from exploration through to resource appraisal stage. The consultancy has contributed to a

number of grass roots precious metal discoveries and the delineation of new +1M oz gold resources within operating mine environments, in South America and the Asia Pacific. Global Ore has also played a role in supporting clients to establish partnerships and farm-out transactions with Australian and North American precious and base metal producers.

Under the agreement Global Ore will receive 600,000 shares and 600,000 options in Fidelity Minerals and Fidelity Minerals will further pay Global Ore for its professional services. The agreement also includes material performance milestones focused on near-term resource delineation, which under certain circumstances may trigger the payment of additional success fees to Global Ore.

*The acquisition of the historic Las Huaquillas project data is a critical step in the assembly of information for the integrated interpretation of the Greater Las Huaquillas project for near-term appraisal of known mineralisation and compelling gold, copper, lead and zinc targets. The acquisition of the historical project information positions Fidelity Minerals to rapidly advance the appraisal of the Greater Las Huaquillas project. Whilst the Company has already received third-party interest in the GLH project, Fidelity Minerals is focused on rapidly advancing the project to a stage where a formal farm-out process can be launched later in 2019”, said Ian Graham, CEO of the Company. “In that regard, I am pleased to announce the signing of our agreement with Global Ore Discovery, who brings to the table significant experience in project appraisals and the structuring of farm-out agreements in South America”.*

### **Cerro Dorado Gold Mill Project**

The Company is nearing completion of the pre-commissioning capital budget review, to further revise the budget reviewed by Ausenco Peru in May 2018, in order to enable the Company to make a final investment decision to recommission the plant at the earliest opportunity (subject to funding). The Company is currently in negotiations with several resource project owners with the objective of securing feedstock for Cerro Dorado where the Company intends to acquire a direct interest in the ore, preferably through ownership of the underlying asset. The expectation is that the preferred ore supply pathway will result in sufficient feedstock supply for the plant for several years of operations, including at the planned upgraded plant capacity of 115TPD.

### **New Advanced Stage Polymetallic Project**

The Company has entered into agreements to acquire a potential minority interest in a polymetallic resource project located in Peru. The transaction remains subject to certain due diligence items and to ongoing discussions with the various project vendors in relation to the ultimate project ownership and future plans. The Company considers this undisclosed project to represent an exciting opportunity as the project is already permitted and has the potential capacity to commence small-scale mining operations almost immediately. Notwithstanding the best efforts of the Company, including payment of an initial consideration, the Company cautions that at this preliminary stage the Company cannot be certain that the envisaged transaction will be completed. The Company will provide further updates as and when material new information becomes available.

### **Board Restructure and Establishment of Advisory Board**

#### **Executive Chairman Appointed**

Current Fidelity Minerals executive director Bahay Ozcakmak has agreed to assume the role of Executive Chair effective immediately. Bahay joined the Fidelity Minerals board on June 14, 2018 as a director, and has been leading the restructure of the company, including the development and implementation of major growth plans, encompassing the recently announced acquisitions. Bahay is a corporate strategy expert with extensive M&A, business development & corporate restructuring

experience including CEO and director level roles in the energy and resources sectors. Currently, Bahay is a director of several mining focused companies, including Activated Water Technologies, Consolidated Potash Corporation and Lions Bay Capital Inc., Fidelity Minerals Corp's largest shareholder.

*“Recent corporate activity in the gold sector is highlighting the increasing investor interest in the sector and interest in high quality appraisal stage projects in particular. Our timing to relaunch Montan Mining as Fidelity Minerals and embark on a strategic project acquisition initiative appears well timed. During the last 8-9 months, the Fidelity Minerals team has worked diligently to put the foundations in place in order to support the transition of the company from survival-mode, into a more sustained and systematic growth mode. We have a capable team, great foundation in a fully operational CIP plant in Cerro Dorado which we plan to recommission shortly, and a pipeline of material appraisal-stage project opportunities that are quite unusual for a company of our size”* states Bahay Ozcakmak.

#### Advisory Board

As the Company embarks on a number of important growth initiatives, in order to provide the board with strategic support, the Company has established an Advisory Board composed of seasoned mining professionals that have spent the majority of their extensive careers building successful mining operations around the world.

The founding members of the Advisory Board consist of Mr. John Byrne, Mr. Leonard (Len) De Melt and Mr. Greg Hall. The Advisory Board will be chaired by Mr. John Byrne.

John Byrne has 40 years of experience in the natural resource industry as a financial analyst, investor and mine developer. He formed Cambrian Mining Plc in 2002 with net assets of £1.4 million and before being acquired in 2008 had net assets of GBP£149 million. John has been Chairman and CEO of numerous successful resource companies, including Western Coal Corp which was capitalised at less than C\$1 million when he joined, and was sold for C\$3.3billion in 2010. He is a founder of Lions Bay Capital, Fidelity's largest shareholder.

Len De Melt is widely recognized within the mining industry. He has been involved with 10 properties which became mines, including Hudbay's Constancia mine in Peru (Cu), Homestake's Golden Bear mine (Au), Goldust's Croiner mine (Au), and BHP's Ekati mine (diamonds). He has been Chairman of International Norsemont Ventures which subsequently went through a name change and, in 2011 was sold to Hudbay Minerals for US\$520 million. Mr. De Melt resigned as director and officer of Norsemont Mining in 2006.

Greg Hall has 30 years experience in advancing international exploration, development, and mining ventures, and all aspects of their structuring and finance. Greg is currently President of Water Street Assets and Director of Prophecy Development. Previously a director of Silvercorp Metals, China's largest primary silver producer and one of the lowest cost silver producers among its industry peers. Other former appointments include: Director at Haywood Securities; VP at Canaccord Genuity; and Senior VP at Leede Jones Gable.

#### **About Fidelity Minerals Corp.**

Fidelity Minerals Corp. is an emerging gold producer focusing on assembling and unlocking value from a pipeline of advanced stage mining assets in Peru. The company is backed by an experienced management team with diverse technical, market, and commercial expertise and is supported by

committed and sophisticated investors focused on building long term value, now anchored by Lions Bay Capital Inc.

On behalf of the Board of Fidelity Minerals.

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*This news release contains forward-looking statements. Forward-looking statements are statements that relate to future events or future financial performance. In some cases, you can identify forward-looking statements by the use of terminology such as “may”, “should”, “intend”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “predict”, “potential”, or “continue” or the negative of these terms or other comparable terminology. These statements speak only as of the date of this news release. This news release may also contain inferences to future oriented financial information (“FOFI”) within the meaning of applicable securities laws. The information in this news release has been prepared by our management to provide a context for the project arrangements made with Global Ore and to provide the reader with an outlook for our future activities and anticipated key projects and may not be appropriate for other purposes. Forward-looking statements in this announcement include, (but are not limited to), i) that we will successfully start-up Montan Mining’s Cerro Dorado plant, and that ii) we will be able to successfully appraise the Greater Las Huaquillas project. The Cerro Dorado S.A.C. assets have not been the subject of a feasibility study and as such there is no certainty that the mine or the mill will be able to produce a commercially marketable product. There is a significant risk that any production efforts from the project will not be profitable with these risks elevated by the absence of a defined resource and economic study. The Company’s reliance on historic production and third party gold recovery statistics is necessary under the circumstances, but is not compliant with NI 43-101 reporting standards. There are increased risks and uncertainty in making a production decision without such a study and an historically higher rate of failure for production decisions not based on a feasibility study. General risks include the reliance on available data and assumptions and judgments used in the interpretation of such data, the speculative and uncertain nature of exploration and development, exploration and development costs, capital requirements and the ability to obtain financing, volatility of global and local economic climates, share price volatility, estimate price and commodity price, volatility, changes in equity markets, increases in costs, exchange rate fluctuations and other risks involved in the mineral exploration and development industry. There can be no assurance that a forward-looking statement or*

information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many factors, though considered, are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update any forward-looking statements or information except as required by law. This announcement is not, and under no circumstances is to be construed as, a solicitation or an offer of any kind. The matters set forth in this announcement does not constitute an agreement or offer that may be accepted. Accordingly, no person may bring a claim or action against another for a failure to negotiate, agree or enter into any agreement with respect to matters contained in the announcement. The technical information in this announcement relating to Cerro Dorado has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 ("NI 43-101") and has been reviewed and approved on behalf of the Company by Mr. Dean Pekeski, P. Geo., of Kraven Geological Inc., a Qualified Person under NI 43-101. The technical information in this announcement relating to the Greater Las Huaquillas project has been derived from: NI 43-101 Technical Report (the "Technical Report" ) on the Las Huaquillas Au, Ag, Cu Property, Cajamarca, Peru (15 August 2011) prepared by Luc Pigeon, P. Geo., of Gateway Solutions SAC, a Qualified Person under NI 43-101. Mr. Pigeon has been a source of data acquired by the Company. Fidelity Minerals has not sought any form of consent from either the Qualified Person, or the Issuer which commissioned the Technical Report, but rather references this Technical Report in an historical context as the report was originally submitted for exchange approval on 15 August 2011. It should be noted that there has not been sufficient drilling and/or sufficient previous exploration at Las Huaquillas upon which to base a mineral resource or mineral reserve estimate compliant to the current standards of National Instrument 43-101, and Fidelity Minerals Corp has not undertaken any independent verification of the data contained in that report by a Qualified Person or Persons acting for the Company. There has been no additional or independent verification site visit, sampling or analytical work undertaken by Fidelity Minerals Corp with respect to the Las Huaquillas property. The Company has relied entirely upon historic disclosure relating to the Las Huaquillas project in making decisions relating to the Project, and in preparing this news release and past news releases.