

# Fidelity Minerals Corp.

08:00 17 Mar 2020

## Fidelity Minerals, a Peru-focused project generator, says it has the right plan, at the right place and time

- On the hunt for projects and financing
- Cerro Dorado Gold Plant upgrade, commissioning and sale process on track
- Program planning for 100% owned exploration projects in progress

### What Fidelity Minerals does:

Fidelity Minerals Corp (CVE:FMN) is a non-exploration junior resource group focused on mining-friendly Peru. It has developed a state-of-the-art strategic project generator (SPG) model, which, it says, combines the key advantages of a prospect generator, mine owner, royalty and streaming company to have enhanced exposure to project success at a lower cost.

In simple terms, the model means the Vancouver-headquartered company acquires what it believes are high potential (in this case) gold or copper projects, which can have limited work applied to them before being potentially farmed out to major metals firms.

Fidelity Minerals would still retain a minority stake or a net smelter royalty (NSR) on production at the projects to retain exposure to upside.

Thus it pursues a portfolio approach rather than concentrating on one or just a few projects.

In Peru, Fidelity Minerals has three wholly-owned high impact gold and copper exploration properties - Las Brujas, Porphyritic copper and Cerro El Bonce.

It also owns a 44.5% stake in the advanced-stage Las Huaquillas project, where it has also acquired 100% of the surrounding Greater Las Huaquillas concessions and wants to integrate the two.

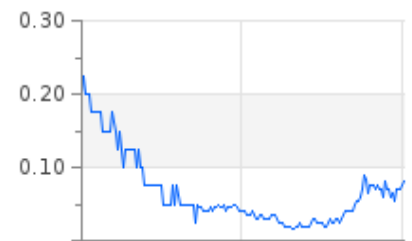
At the core Las Huaquillas gold project, a previous explorer in 1998 estimated that a 500 metre (m) section of the 2,200m long Los Socavones Zone hosted a resource of 6.57 million tonnes (Mt) grading 2.12 grammes per tonne (g/t) gold and 25.2g/t silver, which is equivalent to 446,000 ounces of gold and 5.3 million ounces of silver at a 1 g/t gold cut-off. The resource was reported to remain open at depth and along strike.

At the Greater Las Huaquillas project, Fidelity Minerals has nine concessions for around 3,800 hectares of contiguous mineral title.

Elsewhere, the porphyritic copper project comprises 1,200 hectares in La Libertad, northern Peru and also an initial 25% interest in a company that holds a portfolio of project concessions (3,500 hectares) also in La Libertad, including an advanced-stage polymetallic project. The porphyritic copper project hosts near-surface visible copper mineralization, as well as small-scale artisanal workings.

Last June, the firm also acquired 100% interests in the Las Brujas and Cerro El Bronce projects, which lie in prolific gold-copper districts in Peru that are subject to active exploration by major mining companies.

### 1 Year Share Price Graph



August 2019 January 2020 August 2020

### Share Information

**Code:** FMN  
**Listing:** TSX-V  
**Sector:** Gold & silver  
**Website:** [www.fidelityminerals.com](http://www.fidelityminerals.com)

### Company Synopsis:

*Fidelity Minerals Corp. is a Peru focused junior resources company targeting near-term:*

*Gold production from Cerro Dorado plant owned by the company, and Gold, silver and copper mineral resources from appraisal stage projects.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

Las Brujas spans 1,900 hectares within 10 kilometers (km) of the La Zanja open pit gold mine in which Newmont Goldcorp has a 46.9% stake. Historical sampling included the results of 10m grading 1.5 g/t of gold from surface rock chip work. The project has extensive mineralization and anomalous gold values reported from three different zones.

Meanwhile, Cerro El Bronce consists of two concessions totaling 600 hectares in an area surrounded by concessions controlled by gold miners such as Newmont Goldcorp, which is actively exploring. Historical sampling at Cerro El Bronce revealed copper and gold mineralization, up to 6.8% copper and 20.3 g/t gold, with previous exploration showing relatively shallow high-grade gold resources.

### **How is it doing:**

In October 2019, Fidelity Minerals said it was to sell another previously core asset, the Cerro Dorado gold plant in Arequipa, Peru for US\$1.43 million to private Peruvian interests. The group said the rationale was to remove costs and focus on its project generator model.

Significantly, the binding agreement means the buyers must make certain capital improvements to the processing mill as the deal progresses. The arrangement suits Fidelity Minerals and helps the purchaser maintain pace on the plant upgrades. Payments are to be made quarterly over the next ten months.

The transaction concludes with the final transfer of Fidelity Minerals' Cerro Dorado SAC subsidiary to the purchaser. The subsidiary holds four concessions, including the Rey Salomon mine and the Cerro Dorado gold plant.

The deal gives Fidelity Minerals funding clarity during 2020 to search for new projects to boost its portfolio and in December last year, the firm said it was 'confident' it could attract interest from larger players to commit exploration funding or acquire the projects outright, despite a challenging market.

In January this year, Fidelity said it had received US\$250,000 being the December payment for the Cerro Dorado gold plant.

December also saw the group announce a share consolidation of over 132 million shares on a 5:1 basis reducing its shares in issue to around 26.4 million.

The company's restructuring and placing carried out in December is now complete, with 60% of the financing being taken up by company insiders, it added. The placing saw the firm issue 4 million post-consolidated units with each unit consisting of one share and one share purchase warrant for two years at C\$0.06.

Fidelity Minerals said it was now focused on planning work for its Las Brujas project, targeted for mobilization in February 2020, and advancing its Las Huaquillas project strategy toward the integration of the project with its 100%-owned Greater Las Huaquillas project.

### **Inflection points:**

- Cerro Dorado improvement program and deal updates
- New projects for the portfolio

### **What the boss says:**

Fidelity Minerals' CEO Ian Graham spoke to Proactive in December last year and updated on the Cerro Dorado and its plans to advance its projects in 2020.

"Despite an apparently quiet market, we actually see copper, gold projects as becoming extremely attractive to the major miners. We've seen some consolidation and quite a number of transactions in Peru and Ecuador - fantastic mineral domains and we're seeing great transactional activity," he said.

"We're very excited about how our projects are coming together and we anticipate having them ready for a broader market in 2020."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Fidelity Minerals Corp. named herein, including the promotion by the Company of Fidelity Minerals Corp. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).