ELEMENT 29

RESOURCES

Management's Discussion and Analysis
Year Ended December 31, 2022

(Expressed in Canadian dollars, except per share amounts and where otherwise noted)

April 28, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended December 31, 2022 and related notes thereto which have been prepared with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. References to "E29", "Element 29", and the "Company" are to Element 29 Resources Inc. and/or one or more of its wholly-owned subsidiaries. Further information on the Company is available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.e29copper.com. Information on risks associated with investing in the Company's securities is contained in this MD&A. Technical and scientific information under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") concerning the Company's material properties are located in their respective technical reports: technical and scientific information regarding the Flor de Cobre Project (the "Flor de Cobre Project") is contained in the technical report titled "NI 43-101 Technical Report Flor de Cobre Property Arequipa and Moquegua Regions, Peru" with an effective date of March 15, 2020, prepared for the Company by Derrick Strickland (P.Geo.) (the "Flor de Cobre Technical Report") and a table of historical drilling results prepared for the Company by Christopher Keech (P.Geo); and technical and scientific information regarding the Elida Project ("Elida Project") is contained in the technical report titled "NI 43-101 Technical Report Elida Property, Peru" with an effective date of February 15, 2020 prepared for the Company by Derrick Strickland (P.Geo.) (the "Elida Technical Report") and a table of historical drilling results prepared for the Company by Christopher Keech (P.Geo.). The disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Paul Johnston (P.Geo.), the Vice President of Exploration of the Company and Richard Osmond (P. Geo.), the Chairman of the Company. Each of Mr. Strickland, Mr. Keech, Mr. Johnston, and Mr. Osmond are a "Qualified Person" for the purposes of NI 43-101.

COMPANY BACKGROUND

Element 29 is a Canadian resource company engaged in the exploration and development of mineral resource properties in Peru. The Company is exploring for copper ("Cu"), molybdenum ("Mo"), gold ("Au"), silver ("Ag"), and other metals including lead ("Pb"), and zinc ("Zn"). At present, none of the Company's mineral properties are at a commercial development or production stage. The Company's objective is to confirm, delineate, and develop the copper mineralization at its Flor de Cobre property ("Candelaria"). At the Elida porphyry copper project, exploration and resource expansion programs are planned on the copper, molybdenum, and silver mineralization delineated in the Zone 1 deposit (see Elida Copper Project) and also drill testing of the four other porphyry targets located on the project.

The Company also holds two other projects; the Pahuay Copper Project, and the Muñaorjo Copper Project, which are both located in Peru.

The Company was incorporated in British Columbia on August 30, 2017. The Company's corporate headquarters is in Vancouver, British Columbia, Canada. Field operations are conducted out of a local office in Peru. On December 7, 2020, the Company's common shares commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol "ECU". On November 16, 2022, the Company's common shares commenced trading on the Bolsa de Valores de Lima ("BVL" or the "Lima Stock Exchange") under the trading symbol "ECU". On February 4, 2021, the Company's common shares commenced trading on the Frankfurt Stock Exchange ("FSE") under the trading symbol "2IK". On May 27, 2021, the Company commenced trading on the Over-the-Counter OTCQB Venture Market ("OTCQB") under the symbol "EMTRF".

The Company has three wholly-owned subsidiaries; Candelaria Resources SAC, Elida Resources SAC, and Pahuay Resources SAC, all of which were incorporated under the laws of Peru (the "Subsidiaries").

Element 29 is led by a team of mining, corporate finance and corporate governance professionals, who have the experience to advance the Company's projects and generate value for Element 29's shareholders.

HIGHLIGHTS

The Company's principal objective is to explore and develop its Elida Porphyry Copper Deposit in west-central Peru and its Flor de Cobre Porphyry Copper Project located in the Southern Peru Copper Belt. Both projects are well located for potential mine development and will benefit from nearby infrastructure including roads, powerlines, ports, water, and a skilled workforce.

Flor de Cobre Copper Project (Peru)

On February 22, 2023, the Company reported sequential copper leach results from materials obtained from the 4,532 metre ("m") drilling program completed in 2022. Sequential leach analysis was completed on 674 samples representing 1,233 m of drill core collected from supergene enriched mineralization. Sequential leach analysis is an established geochemical technique used to examine the solubility of copper minerals in a series of different solutions to indicate proportions of soluble oxide minerals, soluble secondary sulphide minerals, and primary copper minerals. Results can be used to identify mineral zones for metallurgical sampling and testing, indicate types of technologies and reagents to use, contribute to evaluation of process route options, and eventually inform geometallurgical modelling and a prediction of recoveries as the Company advances toward a potential development path.

The results indicate the main enrichment zone at Flor de Cobre is dominated by soluble secondary sulphide minerals with a minor copper oxide component, which is consistent with visual observations of chalcocite, malachite, and chrysocolla in drill core. Chalcopyrite is the dominant primary copper mineral observed in mineralization beneath the enrichment zone. The position of the enrichment zone as recognized from visual observations of mineralogy in each drill hole was also confirmed from the sequential copper leach analysis.

Elida Copper Project (Peru)

On March 6, 2023, the Company announced results from a 2,043 m drilling program ("Phase 2") initiated in October 2022, which was designed to evaluate the continuity of Zone 1 mineralization along strike and between widely spaced drill holes completed in the Phase 1 and Lundin drilling programs, and to provide better resolution on the position of the porphyry complex occupying the centre of Zone 1. A secondary objective was to complete initial drill testing of Zone 2. Highlights include:

- Drill hole ELID032 intersected 404.5 m of 0.45% copper ("**Cu**"), 0.032% molybdenum ("**Mo**"), and 3.6 g/t silver ("**Ag**") for 0.60% copper equivalent[1] ("**CuEq**", see footnote 1 in **Table 1**), including 123.0 m of 0.52% Cu, 0.036% Mo and 4.0 g/t Ag for 0.68% CuEq[1] starting from the bedrock surface at 45.5 m depth.
- Drill hole ELID031 returned a longer than expected intersection of 366.9 m of 0.27% Cu, 0.027% Mo, and 2.2 g/t Ag for 0.38% CuEq[1], including a 119.1 m interval of 0.38% Cu, 0.025% Mo, and 2.5 g/t Ag for 0.49% CuEq[1].

[1] Copper equivalent grades (CuEq) are for comparative purposes only. Calculations are uncut and recovery is assumed to be 100% as metallurgical data is insufficient to allow for estimation of metal recoveries. Copper equivalence (CuEq %) is calculated as: CuEq (%) = Cu (%) + [3.6027 × Mo (%)] + [0.0084 × Ag (g/t)], utilizing metal prices of Cu - US$3.75/lb, Mo - US$13.51/lb and Ag - US$21.63/oz. Metal prices are based on long-term consensus average prices (Bloomberg, S&P Capital IQ, broker research, Canaccord Genuity Corp., March 1, 2023).

2023 OUTLOOK

Flor de Cobre

The Company completed a 4,532 m drill program ("Flor de Cobre Drill Program") at the Flor de Cobre Project as announced in May 2022. The primary objective of the drill program was to validate results reported from historical drilling so they could be incorporated into an initial Mineral Resource Estimate of the Candelaria porphyry ("Candelaria"). The program was also designed to explore for primary mineralization under the enrichment zone to depths over 500 m and provide materials for metallurgical testing.

Nine historical drill holes were selected for twinning and results of the twin holes completed by Element 29 demonstrated the reliability of the historical drill hole results such that this historical information can be considered sufficiently accurate to be reliable. Mineralization intersected in the Element 29 core holes verifies the mineralization that was intersected in the historical Rio Amarillo and Phelps Dodge drill holes.

Thus, historical information can be incorporated into a drill hole database used for a mineral resource estimate that meets the current CIM best practice guidelines.

The Company continues to progress drill permitting on the Atravesado porphyry target ("Atravesado") in preparation for initial drill-testing of a porphyry target that is indicated by geologic features observed in outcrop, surface geochemistry, and geophysical response.

Elida

The Company completed a drilling program in December 2021 ("Phase 1") consisting of seven diamond drill holes totaling 4,481.4 m to test Zone 1 within the Elida porphyry cluster. Results of the first 2 drill holes were reported on October 18, 2021 and a second batch of 2 drill holes were released on November 15, 2021. The final three drill holes were reported on January 19, 2022. Drilling results were used to complete an initial Mineral Resource Estimate of Zone 1 in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (2014).

A second phase of exploration drilling designed to test the unexplored segments of Zone 1 and to complete initial drill testing of the Zone 2 porphyry centre ("Phase 2") was completed in November 2022. Phase 2 consisted of 2,043 m in 7 drill holes. Results of the 7 drill holes were reported on March 6, 2023.

PROJECT DETAILS - PERU

Flor de Cobre Copper Project (Peru)

The Company owns 100% of the Flor de Cobre Copper Project. In addition, the Company has the option to earn 100% of certain concessions ("Candelaria concessions") from a Peruvian vendor of 127.12 hectares.

The Company can earn 100% interest in the Candelaria concessions at Flor de Cobre by making option payments to the vendor in the total amount of approximately US$5 million over five years between 2020 and 2024. As of the date of this MD&A, the Company has paid US$1.9 million. The Company has been in discussions with the vendor in regard to the payment scheduling. An additional US$6 million payment would be due on completion of a positive detailed feasibility study for the concession area.

The Flor de Cobre Property is in the Southern Peru Copper Belt, which is host to numerous porphyry copper deposits, including the Cerro Verde copper-molybdenum mine operated by Freeport-McMoRan; the Cuajone and Toquepala copper-molybdenum mines operated by Southern Copper; and the Quellaveco copper-molybdenum mine operated by Anglo American (Figure 1). Flor de Cobre is 5 kilometres ("**km**") northwest of the Chapi Mine and 26 km southeast of the Cerro Verde Mine. The property contains the Candelaria historic copper resource first identified in the 1960s and was the site of an historical small-scale copper mining operation since that time.

Flor de Cobre is located 35 km southeast of Arequipa at a modest elevation of ~2,700 m with excellent infrastructure for mine development with respect to roads, power lines and port access (Figure 1 and Figure 2).

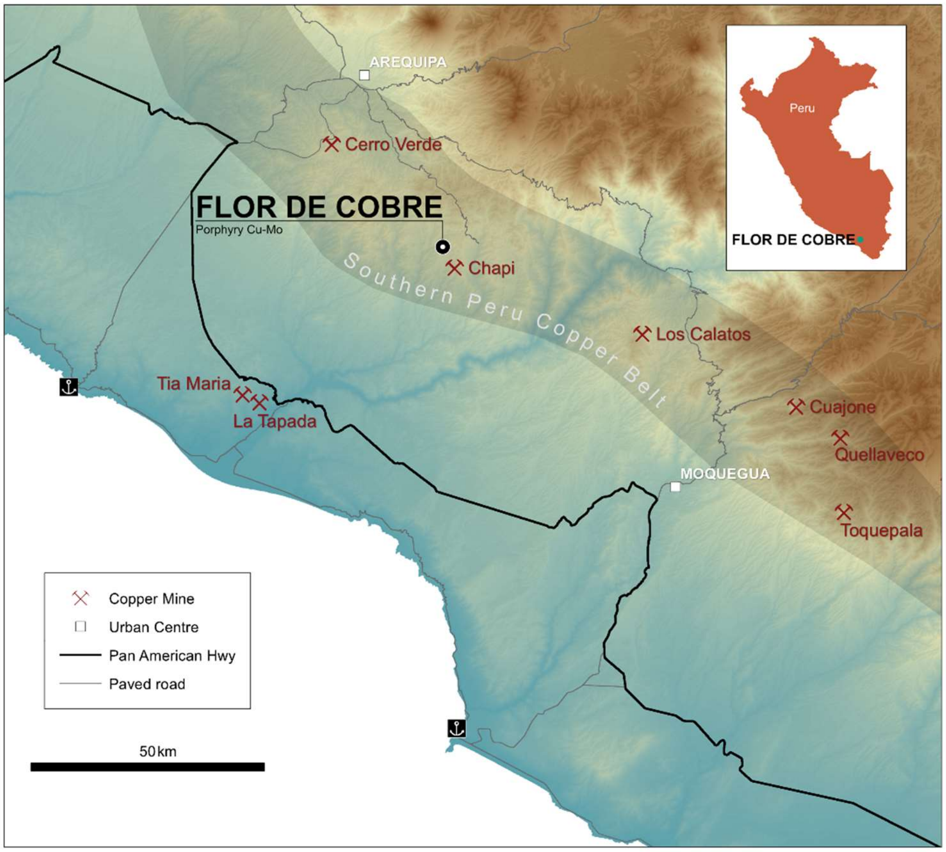

Figure 1. Flor de Cobre Project location. The light grey tone is the approximate position of the Southern Peru Copper Belt, which hosts major mining operations in the region.

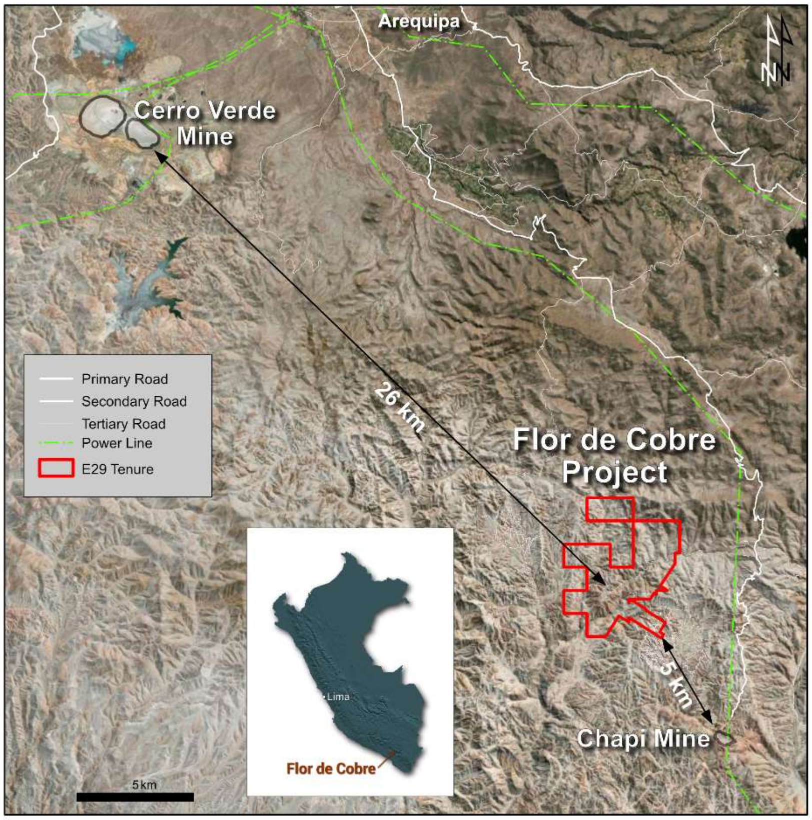

Figure 2. Regional setting and infrastructure.

The Flor de Cobre property is made up of seven mining concessions and two concession applications totalling 1,927 hectares. Individual concessions are shown in Figure 3.

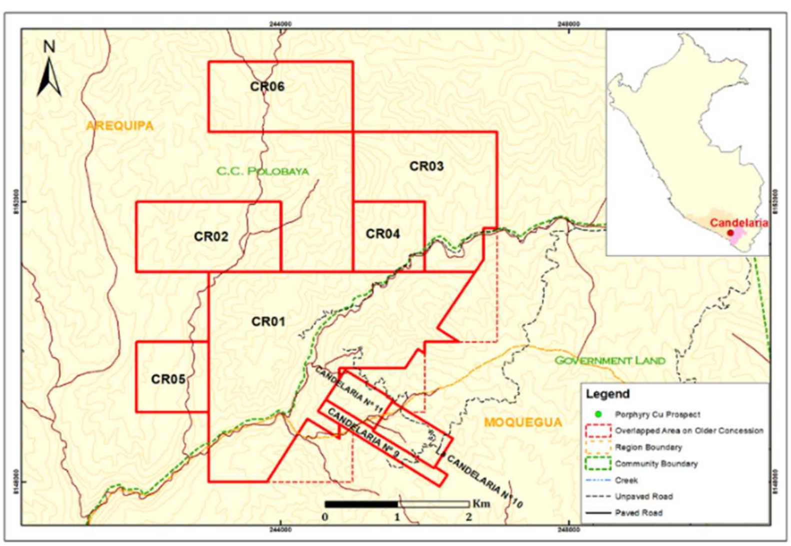

Figure 3. Flor de Cobre property concession map.

Candelaria Historic Copper Resource

Historical drilling by prior operators in the Candelaria area was very limited in scope but led to the discovery of an historic resource of 57.4 million tonnes at a grade of 0.67% Cu, using a 0.2% Cu cut-off grade in the near-surface supergene enrichment zone containing secondary copper oxides and sulphide, the majority of which is on the property. The property also covers a second porphyry Cu target (“Atravesado”) located 1.5 km northwest of Candelaria (Figure 4).

The source of the historical resource estimate is the report Rio Amarillo Mining Ltd. – Candelaria Porphyry Copper Deposit, Arequipa, Peru, Mineral Reserve Estimate, 1996. This historical estimate is relevant to the Flor de Cobre Property as it suggests supergene-enriched mineralization of interest may be present at Candelaria. The parameters, assumptions and methods used to calculate the historical estimate are unknown. Additionally, the historical estimate does not use the resource categories described in CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the differences to the CIM categories are unknown. It is also unclear what portion of this historical resource estimate is within the current Flor de Cobre property configuration. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and it is unclear what work might be required to confirm the resource. For these reasons, the historical resource has not been verified by the Company and the Company is not treating the historical estimate as a current mineral resource.

Property Geology

The Flor de Cobre property is interpreted to host a porphyry copper-molybdenum system called the “Candelaria Porphyry”, which possesses geological characteristics like other porphyry deposits in the Southern Peru Copper Belt (Figure 1). Two distinct forms of mineralization are recognized:

a) Hypogene sulphide mineralization including disseminated and veinlet-controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks; and

b) Supergene mineralization containing secondary copper oxides and sulphides formed by weathering and redistribution of primary hypogene copper mineralization into sub-horizontal, tabular bodies located beneath remnants of a leached cap that has been dissected through erosion. Chalcocite is the dominant secondary sulphide mineral, with malachite, chrysocolla, and tenorite as the most abundant Cu oxide minerals.

The Cu mineralization outlined at Candelaria is associated with a intrusive complex of quartz monzonite porphyry stocks intruded into Jurassic to early Cretaceous siliciclastic sedimentary rocks. These porphyry stocks and adjacent sedimentary rocks contain early generations of quartz veins (A-type veins) and are synchronous with potassic alteration. This early stage of veining and alteration is overprinted by a phyllic alteration event with associated D-type quartz veins. The exhumation and weathering of these phyllic-altered porphyries and adjacent host rocks have resulted in the leaching and redistribution of copper predominantly as secondary chalcocite into a supergene enrichment blanket, which forms most of the historical copper resource. The supergene enrichment blanket has approximate dimensions of 850 x 1,000 m, ranges in thickness from 5 m up to 126 m and is located less than 200 m from surface at the base of a hematite leached zone.

Previous exploration by Rio Amarillo during the 1990s focused primarily on the delineation of supergene Cu mineralization at Candelaria with very little interest in exploring for lower grade primary copper sulphides at depth below the supergene enrichment blanket. Several drill holes extended below the supergene enrichment blanket into the mineralized porphyry stocks. These results suggest the quartz monzonite porphyry stocks are well mineralized below the supergene enrichment blanket and have the potential to host a sizeable hypogene copper system at depth.

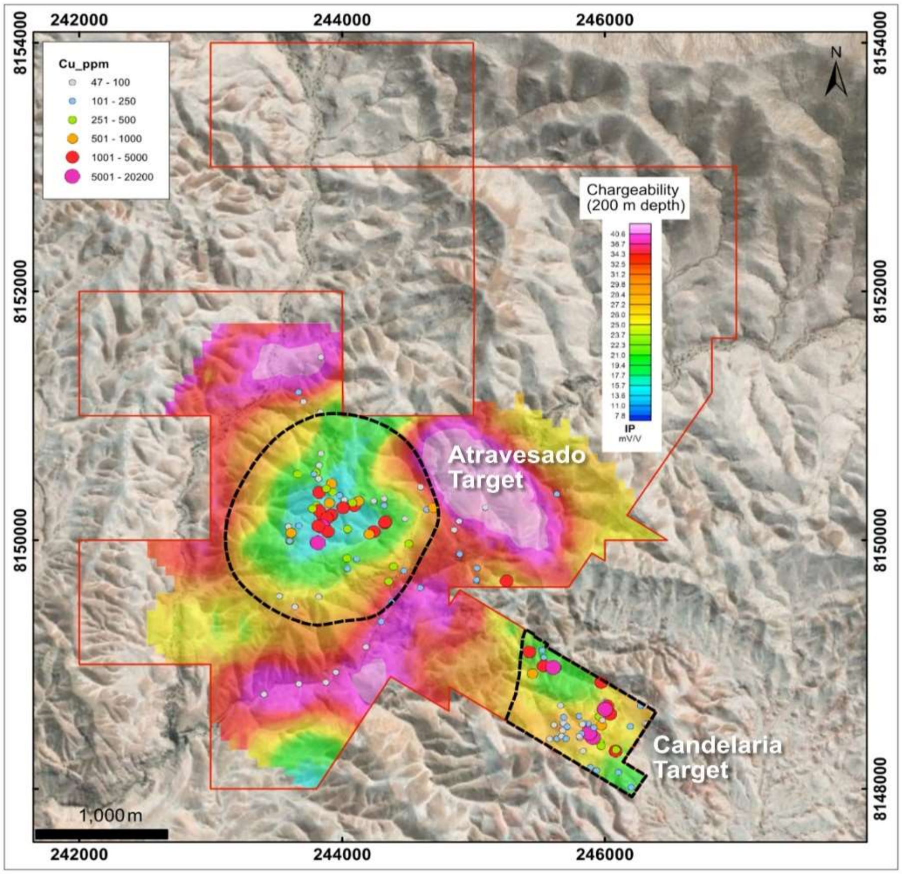

Figure 4. The Flor de Cobre property showing the locations of the Candelaria and Atravsado target areas. The continuous colour overlay shows chargeability response at 200 m depth. The dashed black line delimits moderate resistivity response at the same depth. Anomalous outcrop geochemistry, quartz veinlet development, and minor late porphyry dikes coincide with the moderate resistivity zone.

2022 Flor De Cobre Drill Program Results

The Company completed 4,532 m of diamond drilling in a twelve-hole drill program in July 2022. The results of the twelve-hole drill program are shown in Table 2 and were disclosed in the following press releases:

- Element 29 Releases Final Results from Flor de Cobre Drill Program Including 329.4 metres of 0.56% Cu in Hole FDC011 (See September 7, 2022 press release https://www.e29copper.com/news/element-29-releases-final-results-from-flor-de-cobre-drill-program-including-3294-metres-of-056-cu-in-hole-fdc011
- Element 29 Completes Validation of Flor De Cobre Historical Drilling and Will Proceed with Mineral Resource Estimation (See July 6, 2022 press release http://www.e29copper.com/news/2022/element-29-completes-validation-of-flor-de-cobre-historical-drilling-and-will-proceed-with-mineral-resource-estimation)
- Element 29 Further Confirms Past Drill Results Used in Historical Copper Resources Estimate at Flor De Cobre (See June 1, 2022 press release http://www.e29copper.com/news/2022/element-29-further-confirms-past-drill-results-used-in-historical-copper-resource-estimate-at-flor-de-cobre)
- Element 29 Drills 439.0 m of 0.77% Copper Including 123.0 M of 1.42% Copper as Enrichment at Flor De Cobre (See April 19, 2022 press release http://www.e29copper.com/news/2022/element-29-drills-3490-m-of-0-77-copper-including-1230-m-of-142-copper-as-enrichment-at-flor-de-cobre)

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Table 2. Results from the Flor De Cobre Drill program expressed as length-weighted assay intervals.

Hole	From (m)	To (m)	Length[2] (m)	Cu (%)	Mo (%)	Ag (ppm)	As (ppm)	CuEq[1] (%)
FDC001	**78.00**	**427.00**	**349.00**	**0.77**	**0.006**	**1.7**	**86**	**0.81**
enriched	78.00	201.00	123.00	1.42	0.004	1.8	104	1.45
primary	201.00	427.00	226.00	0.42	0.007	1.7	75	0.46
including	201.00	318.10	117.10	0.58	0.007	2.0	90	0.62
includes	239.00	269.50	30.50	0.65	0.008	2.4	119	0.70
includes	287.50	318.10	30.60	0.73	0.005	3.2	108	0.78
including	318.10	427.00	108.90	0.25	0.006	1.2	60	0.28
FDC002	**70.95**	**449.50**	**378.55**	**0.50**	**0.006**	**1.3**	**24**	**0.54**
enriched	70.95	201.65	130.70	0.90	0.006	1.1	44	0.93
primary	201.65	449.50	247.85	0.30	0.006	1.3	13	0.33
including	201.65	357.90	156.25	0.32	0.004	1.1	10	0.35
including	357.90	449.50	91.60	0.26	0.004	1.7	18	0.29
FDC003	**14.35**	**310.00**	**295.65**	**0.38**	**0.009**	**1.1**	**111**	**0.42**
oxide	14.35	61.30	46.95	0.69	0.005	0.7	16	0.72
enriched	97.20	164.50	67.30	0.46	0.018	0.6	31	0.53
primary	164.50	310.00	145.50	0.30	0.005	1.3	197	0.33
FDC004	**74.40**	**239.00**	**164.60**	**0.43**	**0.006**	**0.7**	**12**	**0.46**
enriched	74.40	111.85	37.45	0.75	0.003	0.8	19	0.77
primary	111.85	239.0	127.15	0.33	0.007	0.7	10	0.36
FDC005	**65.40**	**208.40**	**143.00**	**0.34**	**0.004**	**1.3**	**59**	**0.37**
enriched	65.40	122.80	57.40	0.46	0.004	0.7	19	0.48
primary	122.80	208.40	85.60	0.26	0.004	1.6	86	0.29
FDC006	**92.45**	**160.00**	**67.55**	**0.27**	**0.003**	**0.7**	**45**	**0.29**
enriched	92.45	110.00	17.55	0.47	0.001	0.8	36	0.48
primary	110.00	160.00	50.00	0.20	0.004	1.0	48	0.22
FDC007	**114.50**	**183.00**	**68.50**	**0.45**	**0.008**	**0.7**	**16**	**0.48**
enriched	114.50	134.00	19.50	0.92	0.019	0.7	13	0.99
primary	134.00	183.00	49.00	0.26	0.004	1.0	17	0.28
FDC008	**30.50**	**160.00**	**129.5**	**0.29**	**0.008**	**0.9**	**32**	**0.33**
oxide	30.50	112.00	81.50	0.26	0.009	0.7	7	0.30
enriched	112.00	123.70	11.70	0.73	0.007	0.8	15	0.77

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primary	123.70	160.00	36.30	0.21	0.006	1.6	93	0.25
FDC009	**62.25**	**108.00**	**45.75**	**0.29**	**0.003**	**0.6**	**19**	**0.31**
enriched	62.25	74.00	11.75	0.54	0.002	0.9	11	0.55
primary	74.00	108.00	34.00	0.21	0.004	0.4	32	0.44
FDC010	**86.55**	**222.00**	**135.45**	**0.40**	**0.008**	**0.7**	**32**	**0.44**
enriched	86.55	151.00	64.45	0.52	0.011	0.6	31	0.56
primary	151.00	222.00	71.00	0.30	0.005	0.8	33	0.33
FDC011	**183.10**	**512.50**	**329.40**	**0.56**	**0.008**	**1.4**	**231**	**0.60**
enriched	183.10	283.20	100.10	0.99	0.005	1.4	111	1.02
primary	283.20	512.50	229.30	0.37	0.010	1.4	283	0.42
including	379.50	479.10	99.60	0.46	0.005	1.5	122	0.49
includes	382.90	405.30	22.40	0.54	0.005	1.7	187	0.57
FDC012	**79.90**	**473.00**	**393.10**	**0.51**	**0.005**	**1.1**	**18**	**0.53**
oxide	6.40	16.40	10.00	0.33	0.005	1.6	21	0.36
enriched	79.90	232.00	152.10	0.82	0.005	0.9	17	0.85
primary	232.00	473.00	241.00	0.31	0.005	1.2	18	0.34

[1] *Copper equivalent grades (CuEq) are for comparative purposes only. Calculations are uncut and recovery is assumed to be 100% as metallurgical data is insufficient to allow for estimation of metal recoveries. Copper equivalence (CuEq %) is calculated as: CuEq (%) = Cu (%) + [3.55 × Mo (%)] + [0.0095 × Ag (g/t)], utilizing metal prices of Cu - US$3.34/lb, Mo - US$11.86/lb and Ag - US$21.87/oz. Metal prices are based on a 2-year average of monthly LME metal prices.*

[2] *Intervals are downhole drilled core lengths. Drilling data to date is insufficient to determine true width of mineralization. Assay values are uncut.*

All drillholes intersected a sub-horizontal, secondary Cu sulphide enrichment zone dominated by chalcocite with minor covellite and digenite located at the base of strongly leached porphyry and siliciclastic host rocks. Enriched copper oxides represent a minor component of the enrichment zone and where present, are situated above the secondary copper sulphide enrichment zone. The best mineralization is centred on the Candelaria Porphyry Complex, which is characterized by strong potassium silicate alteration (potassic) associated with chalcopyrite mineralization overprinted by quartz-sericite-pyrite (phyllic) alteration.

Drill hole FDC001 was collared in an early phase of the quartz monzodiorite porphyry belonging to the Candelaria Porphyry Complex and intersected 123 m of 1.42% Cu as chalcocite-dominated enrichment at the base of hematitic leached cap from a depth of 78 m. The enrichment zone overlies 226 m of primary sulphide mineralization grading 0.42% Cu, 0.007% Mo, and 1.7 g/t Ag starting at 201 m depth. Transition from enrichment to primary sulphide mineralization consisting of a chalcopyrite-pyrite assemblage is relatively abrupt. Higher Cu grades in the primary sulphide zone are associated with increased chalcopyrite content. Chalcopyrite mineralization is associated with potassic alteration, which is overprinted by sericite-pyrite alteration. The intensity of sericite-pyrite alteration declines with depth. A hydrothermal breccia unit containing mineralized porphyry clasts, a clastic matrix, and silica-pyrite cement occurs in both the enrichment and primary mineralization zones and is spatially associated with higher Cu grades, but its geometry has not been fully determined.

A similar sequence was intersected by FDC002 (130.7 m of 0.90% Cu and 67.30 m of 0.46% Cu, enriched) and FDC003 (67.30 m of 0.46% Cu, enriched), where secondary enrichment is positioned at the base of strong, hematitic leached cap. Secondary-enriched mineralization in FDC002 directly overlies 247.85 m of 0.30% Cu, 0.006% Mo, and 1.1 g/t Ag of primary sulphide mineralization. Similarly, enriched mineralization in FDC003 is above 145.5 m of 0.30% Cu in primary sulphide mineralization. Primary sulphide mineralization is associated with potassic alteration overprinted by quartz-sericite-pyrite (phyllic) alteration.

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Drill hole FDC004 intersected strong, potassic altered, early quartz monzodiorite porphyry through its entire length. Chalcocite-dominated enrichment was encountered at 74.40 m below surface and returned 37.45 m of 0.75% Cu followed by 127.15 m of 0.33% Cu of primary sulphide. Locally elevated copper grades are present in the broader primary sulphide interval.

The southern edge of the early quartz monzodiorite porphyry was cored by drill hole FDC005, which intersected an enrichment zone of 57.40 m of 0.46% Cu followed by primary sulphides returning 85.60 m of 0.26% Cu. Alternating intervals of early quartz monzodiorite porphyry, later quartz monzodiorite porphyry, hydrothermal breccia, and sedimentary host rocks were intersected.

A total of 1,477 m was allocated to three angled drill holes to test primary copper sulphide mineralization potential below the supergene enrichment blanket to depths of more than 500 m. Drillhole FDC011, located along the northwest margin of the permitted drilling area intersected 329.4 m of 0.56% Cu from 183.1 m, including 100.1 m of 0.99% Cu of enriched mineralization. Drillhole FDC012 intersected 393.1 m of 0.51% Cu, 0.005% Mo, 1.5 g/t Ag from 79.9 m including 152.1 m of 0.82% Cu of enriched mineralization. These angled drillholes add confidence to the position and geometry of the Candelaria Porphyry Complex and the presence of elevated copper grades within the primary sulphide mineralization. The Candelaria Porphyry Complex is untested to the northwest, toward the large Atravesado porphyry target area.

Comparison with Historical Data

One of the primary objectives of the drilling program was to verify results from historical drilling, which was a combination of core and reverse circulation drilling completed in the mid-1990's by Rio Amarillo and Phelps Dodge. Materials from these drilling programs are unavailable and prevented a Qualified Person from verifying Cu geochemical results. Therefore, twinning selected holes is required to verify results from historical drilling such that it can be used in future resource estimation. Furthermore, analysis of other elements of interest such as Mo and Ag were incomplete in the historical database. Multi-element analysis from twinned holes provides an opportunity to investigate a possible economic contribution of these constituents.

Table 3. *Summary comparison of intervals from the historical drill holes with twinned holes.*

FDC001				**K-008**				
From	To	Length (m)	Cu%	From	To	Length (m)	Cu%	Zone
78.00	350.00	272.00	0.92	78.00	350.00	272.00	0.92	Total
78.00	201.00	123.00	1.42	78.00	204.00	126.00	1.36	Enriched
201.00	350.00	149.00	0.51	204.00	350.00	146.00	0.53	Primary
FDC002				**CAR-188**				
From	To	Length (m)	Cu%	From	To	Length (m)	Cu%	Zone
70.95	255.60	184.65	0.74	66.00	256.00	190.00	0.68	Total
70.95	201.65	130.70	0.90	66.00	188.00	122.00	0.79	Enriched
201.65	255.60	53.95	0.37	188.00	256.00	68.00	0.47	Primary
FDC003				**CAR-190**				
From	To	Length (m)	Cu%	From	To	Length (m)	Cu%	Zone
14.35	230.00	215.65	0.42	12.00	230.00	218.00	0.47	Total

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14.35	61.30	46.95	0.69	12.00	54.00	42.00	0.82	Oxide
97.20	164.50	67.30	0.46	88.00	160.00	72.00	0.52	Enriched
164.50	230.00	65.50	0.36	160.00	230.00	70.00	0.36	Primary
FDC004				**CAR-189**				
From	To	Length (m)	Cu%	From	To	Length (m)	Cu%	Zone
74.40	207.00	132.60	0.44	76.00	208.00	132.00	0.39	Total
74.40	111.85	37.45	0.75	76.00	112.00	36.00	0.79	Enriched
111.85	207.00	95.15	0.31	112.00	208.00	96.00	0.24	Primary
FDC005				**M-008**				
From	To	Length (m)	Cu%	From	To	Length (m)	Cu%	Zone
65.40	208.40	143.00	0.34	73.15	208.65	135.50	0.35	Total
65.40	122.80	57.40	0.46	73.15	127.00	53.85	0.48	Enriched
122.80	208.40	85.60	0.26	127.00	208.65	81.65	0.27	Primary
FDC006				**K-006**				
From	**To**	**Length** (m)	**Cu%**	**From**	**To**	**Length** (m)	**Cu%**	**Zone**
92.45	230.00	137.55	0.22	94.10	230.56	136.46	0.22	Total
92.45	110.00	17.55	0.47	94.10	111.55	17.45	0.46	Enriched
110.00	230.00	120.00	0.19	111.55	230.56	119.01	0.18	Primary
FDC007				**K-010**				
From	**To**	**Length** (m)	**Cu%**	**From**	**To**	**Length** (m)	**Cu%**	**Zone**
114.50	258.00	143.50	0.29	114.75	257.05	142.30	0.24	Total
114.50	134.00	19.50	0.92	114.75	137.15	22.40	0.64	Enriched
134.00	258.00	124.00	0.19	137.15	257.05	119.90	0.17	Primary
FDC008				**I-008**				
From	**To**	**Length** (m)	**Cu%**	**From**	**To**	**Length** (m)	**Cu%**	**Zone**
30.50	146.50	116.00	0.30	32.00	146.80	114.80	0.31	Total
30.50	112.00	81.50	0.26	32.00	106.00	74.00	0.24	Oxide
112.00	123.70	11.70	0.73	106.00	124.00	18.00	0.65	Enriched
123.70	146.50	22.80	0.23	124.00	146.80	22.80	0.26	Primary
FDC009				**CAR-186**				
From	**To**	**Length** (m)	**Cu%**	**From**	**To**	**Length** (m)	**Cu%**	**Zone**
62.25	212.00	149.75	0.19	66.00	211.00	145.00	0.27	Total

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62.25	108.00	45.75	0.29	66.00	118.00	52.00	0.45	Enriched
108.00	212.00	104.00	0.15	118.00	211.00	93.00	0.17	Primary

To assess how well the Element 29 twin drill holes compare with the historical Rio Amarillo Mining core holes and the Phelps Dodge reverse circulation drill holes, CGK Consulting Services Inc. used a series of statistical and graphical summaries. The statistical summaries include the mean, the standard deviation, the linear correlation, the average coefficient of variation, the reduced to major axis linear model, and the two-sample t-test (Table 4). The graphical summaries include drill hole profile plots, scatter plots of sample pairs, cumulative grade times thickness plots, relative difference plots, and down-the-hole correlograms.

In addition to the above statistical and graphical summaries for the twin hole comparisons, CGK Consulting Services Inc. also reviewed the historical re-sampling carried out by Phelps Dodge, an assessment of the reliability of the drill hole collar locations, and an assessment of the quality control and quality assurance results for the Element 29 drill hole sample assays to demonstrate the reliability of this data.

Table 4. Summary of selected statistics for the twin drill hole comparisons. The "Mean" for each historical drill hole and its E29 twin are length-weighted averages of the two sets of Cu assays. "Correlation" is a summary statistic that measures how close the two sets of Cu assay grades fall along a straight line. The "t-statistic" is a two-sample t-test used to determine if the samples belong to the same statistical population. If the t-statistic is between -2 and +2 the samples come from the same population.

Historical Hole	E29 Twin	No. of Pairs	Historical Mean	E29 Mean	Correlation	t-statistic	Comparison Type
K-008	FDC001	117	0.864	0.864	0.845	-0.080	Core-Core
CAR-188	FDC002	100	0.583	0.642	0.592	-0.830	RC-Core
CAR-190	FDC003	111	0.459	0.401	0.195	0.830	RC-Core
CAR-189	FDC004	18	0.257	0.296	0.811	-0.780	RC-Core
M-008	FDC005	118	0.249	0.247	0.663	0.080	Core-Core
K-006	FDC006	141	0.150	0.152	0.640	-0.110	Core-Core
K-010	FDC007	156	0.159	0.178	0.874	-0.730	Core-Core
I-008	FDC008	49	0.284	0.293	0.684	0.200	Core-Core
CAR-186	FDC009	88	0.229	0.169	0.446	1.98	RC-Core

The Company reported result from sequential copper leach analysis of materials obtained from the twelve-hole diamond drilling program completed in July 2022 (See February 22, 2023 press release https://www.e29copper.com/news/2023/element-29-reports-positive-sequential-copper-leach-results-from-the-flor-de-cobre-project). Preliminary results indicate positive copper leach extraction characteristics from the chalcocite-dominated enrichment zone at Candelaria on Flor de Cobre.

The sequential leach analysis was undertaken on 1,233 metres ("**m**") of drill core (674 samples) representing a sample set of the secondary copper enrichment intervals from the 12 drill holes completed by the Company. Sequential leach analysis is an established geochemical technique used to examine the solubility of copper minerals in a series of different solutions to indicate proportions of soluble oxide minerals, soluble secondary sulphide minerals, and primary copper minerals. Results can be used to identify mineral zones for metallurgical sampling and testing, indicate types of technologies and reagents to use, contribute to evaluation of process route options, and eventually inform geometallurgical modelling, and a prediction of recoveries as the company advances toward a potential development path.

The sequential leach analysis indicates the main enrichment zone at Flor de Cobre is dominated by soluble secondary sulphide with a minor copper oxide component, which is consistent with visual observations of chalcocite, covellite, digenite, malachite, and chrysocolla in drill core. The ternary diagram (**Figure 5**) displays the sequential copper assays and estimates the proportions of leachable oxide, leachable sulphide, and primary sulphide copper minerals. Minor amounts of refractory minerals are present in oxide zones perched above the main enrichment zone. Chalcopyrite is the dominant primary copper mineral observed in mineralization beneath the enrichment zone.

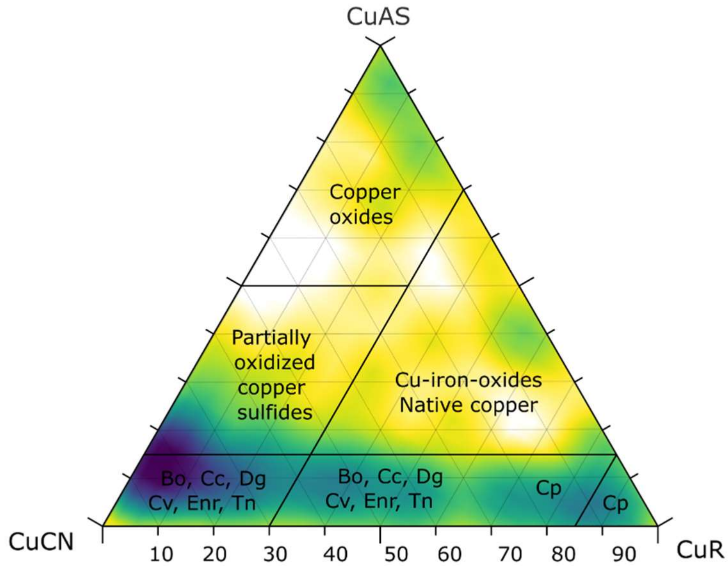

Figure 5. Ternary diagram used to display results (674 samples) from sequential leach analysis for data from Flor de Cobre. The proportions of copper reported in sulphuric acid, sodium cyanide, and four-acid solutions are plotted where the triangle vertices represent a 100% proportion for each solution. The plot shows most of the copper is leached by the cyanide solution (CuCN), indicating the dominant minerals are a soluble copper sulphide mineral such as chalcocite. Samples plotting towards the sulphuric acid vertex (CuAS) contain copper oxide minerals and samples plotting toward the four-acid vertex (CuR) indicate presence of chalcopyrite. Results are consistent with visual mineral observations. Dark colours (blue) on the diagram indicate a high density of samples, lighter colours (yellow) indicate a low density of samples.

Results successfully confirmed the position of the enrichment zone as recognized from visual observations of mineralogy in each drill hole (**Figure 6** and **Figure 7**). The contact between enrichment mineralization and the overlying leached zone is relatively abrupt and marked by the appearance of chalcocite. The lower enrichment contact is transitional over 10-50 m into the underlying primary, chalcopyrite-dominant zone.

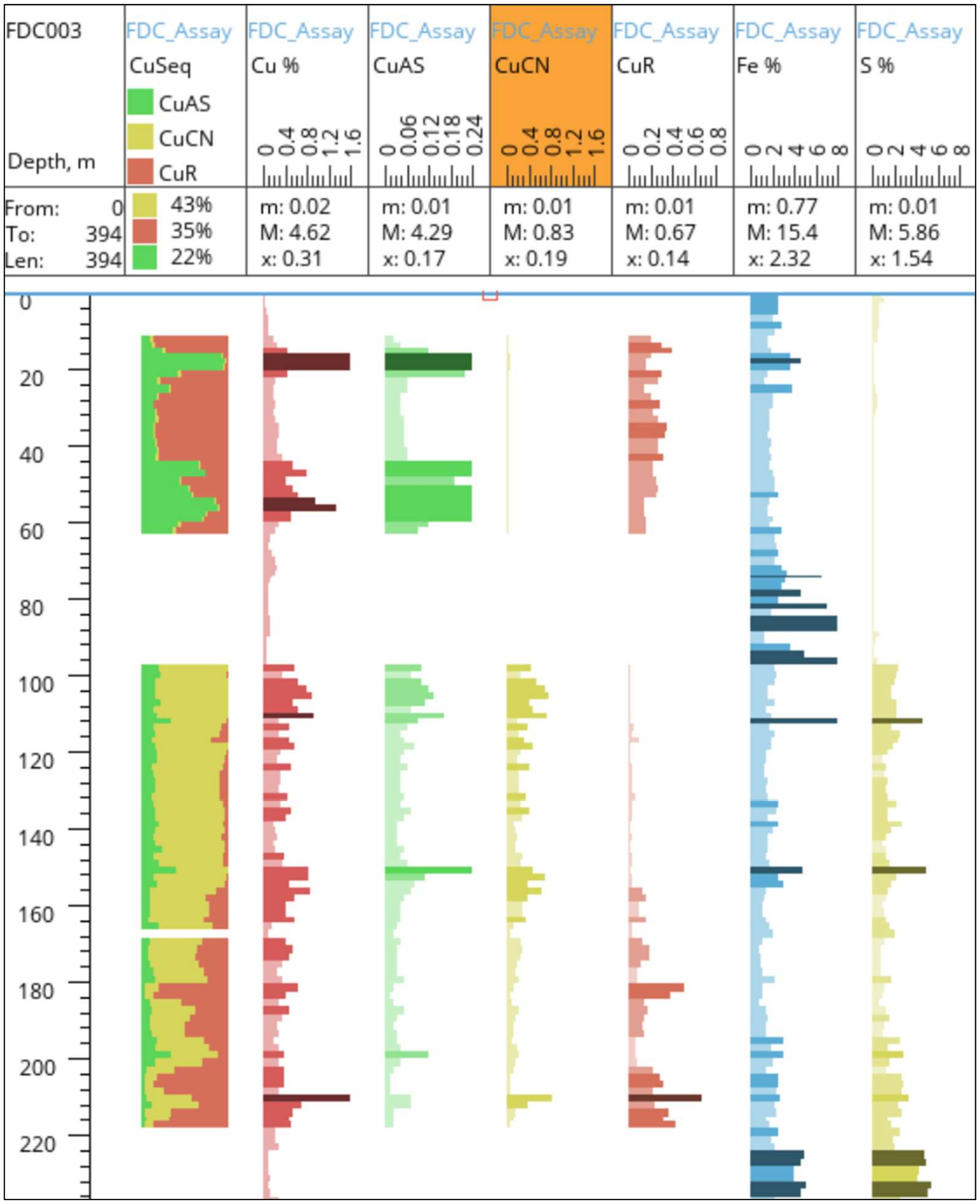

__Figure 6.__ Profile of drill hole FDC003 showing Cu grade with the proportions of Cu given by sequential leach analysis. This hole intersected copper oxide mineralization from 14.35 to 61.30 m. The main copper enrichment zone is from 97.20 to 164.50 m. The abrupt upper contact of the enrichment zone is visible in the Cu% column. A transitional zone containing chalcocite and chalcopyrite persists to approximately 215 m. The remainder of the hole intersected primary sulphide (chalcopyrite) mineralization. The profile shows the portion of the hole where sequential analysis was completed. FDC003 was drilled to a depth of 394 m.

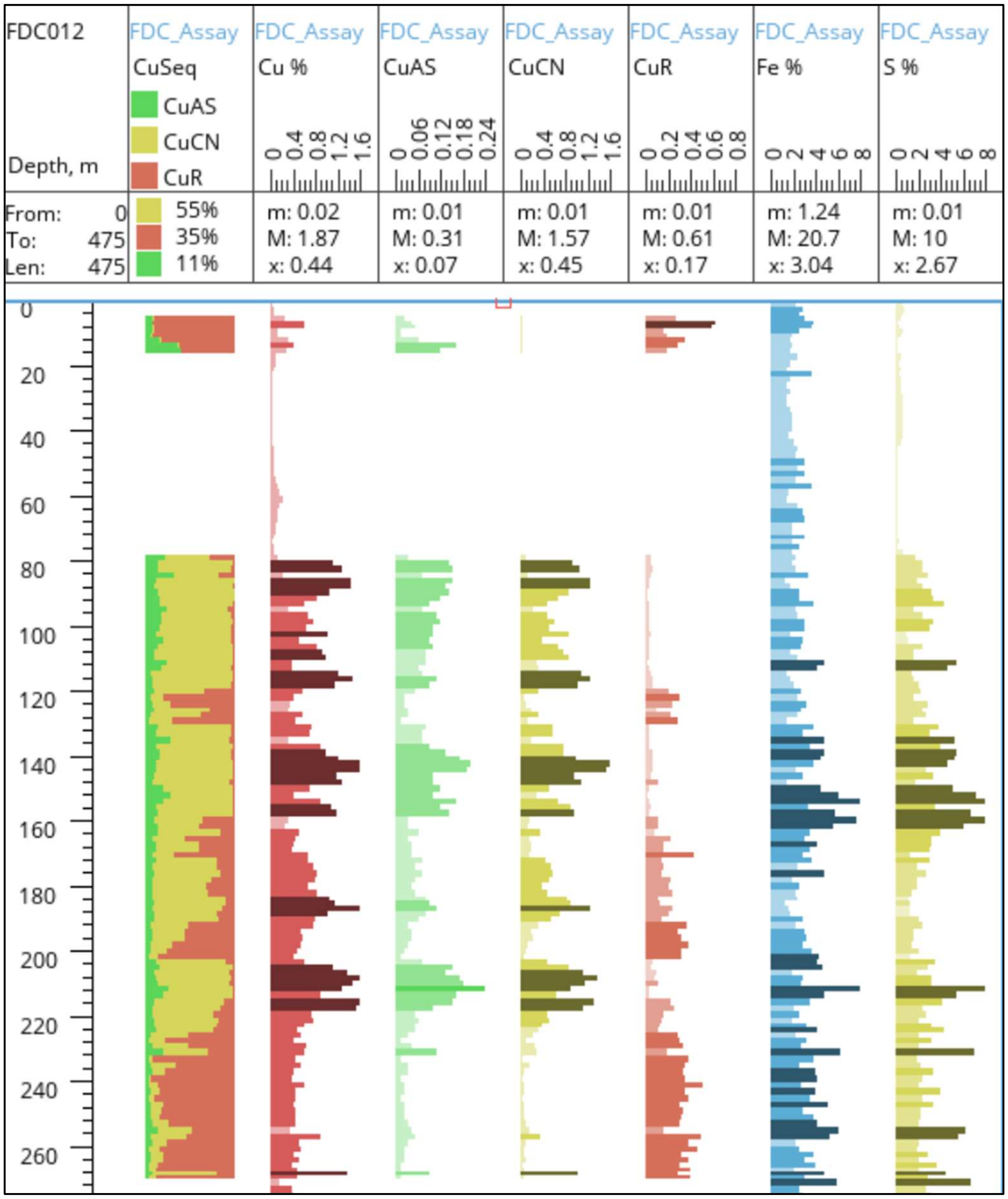

Figure 7. *Profile of drill hole FDC012 showing Cu grade with the proportions of Cu given by sequential leach analysis. The abrupt contact of the enrichment zone at 79.9m is visible in the Cu% column. The enrichment zone (79.9 – 180.0 m) is dominated by CuCN, which measures soluble copper sulphide minerals such as chalcocite. A transitional zone containing mixtures of chalcocite and chalcopyrite extends to 232.0m. The remainder of the hole intersected primary sulphide (chalcopyrite) mineralization. The profile shows the portion of the hole where sequential leach analysis was undertaken. FDC012 was drilled to a depth of 475 m.*

The Company continues to progress drill permitting on the Atravesado porphyry target in preparation for initial drill-testing of a porphyry target supported by coincident outcrop geology, surface geochemistry, and geophysical responses. Atravesado is located approximately 1.5 km northwest of Candelaria and is a 1.5 km x 2.4 km elliptical zone characterized by outcropping copper oxide mineralization in association with quartz vein stockworks and potassic alteration (Figure 4). Late-mineral porphyry dikes are also mapped within the target area.

Elida Copper Project (Peru)

The Elida Project is in the province of Ocros, in the district of Carhuapampa, Department of Ancash which is 170 km northwest of Lima and roughly 85 km from the coast. The property is accessible along paved and maintained unpaved roads that extend inland from the city of Barranca. Barranca is connected to Lima by the Pan American Highway (Figure 6).

The property is made up of 28 mining concessions, totalling 19,210 ha, as shown in Figure 7. These concessions are currently registered in the name of Elida Resources SAC (Figure 7). There is currently one mineral concession internal to the Elida property and that concession is not owned by Element 29.

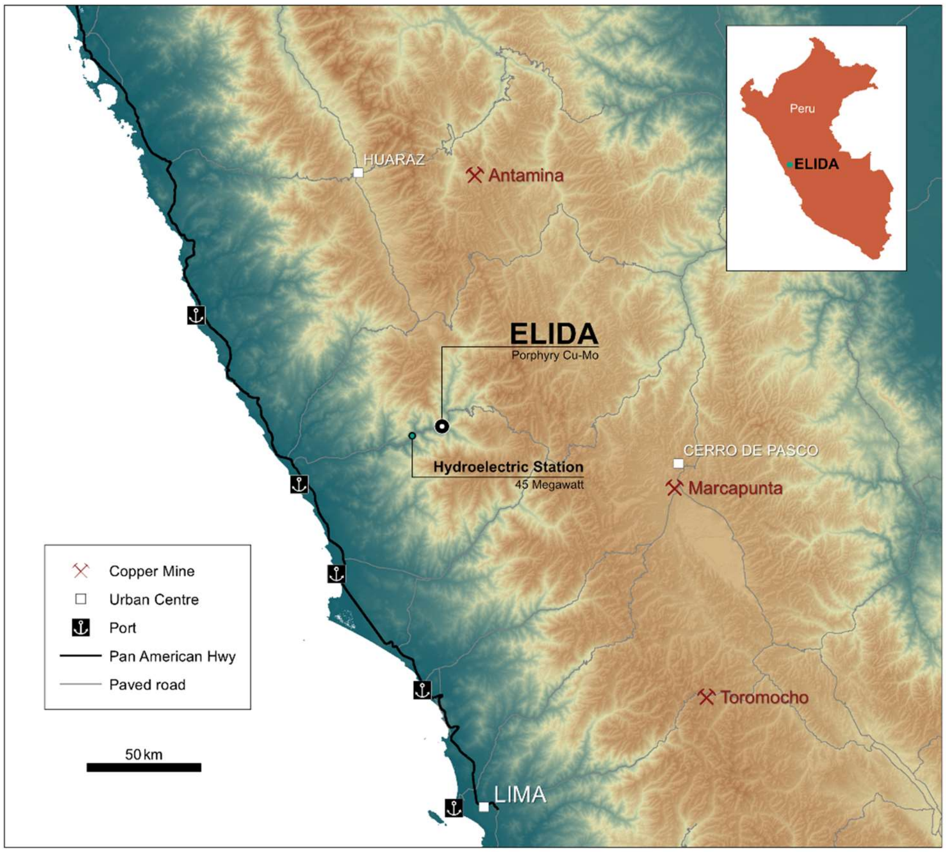

Figure 6. The location of the Elida property approximately 200km north of Lima at an elevation of approximately 1600m.

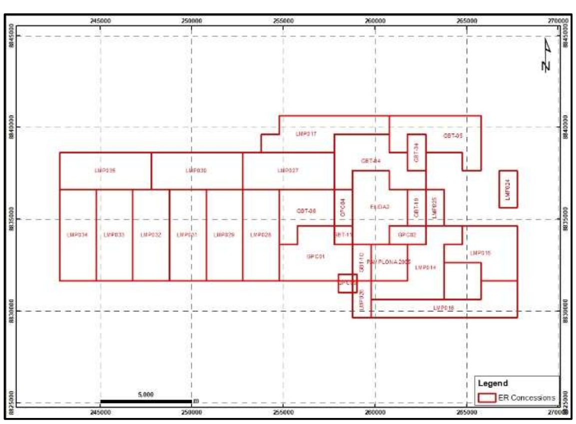

Figure 7. Elida property concession map.

The property was originally staked over a large, remote-sensing anomaly situated in an emerging porphyry belt in central Peru. Ground follow-up of this anomaly eventually led to the discovery of an untested porphyry Cu-Mo centre that is part of a porphyry cluster enclosed by a 2.5 x 2.5-km alteration zone. The porphyry system is a multiphase complex of porphyry stocks and dikes, composed of quartz monzonite and quartz monzodiorite intruded into Cretaceous Casma volcanic, volcaniclastic and sedimentary rocks as well as the eastern margin of the Coastal Batholith. In the central part of the system, the Casma Group is a sequence of volcanic and volcanoclastic rocks intercalated with sandstone, calcareous sandstone, siltstone, and shales.

Lundin Mining Peru SAC ("**Lundin**") optioned the property and undertook an exploration program on the Elida property from 2013 to 2016 which consisted of regional and detailed geological mapping, drone topographic surveying, rock geochemistry, ground magnetics, induced polarization/resistivity ("**IP**"), and culminating in drilling 18 diamond drill holes ("**DDH**") (Figure 6).

Regional geological mapping was undertaken at a district scale of 1:10,000, with local detailed mapping at a scale of 1:2,500. A concurrent rock geochemistry sampling program was also completed; this part of the program included radiometric age-dating of four rock samples by a Uranium^{238}/Lead^{206} method on magmatic zircon. Eight lines of ground magnetics with a total coverage of 19.5 km and 12 IP lines using a pole-dipole configuration, at 100 m spacing along NW-SE oriented survey lines were conducted from January to March, 2014. Thirty additional lines of ground magnetic surveying, at 100 m spacing with NE-SW oriented lines totalling 76.26 km was carried out in July 2014.

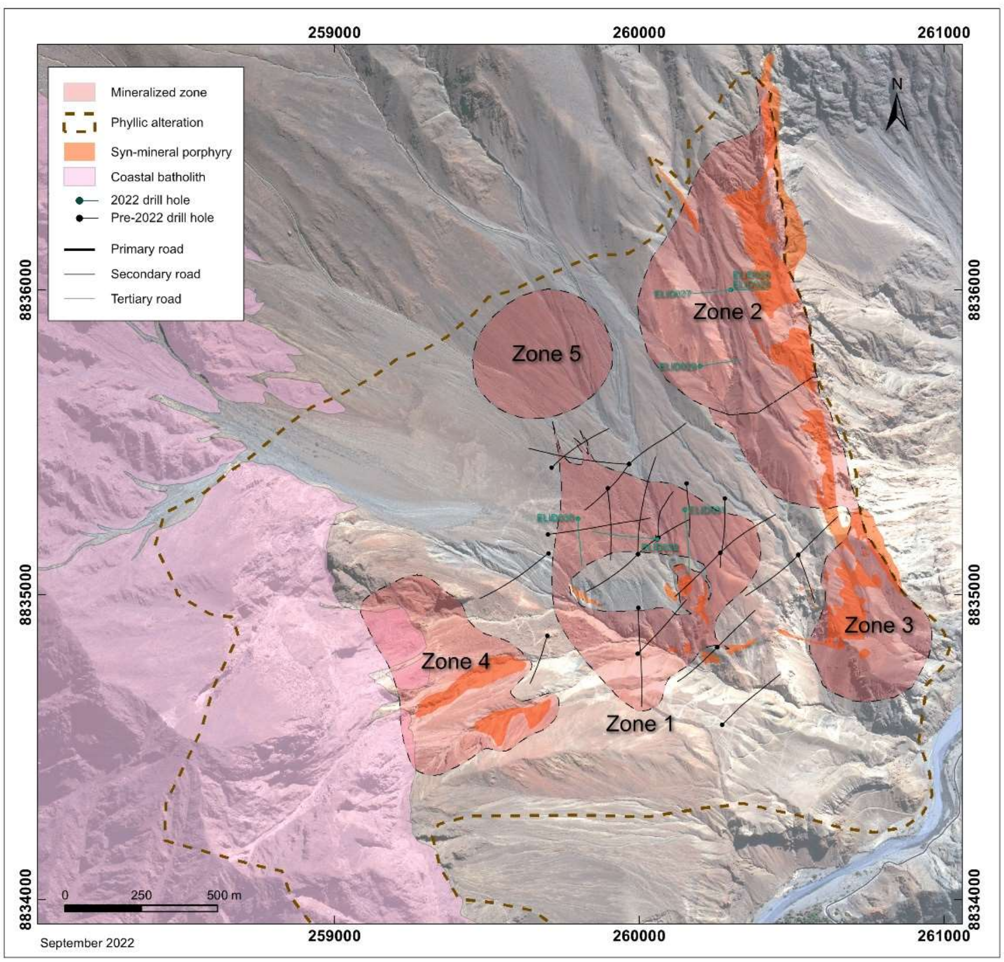

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Figure 8. Five exploration targets representing individual porphyry centres are recognized at Elida. The targets are within a 2.5 x 2.5 km area of phyllic alteration. Drill holes completed in Phase 2 are coloured green. Drill holes completed earlier are shown in black.

A total of 9,880 m of diamond drilling in 18 drill holes was completed by Lundin in 2015. All holes intercepted Cu-Mo mineralization and six of the holes intercepted significant Cu-Mo mineralization. Diamond drill hole 15ELID012 intersected an interval of 502.9 m of 0.420% copper, 0.046% molybdenum, 3.23 g/t Ag including 393.0 m of 0.455% Cu, 0.048% Mo, 3.58 g/t Ag (Table 5). Some mineralized intercepts begin immediately below colluvial cover, demonstrating the mineralized system begins in bedrock beneath the post-mineral unconsolidated cover sequence.

Table 5. Elida 2014-15 summary of drilling results.

Drill hole ID	From	To	Length	CuEq1	Cu	Mo	Au	Ag
14ELID002	46.0	613.9	567.9	0.436	0.280	0.048	0.006	2.52
including	49.7	76.0	26.3	0.541	0.432	0.025	0.006	3.91
and including	108.0	336.0	228.0	0.519	0.351	0.048	0.007	3.69
and including	382.0	448.0	66.0	0.468	0.299	0.055	0.008	1.89
14ELID004	24.0	331.0	307.0	0.388	0.304	0.023	0.005	2.12
including	42.0	67.0	25.0	0.454	0.357	0.028	0.006	1.95
and including	147.0	223.0	76.0	0.485	0.393	0.023	0.007	2.62
and	369.0	415.0	46.0	0.276	0.216	0.016	0.006	1.48
and	541.0	605.3	64.3	0.211	0.163	0.013	0.004	1.13
15ELID005	34.0	547.8	513.8	0.329	0.242	0.024	0.003	2.01
including	89.8	121.0	31.2	0.404	0.271	0.041	0.003	2.20
and including	339.0	365.0	26.0	0.506	0.395	0.029	0.003	3.37
and including	414.0	463.0	49.0	0.428	0.370	0.011	0.003	2.89
15ELID006	22.2	85.0	62.8	0.208	0.165	0.008	0.006	1.83
15ELID007	71.0	530.0	459.0	0.280	0.188	0.028	0.004	1.59
15ELID008	25.0	73.0	48.0	0.253	0.218	0.004	0.003	2.35
and	105.0	166.0	61.0	0.203	0.142	0.016	0.003	1.69
15ELID009	11.0	84.0	73.0	0.275	0.216	0.014	0.004	2.05
and	117.0	380.0	263.0	0.293	0.215	0.024	0.006	1.21
and	444.0	507.3	63.3	0.209	0.088	0.042	0.003	0.65
15ELID010	8.3	145.0	136.7	0.256	0.163	0.029	0.007	1.14
and	268.0	443.0	175.0	0.213	0.152	0.018	0.005	1.08
15ELID011	116.0	242.0	126.0	0.218	0.151	0.021	0.003	1.05
and	274.0	576.5	302.5	0.287	0.186	0.032	0.004	1.31
15ELID012	55.1	558.0	502.9	0.579	0.420	0.046	0.008	3.23
including	57.0	450.0	393.0	0.623	0.455	0.048	0.008	3.58
and including	484.0	558.0	74.0	0.466	0.346	0.035	0.007	2.17
15ELID014	70.0	532.0	462.0	0.492	0.335	0.047	0.007	2.89
including	80.0	176.0	96.0	0.582	0.433	0.037	0.012	4.33
and including	195.1	359.4	164.3	0.637	0.416	0.069	0.006	3.28
and including	435.9	477.0	41.1	0.470	0.363	0.023	0.009	4.23
15ELID015	93.6	639.2	545.6	0.480	0.329	0.042	0.008	3.60
including	199.6	306.2	106.6	0.585	0.421	0.040	0.010	5.12
and including	349.0	381.0	32.0	0.582	0.403	0.036	0.007	8.00
and including	396.0	428.0	32.0	0.586	0.419	0.048	0.008	3.51
and including	474.0	639.2	165.2	0.593	0.395	0.058	0.011	3.72
15ELID016	65.5	210.0	144.5	0.284	0.218	0.011	0.004	3.70
15ELID017	84.0	494.0	410.0	0.295	0.230	0.009	0.006	3.92
including	260.4	318.0	57.6	0.490	0.393	0.011	0.008	6.52
15ELID018	276.1	398.9	122.8	0.266	0.201	0.005	0.004	4.87
and	430.4	583.6	153.2	0.234	0.189	0.004	0.004	3.30

*[1]The calculated copper equivalent (CuEq. (%)) grade was used to determine the significant intervals (>0.20% CuEq. and >30 m core length, with higher grade intervals using a >0.40% CuEq. and >15 m core length). *CuEq. = Cu (%) + Mo (%) x 2.667 +Au (ppm) x*

0.6320 +Ag (ppm) x 0.0097 (no metallurgy has been completed at Elida, therefore no metallurgical recovery was applied in the copper equivalent formula). Cu Price= $3.00 USD/lb, Mo Price = $8.00 USD/lb, Au Price=$1,300.00 USD/oz, Ag Price=$20.00 USD/oz.

Drilling and sampling were carried out by Lundin Mining Peru SAC (2014-2015). ALS-Global Laboratories in Lima, Peru, analysed the half-core by ME-ICP41, which includes 35 elements using an Aqua Regia digestion ICP-AES analysis and gold fire assay with an AA finish (Au-AA23). The over limits underwent ME-OG46 for ore grade elements using an Aqua Regia digestion. Reported widths are drill core lengths; true widths are unknown at this time. Assay values are uncut.

Drill hole intercepts in Table 5 were prepared by Christopher Keech (P.Geo.), Principal Geologist for CGK Consulting Services Inc. Mr. Keech is a Qualified Person as set out in National Instrument 43-101 and is independent of Element 29 Resources.

Core from the first 18-drill hole program, totaling 9,880 m, was logged and sampled on site. A total of 5,612 rock samples, including core samples, were collected and analyzed by Au-AA23 and ME-ICP41 at ALS-Global Laboratories in Lima, Peru. Table 5 (above) presents a summary of the drill assay results. Spectral analysis of the rocks samples was also conducted, with a total of 5,065 readings completed at ALS Global Lab using a Terraspec™ instrument measuring VNIR and SWIR spectra. Systematic magnetic susceptibility and specific gravity measurements were also taken for every rock core sample. The remaining half core for all holes is stored at the Company's secure core storage facility in Lima.

The Elida porphyry complex is a Cu-Mo-Ag mineralized multiphase porphyry system approximately 2 x 2 km in size at surface, associated with Eocene-aged quartz monzonite stocks, emplaced into the Cretaceous volcano-sedimentary sequence and a granodiorite member of the Peruvian Coastal Batholith. Elida is one of the first Eocene-age mineralized porphyry systems discovered in Peru.

The initial drill program by Lundin intersected a Cu-Mo-Ag mineralized porphyry system centred on an early quartz-feldspar porphyry stock herein referred to as the 'Elida Porphyry Stock'. This stock has an elliptical shape in plan with dimensions approximately 300 x 500 m and is elongated east-west. Porphyry mineralization displays a clear zonation from a central, high temperature core containing Mo and minor Cu outward to a concentric Cu-Mo zone that contains the better drill hole intersections. Silver is relatively common yet minor in content throughout the mineralization. Zinc ("**Zn**") is anomalous throughout the mineralized intervals and shows a crude zonation, increasing toward the outer limits of mineralization. Most of the mineralized porphyry rocks at surface are variably replaced by sericite and accompanied by pyrite (phyllic alteration) and modified by weathering. A leached profile is preserved at higher elevations within the porphyry complex. In-situ and transported hematitic leached cap is locally abundant. Both exotic and indigenous Cu-oxide minerals are present.

Elida Phase 1 Drill Program

The Company announced on August 4, 2021, the commencement of its Phase 1, 4,481.4 m drilling program to test mineralization at Zone 1. The drilling program was completed on December 14, 2021. The drilling program had the following objectives:

- Achieve a drill hole spacing that is appropriate for estimating a mineral resource in a portion of Zone 1;
- Investigate the vertical continuity and zonation of mineralization in Zone 1, and;
- Improve the confidence of mineralization boundaries interpreted from previous drilling and outcrops.

The 2021 exploration program at Elida ("Phase 1") consisted of drilling in and around the known copper mineralization at Zone 1 (**Figure 8**) to reduce drill spacing in order to complete an initial Mineral Resource Estimate in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves, as adopted and amended by the CIM Council.

Elida Phase 1 Drill Program Results

The Company completed 4,481.4 m of diamond drilling in a seven-hole drill program in December 2021 ("Phase 1"). The results of Phase 1 drilling are summarized in Table 6 and were disclosed in the following press releases:

- Element 29 Reports Final Three Holes from the Elida Phase I Drilling and Reports 908.75 metres of 0.55% CuEq (See January 19, 2022 press release http://www.e29copper.com/news/2022/element-

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29-reports-final-three-holes-from-the-elida-phase-1-drilling-and-reports-90875-metres-of-055--cueq)

- Element 29 Drills 418.0 metres of 0.51% CuEq at the Elida Copper Project (See November 15, 2021 press release http://www.e29copper.com/news/2021/element-29-drills-4180--of-051-cueq-at-the-elida-copper-project)
- Element 29 Drills 383.75 metres of .71% CuEq at the Elida Copper Project (See October 18, 2021 press release http://www.e29copper.com/news/2021/element-29-drills-38375-metres-of-71-cueq--at-the-elida-copper-project)

Table 6. Results from the Elida drilling program expressed as length-weighted assay intervals.

Hole	From (m)	To (m)	Length[2] (m)	Cu (%)	Mo (%)	Ag (ppm)	As (ppm)	CuEq[1] (%)
ELID019	43.15	426.9	383.75	0.54	0.035	4.2	47	0.71
includes	43.15	358.0	314.85	0.60	0.033	4.7	32	0.76
ELID020	143.00	451.00	308.00	0.43	0.028	3.9	15	0.56
includes	249.00	353.00	104.00	0.54	0.031	4.6	12	0.69
includes	384.20	451.00	66.80	0.62	0.041	5.2	17	0.81
ELID021	207.9	764.0	556.1	0.36	0.024	2.4	101	0.47
includes	244.0	662.0	418.0	0.40	0.025	2.6	91	0.51
ELID022	145.0	533.0	388.0	0.34	0.026	2.4	80	0.45
includes	201.0	405.0	204.0	0.38	0.026	2.7	70	0.50
and includes	201.0	229.0	28.0	0.62	0.022	4.2	66	0.74
and includes	283.0	405.0	122.0	0.39	0.032	2.8	79	0.52
includes	425.0	451.0	26	0.43	0.024	3.2	79	0.55
ELID023	87.0	610.5	523.5	0.24	0.024	2.9	39	0.35
includes	87.0	178.1	91.1	0.41	0.032	4.1	91	0.56
includes	425.0	610.5	185.5	0.30	0.017	4.6	19	0.41
ELID024	198.45	650.2	451.75	0.38	0.034	3.1	19	0.53
includes	198.45	467.5	269.05	0.31	0.026	2.8	9	0.43
includes	467.5	650.2	182.7	0.47	0.047	3.9	34	0.67
and includes	467.5	540.0	72.5	0.59	0.048	4.5	9	0.81
ELID025	38.45	947.2	908.75	0.39	0.035	2.9	42	0.55
includes	38.45	378.0	339.55	0.50	0.036	4.3	36	0.67
includes	442.0	821.2	379.2	0.30	0.033	1.9	47	0.43
includes	821.2	861.0	39.8	0.58	0.027	3.6	50	0.71
includes	861.0	947.2	86.2	0.35	0.040	2.0	67	0.51

1 *Copper equivalent grades (CuEq) are for comparative purposes only. Calculations are uncut and recovery is assumed to be 100% as metallurgical data is insufficient to allow for estimation of metal recoveries. Copper equivalence (CuEq %) is calculated as: CuEq (%) = Cu (%) + [3.55 × Mo (%)] + [0.0095 × Ag (g/t)], utilizing metal prices of Cu - US$3.34/lb, Mo - US$11.86/lb and Ag - US$21.87/oz. Metal prices are based on a 2-year average of monthly LME metal prices.*

2 *Intervals are downhole drilled core lengths. Drilling data to date is insufficient to determine true width of mineralization. Assay values are uncut.*

ELID019 returned a continuous interval of strong mineralization (383.75 m at 0.54 % Cu, 0.035 % Mo, 4.2 g/t Ag for 0.71 % CuEq[1]) down to a depth of 426.9 m, where the central, weakly-mineralized quartz monzonite porphyry stock ("QMP") was encountered. The hole demonstrated strong Cu-Mo mineralization intersected by ELID012 extends up to the bedrock surface, beneath 43.15 m of unconsolidated colluvial gravel. The interval in ELID019 is characterized by potassic alteration with multiple veining events that introduced Cu and Mo with chalcopyrite as the dominant Cu bearing mineral. The mineralized interval contains low concentrations of As (e.g., As <50 ppm) and other deleterious elements. Drilling data to date shows Cu and As do not correlate, suggesting As is not associated with the Cu sulphide minerals. This is significant as high As concentrations, typically resulting from late-stage epithermal overprinting, can be detrimental to the economics of a porphyry Cu deposit. Such epithermal events are not observed at Elida.

ELID020 was collared within the mineralized zone at Zone 1 and angled south toward the central, low-grade QMP. The hole was designed to test the mineralized zone between the QMP and ELID015, which intersected the outer margin of the mineralized zone in this area. The mineralized zone was encountered at the bedrock surface directly below colluvial gravel at 92.7 m and continued south to the northern contact of the QMP. The styles of mineralization and alteration reported in ELID020 are similar to other holes that intersected Zone 1 Cu-Mo mineralization. Collectively, ELID015 and ELID020 suggest the mineralized zone is approximately 280 m wide in the north-south dimension at this location. As with ELID019, the Cu mineralization is associated with strong Mo grades in the order of 0.030% Mo and contains low concentrations of As (e.g., As<25 ppm) and other deleterious elements.

ELID021 returned a continuous interval of Cu-Mo mineralization (556.1 m at 0.36% Cu, 0.024% Mo, 2.4 g/t Ag for 0.47% CuEq1) to a down-hole depth of 764.0 m. The drill hole was terminated in the mineralized zone at 770.7 m, where a fault zone prevented further drilling. Cu-Mo mineralization associated with potassic alteration and multiple veining events has now been traced by drilling to a depth of approximately 700 m below surface and remains open at depth. Shorter but still significant intervals with higher Cu grade mineralization are distributed across the mineralized zone (e.g., 418.0 m at 0.40% Cu, 0.025% Mo, 2.55 g/t Ag for 0.51% CuEq1).

ELID022 was collared a short distance north (outside) of the mineralized zone to delimit the northern extent of Cu-Mo mineralization in this area. The hole was also designed to test the eastward continuation of mineralization from ELID021 and to obtain information from the eastern side of Zone 1, where mineralization is interpreted to wrap around the eastern edge of an early-mineral quartz monzonite porphyry stock ("QMP"). The position of the northern mineralization limit interpreted from sparse drilling was confirmed by this hole. The continuous interval of mineralization (388.0 m of 0.34% Cu, 0.026% Mo, and 2.36% Ag for 0.45% CuEq1) included an interval of 204 m of 0.38% Cu, 0.026% Mo, and 2.71 g/t Ag (for 0.50% CuEq1) starting at a depth of 201.0 m (Figure 14). Several shorter higher-grade intervals are also reported along the length of the entire mineralized intersection (e.g., 28 m of 0.62% Cu, 0.022% Mo, 4.23 g/t Ag for 0.74% CuEq1). As with previous drill holes, the Cu-Mo mineralization is associated with potassic alteration of sedimentary host rocks and combinations of quartz and sulphide veining.

ELID021 and ELID022 test a 300 m strike length on the eastern segment of Zone 1 and extend the depth of mineralization in this area to depths of 500 m to 700 m below surface. These holes returned long, intervals of Cu-Mo mineralization containing shorter intervals of coherent, higher Cu grades. The geometry of Zone 1 required both holes to terminate within the mineralized zone and the mineralization remains open at depth. Further drilling will be required to test the complete width and depth extent of mineralization in this area.

ELID023 was designed to test mineralization wrapping around the south side of the QMP. The hole intersected a well mineralized interval of 0.41%Cu, 0.024% Mo, and 4.1 g/t Ag (0.56% CuEq1) over 91.1 m adjacent to the QMP followed by a longer interval of mineralization disrupted and diluted by numerous weakly mineralized QMP dikes. Mineralization improved south of the zone of dikes and returned 185.5 m of 0.30% Cu, 0.017% Mo, 4.6 g/t Ag (0.41% CuEq1). The hole ended in low grade Cu mineralization associated with quartz vein stockworks and potassic-altered sedimentary rocks. More drilling is required to confirm the southern limit of mineralization.

ELID024 was collared a short distance west and outside of the mineralization limit inferred from earlier drilling. Continuous mineralization was intersected from where the hole entered potassic-altered bedrock beneath 120 m of unconsolidated gravel. Starting at a depth of 198.45 m, the hole intersected a 451.75 m interval of 0.38% Cu, 0.034% Mo, 3.1 g/t Ag (0.53% CuEq[1]) associated with quartz veining and potassic-altered sedimentary rocks. Intensity of mineralization increased steadily downhole where a 182.7 m interval of 0.47% Cu, 0.047% Mo, and 4.5 g/t Ag (0.67% CuEq[1]) is reported between sections containing ELID020 and ELID025. Included within the interval is a 72.5 m subinterval of 0.59% Cu, 0.048% Mo, and 4.5 g/t Ag (0.81% CuEq[1]), which indicates coherent, higher-grade zones are an important component of the broader Zone 1 mineralized zone. The hole was drilled orthogonal to other Phase 1 holes to test the east-west continuity of mineralization and constrain its western limit. The results support a vertically oriented mineralized zone with a geometry concentric to the QMP inferred from available drill holes.

ELID025 intersected a continuous interval of mineralization from the bedrock surface to the final hole depth of 947.2 m and returned 908.75 m at 0.39% Cu, 0.035% Mo, and 2.9 g/t Ag for 0.55% CuEq[1]. The hole was designed to test the vertical continuity of mineralization to depths of greater than 500 m while trying to avoid intersecting the low-grade central quartz monzonite porphyry ("QMP") intrusion. The hole ended in mineralization and was discontinued for operational reasons. Chalcopyrite remained the copper-bearing sulphide mineral for the entire length of the drill hole and indicates a vertically protracted mineral system. Notably, As was low at 42 ppm and did not correlate with Cu grade.

Phase 1 drilling at Elida successfully achieved the program objectives of: (1) investigating the vertical continuity and zonation of Zone 1 mineralization, (2) improving the confidence in the interpreted mineralization boundaries, and (3) attaining a drill hole spacing that is appropriate for estimating a potential mineral resource for a portion of Zone 1. Information returned from the Phase 1 program was used to revise the interpretation of mineralization boundaries shown in Figure 9. Drilling tested the mineral system to a depth of 933 m below surface and indicated mineralization is open at depth. The existence of coherent, higher grade internal zones that extend up to the bedrock surface is an important outcome of the recently completed program.

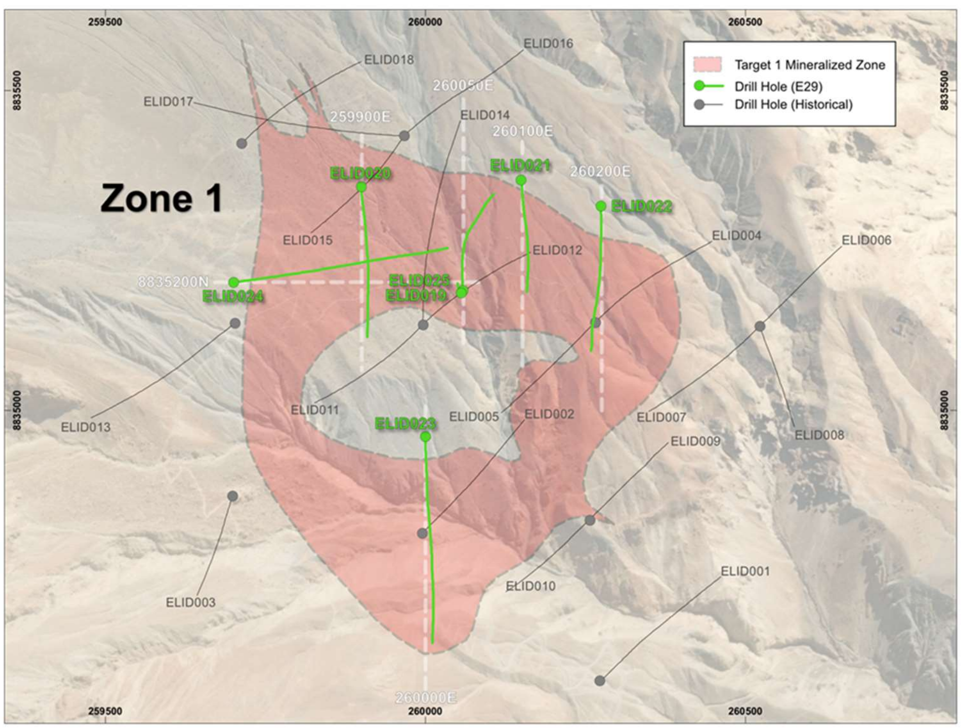

Figure 9. Plan view of Zone 1 at the Elida Porphyry Cu-Mo project showing the location of Element 29's Phase 1 drilling completed in December 2021 and holes completed in 2014/15 by Lundin Mining Peru. Locations of referenced sections are indicated by white dashed lines.

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Table 7. Drill hole collar locations for reported drill holes. Coordinates are in WGS84 zone 18S UTM.

Hole ID	East	North	Elev (m)	EOH (m)	Azimuth (degrees)	Dip (degrees)
ELID019	260056	8835184	1690	480.0	0	-90
ELID020	259900	8835350	1759	567.0	180	-65
ELID021	260150	8835360	1740	770.0	179	-78
ELID022	260274	8835320	1713	602.2	179	-70
ELID023	260000	8834960	1613	662.4	180	-65
ELID024	259700	8835200	1794	650.2	83	-65
ELID025	260058	8835187	1690	947.2	0	-80

Throughout the Phase 1 drilling program, local community members were employed to assist with site preparations and on-going drilling operations. To protect against community spread of COVID-19, the Company adopted rigorous COVID-19 testing procedures, which required all people entering the project receive a negative PCR COVID-19 test within 72 hours of arrival and regular antigen testing were undertaken on site by the Company's medical personnel. All people on site were required to wear masks at all times and maintain a physical distance of two m while working. Work planning involved minimizing contact between local community members and project staff. Standard hygiene practices (frequent hand washing and disinfecting surfaces) were rigorously enforced. These measures were successful at preventing COVID-19 within the Company's workforce and there were no COVID-19 associated work stoppages during the drilling activities.

Mineral Resource Estimation

The Company announced the completion of an initial independent Inferred Mineral Resource estimate ("Mineral Resource") of the Elida porphyry Cu--Mo deposit on September 27, 2022 with an effective date of September 20, 2022. The pit constrained, Inferred Mineral Resource Estimate of 321.7 million tonnes grading 0.32% Cu, 0.029% Mo and 2.6 g/t Ag, using a 0.20% Cu cut-off grade was prepared by Mr. Marc Jutras, P.Eng., M.A.Sc., Principal, Mineral Resources at Ginto Consulting Inc. ("Ginto Consulting"). Mr. Jutras is an Independent Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101) in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves, as adopted and amended by the CIM Council.

Mineral Resources at Elida shown in Table 8 were estimated by:

- Developing a geologic interpretation of copper mineralization in collaboration with the Element 29 geology team based on geologic observations from surface exposure and drill core.
- Performing a statistical evaluation of the Elida drill hole database, which contained 25 diamond drill holes of HQ and NQ diameter.
- Three-dimensional modeling two mineralized domains represented by a higher Cu grade domain and a lower Cu grade domain.
- Integration of an accurate digital terrain model into the mineralization model.
- Compositing original samples to two m lengths.
- Exploratory data analysis to understand different geometric and statistical properties of Cu-Mo-Ag grades.
- Applying capping of high-grade outliers based on the statistical properties of the grade populations.
- Variographic analysis to spatially establish the preferred directions of grade continuity.
- Grade estimation of Cu-Mo-Ag with ordinary kriging using a strategy and parameters tailored to account for the various geometrical, geologic, and geostatistical characteristics identified in previous steps.
- Validation of grade estimates using a set of validation tests.

- Applying a pit constraint optimized using the Lerchs-Grossman algorithm.

The Cu grade populations within the mineralized domains were found to be well-behaved with low coefficients of variation (values of less than 0.6). The capping of the high-grade outliers has only had a minor effect on the average grades and the metal content. As such, ordinary kriging technique with capped composited grades is believed to be an adequate strategy for the grade interpolation process.

The validation of the Cu grade estimates has shown good results from the various tests carried out. It can be concluded that the Cu grade estimates are not biased and have an adequate amount of smoothing/variability. Therefore, it is believed that the Cu grade estimates are an adequate representation of the Mineral Resource at Elida, based on the current geologic understanding and available data. The potential exists for additional mineral resources on the property also associated with untested targets.

The mineral resource has a low modeled strip ratio of 0.74:1 (waste: mineralized material). A near surface, higher-grade subset of the Mineral Resource consisting of 34.1 million inferred tonnes at 0.55% Cu, 0.037% Mo, and 4.4 g/t Ag (at a cut-off grade of 0.45% Cu) has potential to be mined with minimal stripping in the initial years of mining. Significant Mo and Ag grades have the potential to enhance the economics of the deposit, subject to metallurgical test work.

The effective date of the initial Mineral Resource Estimate is September 20, 2022. A NI 43-101 technical report prepared by Ginto Consulting will be filed on SEDAR within 45 days of September 29, 2022 and is available on the Company's website.

For readers to fully understand the mineral resource information contained in this document, they should read the technical report in its entirety, including all qualifications, assumptions, exclusions and risks. The technical report is intended to be read as a whole and sections should not be read or relied upon out of context.

Table 8. Pit-constrained Inferred Mineral Resources for the Elida Cu-Mo deposit.

Cu Cut-Off (%)	Tonnes (millions)	Cu (%)	Contained Cu (M lb)	Contained Cu (tonnes)	Mo (%)	Contained Mo (M lb)	Contained Mo (tonnes)	Ag (g/t)	Contained Ag (M oz)
0.10	520.8	0.255	2,927.9	1,328,057	0.026	298.5	135,410	2.15	36.0
0.15	439.4	0.278	2,692.9	1,221,456	0.028	271.2	123,024	2.31	32.7
0.20	**321.7**	**0.316**	**2,241.2**	**1,016,568**	**0.029**	**205.7**	**93,293**	**2.61**	**27.0**
0.25	214.9	0.363	1,719.4	779,926	0.031	146.8	66,605	2.97	20.5
0.30	143.0	0.407	1,283.4	582,150	0.033	104.1	47,201	3.31	15.2
0.35	94.7	0.449	937.9	425,415	0.034	71.0	32,214	3.65	11.1
0.40	59.7	0.493	649.1	294,423	0.036	47.4	21,499	3.99	7.7
0.45	34.1	0.547	411.7	186,736	0.037	27.8	12,631	4.40	4.8
0.50	20.1	0.599	265.4	120,396	0.038	16.8	7,638	4.76	3.1

Notes:

1. The effective date for the Mineral Resource is September 20, 2022.

2. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

3. The CIM definitions were followed for the classification of Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

4. Mineral Resources are reported at a cut-off grade of 0.2 g/t Cu, using a US$/CAN$ exchange rate of 0.75 and constrained within an open pit shell optimized with the Lerchs-Grossman algorithm to constrain the Mineral Resources with the following estimated parameters: Cu price of US$3.46/lb, US$2.00/t mining cost, US$5.00/t processing cost, US$1.40/t G+A, 87% Cu recovery, and 45° pit slope.

5. The estimate of Mineral Resources may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

Exploration Potential
The initial mineral resource estimate utilized widely spaced drill holes that tested a portion of the interpreted Zone 1 mineralization surrounding a low-grade porphyry core. More drilling will be required in the southwest and northwest sectors to completely evaluate mineral resource potential of Zone 1 (Figure 9). The Company elected to complete a mineral resource estimate at this stage to quantify the size of the drilled portion of Zone 1 and use the three-dimensional mineralization model for future drill hole planning to potentially expand the size of Zone 1 and upgrade Mineral Resources from Inferred to Indicated.

Higher Grades Located Close to Surface
Most of the higher-grade subset of the Mineral Resource noted in Table 1 with a 0.45% Cu cut-off is centred on mineralization intersected in the upper parts of holes ELID012, ELID014, ELID019, and ELID025 (Figure 10). These holes demonstrate that stronger Cu mineralization occurs from the bedrock surface where this tonnage has potential to be mined with minimal stripping in the initial years of mining.

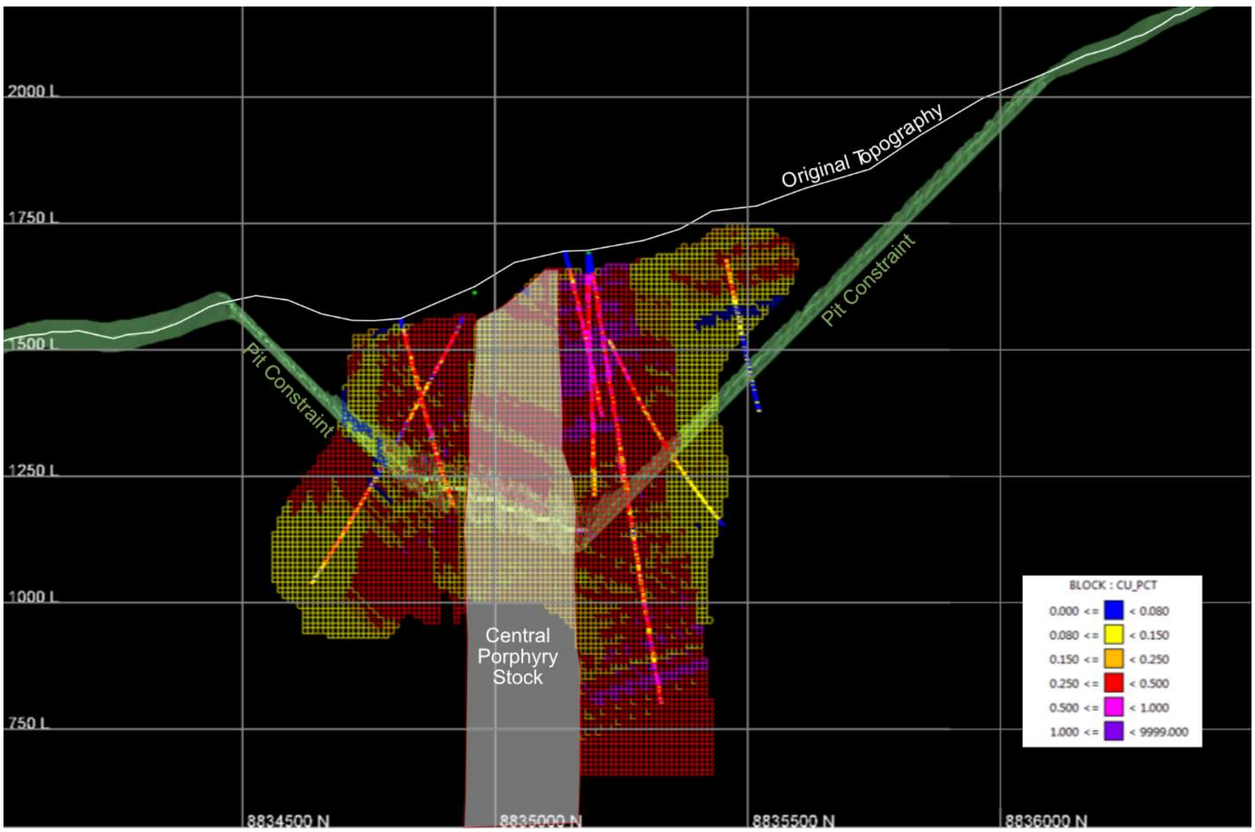

Figure 10. Section through 260050 E to illustrate the position of the constraining pit shell in relation to the original topographic surface and the block model used for the Mineral Resource estimate. The shaded area is the interpreted position of the low-grade quartz monzonite porphyry stock that occupies the core of Zone. Please refer to Figure 1 for the section location.

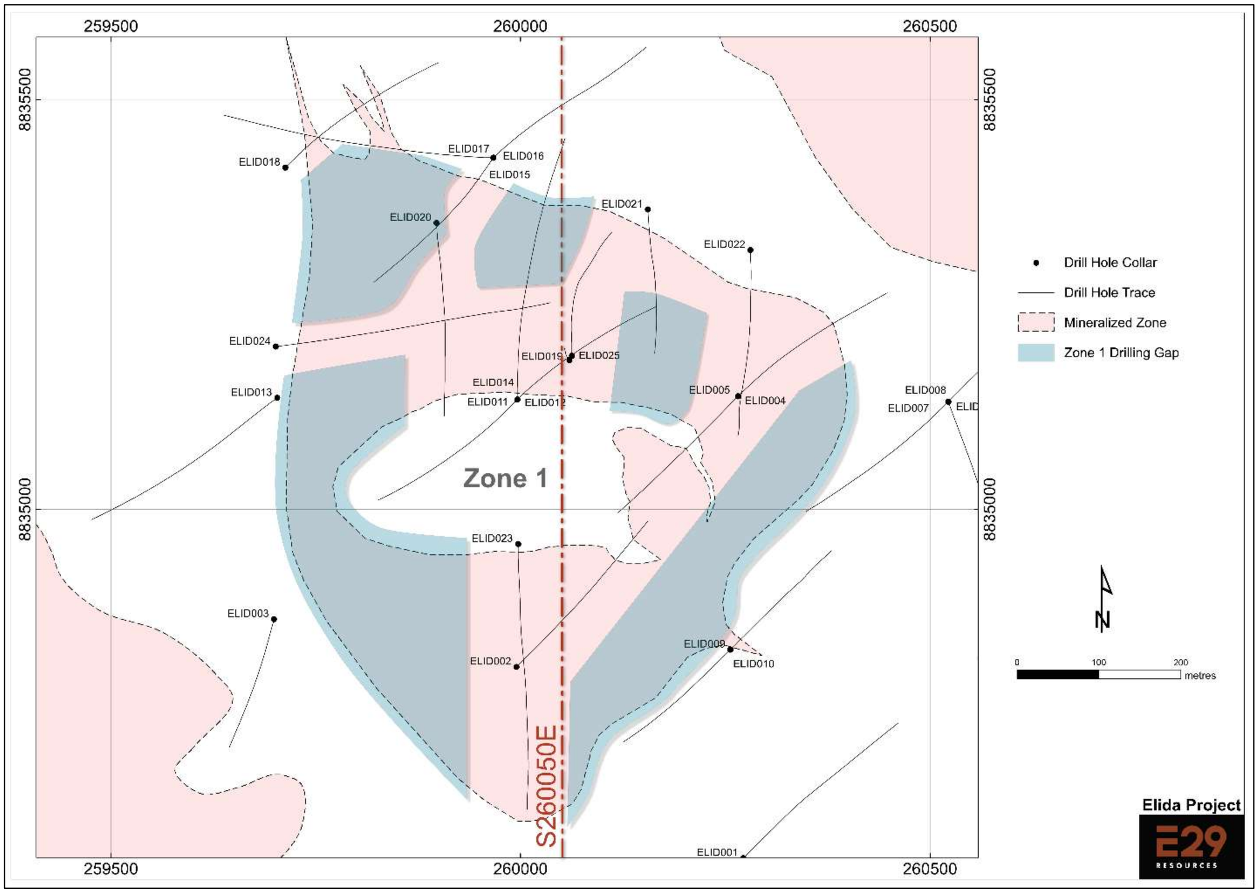

Figure 11. Details of Elida Zone 1, showing areas identified for follow-up drilling, which will be designed to better resolve Cu and molybdenite grade distribution near surface and within the constraining pit shell and more accurately define limits of mineralization particularly on the northwest and southwest edges of Zone 1.

Elida Phase 2 Drilling

The Company announced results from the Phase 2 drilling program consisting of 2,043 m of drilling in 7 holes (Figure 12). Highlights of the Phase 2 program were:

- Drill hole ELID032 intersected 404.5 m of 0.45% copper ("**Cu**"), 0.032% molybdenum ("**Mo**"), and 3.6 g/t silver ("**Ag**") for 0.60% copper equivalent[3] ("**CuEq**", see footnote 3 in **Table 1**), including 123.0 m of 0.52% Cu, 0.036% Mo and 4.0 g/t Ag for 0.68% CuEq[1] starting from the bedrock surface at 45.5 m depth.
- Drill hole ELID031 returned a longer than expected intersection of 366.9 m of 0.27% Cu, 0.027% Mo, and 2.2 g/t Ag for 0.38% CuEq[3], including a 119.1 m interval of 0.38% Cu, 0.025% Mo, and 2.5 g/t Ag for 0.49% CuEq[3].

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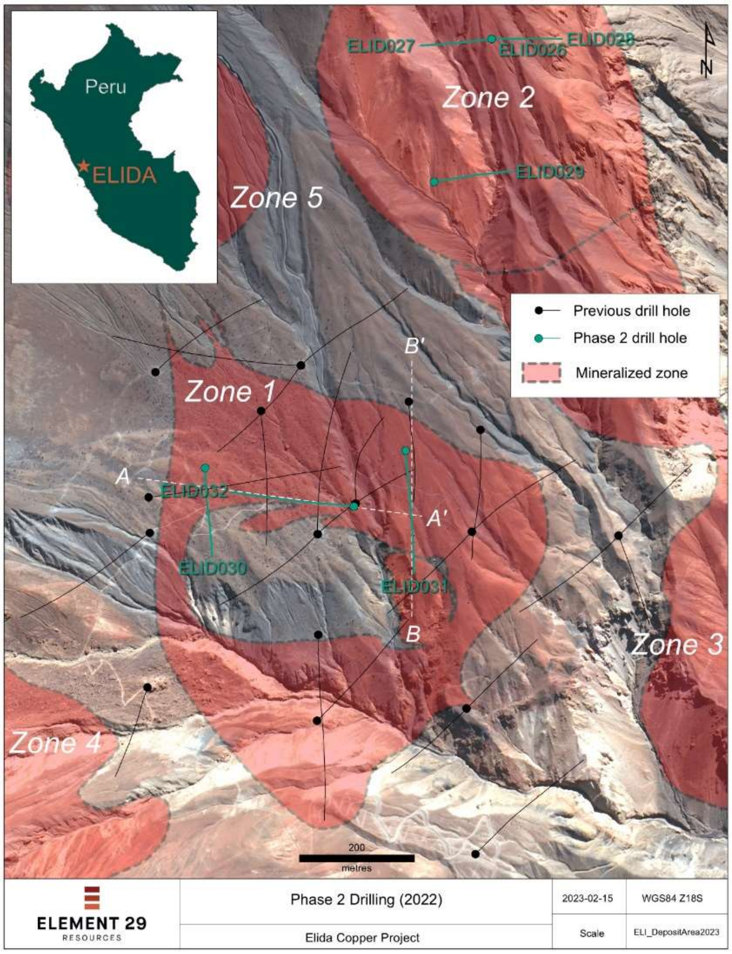

***Figure 12**. Plan view showing the locations Phase 2 drill holes completed in Q4-2022. The locations of sections shown in Figure 2 and Figure 3 are indicated by white dashed lines.*

The Elida Phase 2 drilling program was designed to evaluate the continuity of Zone 1 mineralization along strike and between widely spaced drill holes completed in Phase 1, and to provide better resolution on the position of the porphyry complex occupying the centre of Zone 1. A secondary objective was to complete initial drill testing of Zone 2.

Results from the drilling program are presented in Table 9. Drill hole collar information from Phase 2 are provided in Table 10.

Table 9: Length-weighted assay intervals for holes ELID030, ELID031, and ELID032.

Hole	From	To	Length[4]	Cu (%)	Mo (%)	Ag (g/t)	As (g/t)	CuEq[3] (%)
ELID032	**45.50**	**450.00**	**404.50**	**0.45**	**0.032**	**3.6**	**23**	**0.60**
includes	*45.50*	*93.50*	*48.00*	*0.38*	*0.029*	*3.3*	*14*	*0.51*
includes	*93.50*	*216.50*	*123.00*	*0.52*	*0.036*	*4.0*	*10*	*0.68*
includes	*216.50*	*271.00*	*54.50*	*0.36*	*0.029*	*2.8*	*9*	*0.49*
includes	*271.00*	*361.60*	*90.60*	*0.50*	*0.034*	*3.9*	*56*	*0.66*

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includes	*361.60*	*450.00*	*88.40*	*0.41*	*0.029*	*3.4*	*22*	*0.54*
and includes	*436.60*	*450.00*	*13.40*	*0.75*	*0.032*	*7.2*	*26*	*0.93*
ELID031	**34.10**	**401.00**	**366.90**	**0.27**	**0.027**	**2.2**	**22**	**0.38**
includes	*34.10*	*70.30*	*36.20*	*0.14*	*0.025*	*2.7*	*49*	*0.26*
includes	*70.30*	*189.35*	*119.05*	*0.38*	*0.025*	*2.5*	*24*	*0.49*
includes	*189.35*	*389.30*	*199.95*	*0.23*	*0.028*	*1.9*	*17*	*0.35*
includes	*389.30*	*401.00*	*11.70*	*0.17*	*0.015*	*1.3*	*6*	*0.24*
ELID030	**144.25**	**300.30**	**156.05**	**0.13**	**0.033**	**1.1**	**14**	**0.26**
ELID029	**-**	**-**	**-**	**nsv**				
ELID028	**-**	**-**	**-**	**nsv**				
ELID027	**-**	**-**	**-**	**nsv**				
ELID026	**-**	**-**	**-**	**nsv**				

[3] *Copper equivalent grades (CuEq) are for comparative purposes only. Calculations are uncut and recovery is assumed to be 100% as metallurgical data is insufficient to allow for estimation of metal recoveries. Copper equivalence (CuEq %) is calculated as: CuEq (%) = Cu (%) + [3.6027 × Mo (%)] + [0.0084 × Ag (g/t)], utilizing metal prices of Cu - US$3.75/lb, Mo - US$13.51/lb and Ag - US$21.63/oz. Metal prices are based on long-term consensus average prices (Bloomberg, S&P Capital IQ, broker research, Canaccord Genuity Corp., March 1, 2023).*

[4] *Intervals are downhole drilled core lengths. Drilling data to date is insufficient to determine true width of mineralization. Assay values are uncut.*

***Table 10**: Drill hole collar information for the Phase 2 program.*

Hole ID	East	North	Elevation (m)	EOH (m)	Azimuth (degrees)	Dip (degrees)
ELID026	260300	8836000	1948	117.7	090	-65
ELID027	260300	8836000	1948	272.6	272.6	-65
ELID028	260300	8836000	1948	250.6	250.6	-60
ELID029	260200	8835750	1835	250.9	080	-60
ELID030	259800	8835250	1777.5	300.3	180	-60
ELID031	260150	8835280	1709.5	401.0	180	-60
ELID032	260059	8835182	1686	450.0	277	-65

Coordinates are in WGS84 zone 18S UTM

Zone 2 was tested with three (3) drill holes (ELID027, ELID028, and ELID029) positioned near strongly leached exposures of intensely altered and veined porphyry and sedimentary wall rock. Note, the first hole (ELID026) was lost at a depth of 117.7 m and the second attempt was successful at reaching the target depth. All drill holes intersected variably altered sedimentary and volcanic host rocks. Potassic (hydrothermal k-feldspar and biotite) alteration in both porphyry and wall rock was overprinted by phyllic (quartz-sericite-pyrite) alteration. However, only traces of chalcopyrite were present, and the holes returned no significant copper values. Preliminary interpretation of results suggests the holes are located along the poorly mineralized upper boundary of the potassic zone. The initial drilling does not discount the existence of mineralization at depth. However, more work is necessary to develop a deeper drill target. Given that drilling shows Zone 1 copper mineralization ends abruptly with potassic alteration extending for 50-70 m past the mineralized boundary, it is permissive for a mineralized zone to exist at a reasonable depth.

ELID030 was located on the west side of Zone 1 to determine if the higher-grade mineralization in ELID020 continued to the west. The drill hole penetrated thick, unconsolidated colluvial cover and intersected a short interval of weakly mineralized sedimentary host rock before entering the lower-grade porphyry complex at the centre of Zone 1. The hole demonstrated that the porphyry complex is not a simple elliptical shape as interpreted previously. Geologic evidence from the drilling shows that the porphyry complex was emplaced into well-mineralized sedimentary host rock. Current drilling information suggests the internal higher-grade mineralized zone is displaced to the south by intrusion of the porphyry complex, which is supported by hole ELID020 on the north side of the porphyry complex and hole ELID023 on the south side of the porphyry complex. Further drilling will be required in this area to constrain the position of the porphyry complex and the internal higher-grade zone.

ELID031 was positioned east of the higher-grade zones intersected by holes ELID012, ELID019, and ELID025 and on the same section as ELID021. The objective was to obtain an intersection above the mineralization in ELID021 and determine the position of the porphyry complex central to Zone 1. ELID021, drilled in Phase 1, was collared near the northern boundary of Zone 1 and extended south toward the porphyry complex, but was unable to intersect the contact due to drilling equipment limitations. ELID031 was intended to intersect the part of Zone 1 between the end of ELID021 and the porphyry. The hole successfully intersected lower grade mineralization characteristic of the porphyry complex and was terminated in mineralized porphyry phases. The porphyry complex was approximately 100 m further south than was predicted from previous sparse drilling information. See Figure 14.

ELID032 was drilled to examine the west and depth continuity of an internal higher-grade zone intersected by drill holes ELID014, ELID020, and ELID024. Results from this hole show higher grade mineralization persists west and north of the higher-grade mineralization intersected by ELID020. The style of mineralization was similar to surrounding holes with chalcopyrite as the copper-bearing sulphide species. Importantly, only minor intervals of late-mineral porphyry dikes were encountered, meaning there is minimal dilution from lower-grade porphyry units in the northern segment of Zone 1. The drill hole, which was terminated for operational reasons, ended in mineralization at a depth of 450.0 m in mineralization grading 0.75% Cu, 0.032% Mo, 7.2 g/t Ag (0.93% CuEq[3]). See Figure 13.

Results from the Phase 2 drilling program improved our understanding of the continuity of mineralization within Zone 1 and increased confidence in the existence of a near-surface, higher-grade zone. Furthermore, results from Phases 1 and 2 show the northern segment of Zone 1 has a horizonal width of at least 250 m, which contributes to a low potential strip ratio. Drill holes from Zone 2 intersected alteration and veining consistent with outcrops in the area but did not intersect significant copper mineralization. This does not discount the possibility of the existence of mineralization at depth, but on-going interpretation of available exploration data needs to be completed to develop drill targets.

Future Work

The Mineral Resource announced on September 20, 2022 was useful for indicating areas for further drilling as shown in Figure 11. The objectives of future drilling are to resolve internal, near-surface higher grade zones and expand the size of Zone 1, especially on the northwest and southwest edges and at depth.

Initial drill testing of the other zones will also be planned with the objective of further expanding mineral resources within the Elida porphyry cluster (Figure 2).

The Company plans to use information from the Phase 1 and 2 programs coupled with more detailed surface mapping to design follow-up drilling programs to explore the internal structure of Zone 1 and develop drill targets on the other four zones. Drilling has provided samples of mineralization that can be used for preliminary metallurgical test work. A program involving preliminary metallurgical testing is planned.

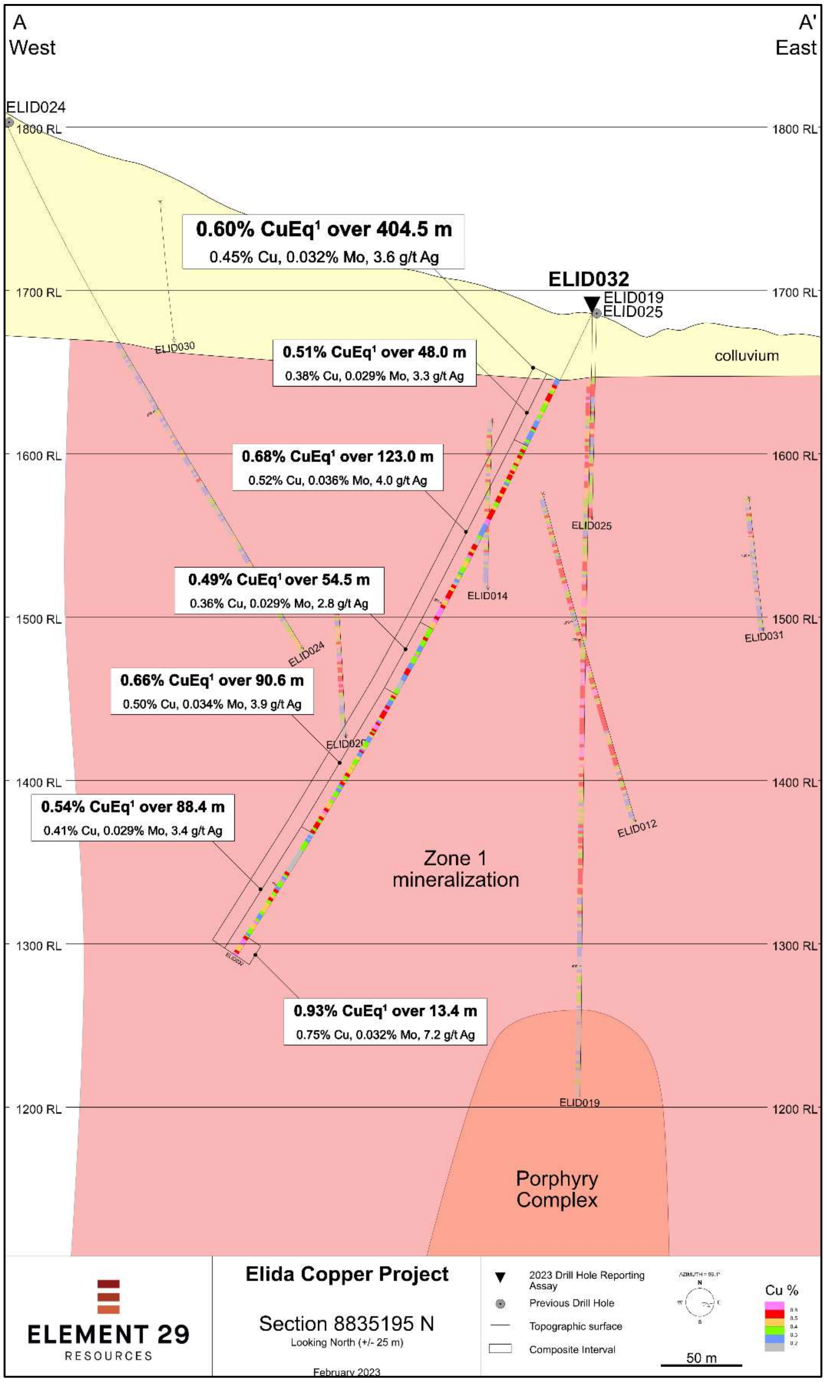

***Figure 13**. A north-oriented section containing hole **ELID031**, which intersected 366.9 m of 0.27% Cu, 0.027% Mo, and 2.2 g/t Ag for 0.38% CuEq[3]. ELID031 tested Zone 1 mineralization located 400 to 500 m above and south of ELID021. The hole encountered mineralization from the bedrock surface to the end of the hole. Copper mineralization above 0.2% Cu overprints porphyry phases on this section. See footnote 3 in Table 9 for explanation of CuEq.*

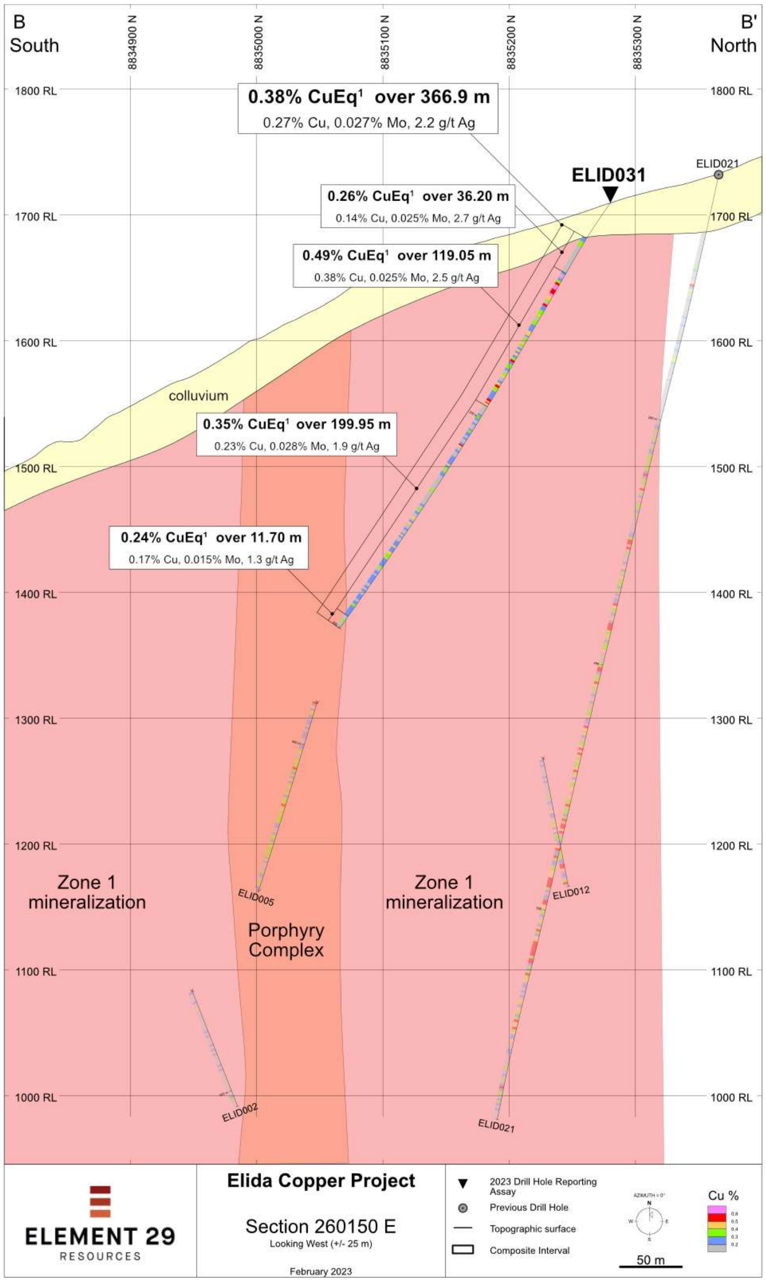

*Figure 14. A north-oriented section containing hole **ELID031**, which intersected 366.9 m of 0.27% Cu, 0.027% Mo, and 2.2 g/t Ag for 0.38% CuEq[3]. ELID031 tested Zone 1 mineralization located 400 to 500 m above and south of ELID021. The hole encountered mineralization from the bedrock surface to the end of the hole. Copper mineralization above 0.2% Cu overprints porphyry phases on this section. See footnote 3 in Table 9 for explanation of CuEq.*

PAHUAY COPPER SKARN PROJECT

The Pahuay Cu project consists of 700 hectares and is 100% owned by the Company, subject to a 2% net smelter royalty (“NSR”) to Globetrotters Resource Group Inc. (“Globetrotters”). The property is located 270 km south of Lima within the eastern margin of the Coastal Batholith along the probable northwest projection of the Paleocene Southern Peru Copper Belt and is approximately 15 km north of the Cerro Lindo polymetallic (zinc, lead, Cu, gold, and Ag) mine controlled by Nexa Resources Peru SA (“Nexa”). Paleocene porphyry intrusions are emplaced into Cretaceous volcaniclastic rocks, siliciclastic sediments and limestones developing a 1.7 x 2.8 km Cu mineralized hydrothermal alteration zone. The mineralized area contains magnetite-garnet skarn formed in the limestones and phyllic alteration of the volcaniclastic units. Copper mineralization in the skarn consists of Cu oxides, chalcopyrite and semi-massive magnetite. The central parts of the skarn system are anomalous in Cu and Mo. Outcrop samples returned assays up to 4.4% Cu and 0.05% Mo and the distal areas (zinc, Cu and Ag) returned assays up to 6.5% zinc. The project has not been drill-tested and is scheduled for preliminary geological mapping, rock sampling and geophysical surveys to help develop the drill targets (Figure 10, Figure 11).

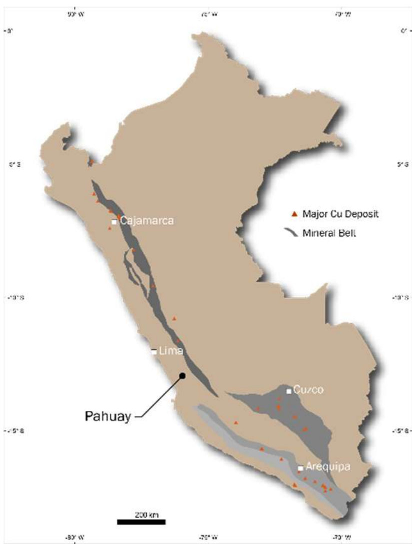

Figure 10. Location of the Pahuay Property, southern Peru.

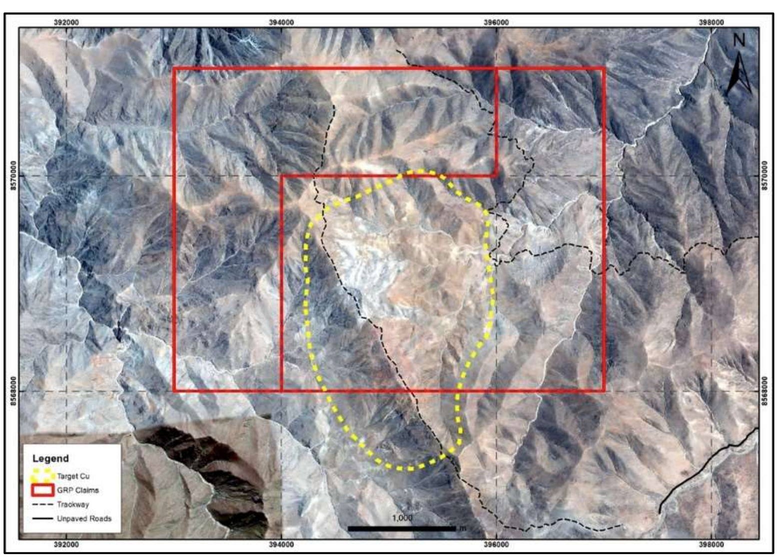

Figure 11. Pahuay concessions and Cu exploration target shown as a dashed yellow outline.

MUÑAORJO COPPER-SKARN-PORPHYRY PROJECT

The Muñaorjo project consists of 1,000 hectares and is 100% owned by Element 29, subject to a 2% NSR with Globetrotters. The project is located approximately 200 km northeast of Arequipa, Peru within the probable northwest continuation of the Paleocene Southern Peru Copper Belt, which is host to several very large porphyry Cu deposits including the Cerro Verde mine (Freeport-McMoRan) and the Toquepala mine (Southern Copper). The property is centered on a large, 4.3 x 1.3 km hydrothermal alteration zone and covers a limestone sequence intruded by diorite and granodioritic rock units. Hydrothermal recrystallization in the limestone is extensive on the property and includes a central area containing skarn, quartz-limonite stockwork, hydrothermal brecciation, and associated strong Cu mineralization exposed within a 480 x 280 m area. Rock sample results for this area (58 rock samples) are highly anomalous and returned assay results up to 4% Cu. The skarn is open to the northeast where it is covered by thin post mineralization Miocene tuff. The porphyry-related alteration continues to the northeast for another 1.5 km. The work plan is to complete detailed geological mapping, outcrop sampling, and magnetometer and IP-resistivity surveys to identify diamond drill targets (Figure 12, Figure 13).

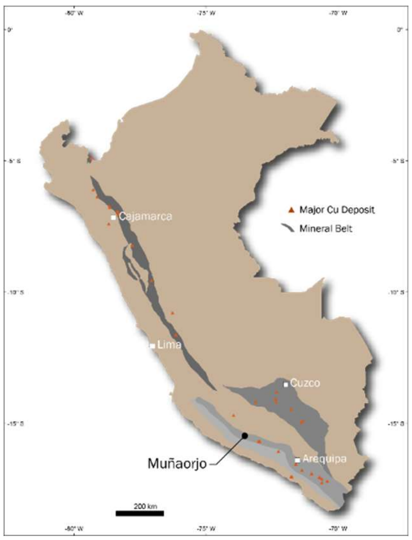

Figure 12. Location of the Muñaorja property in southern Peru.

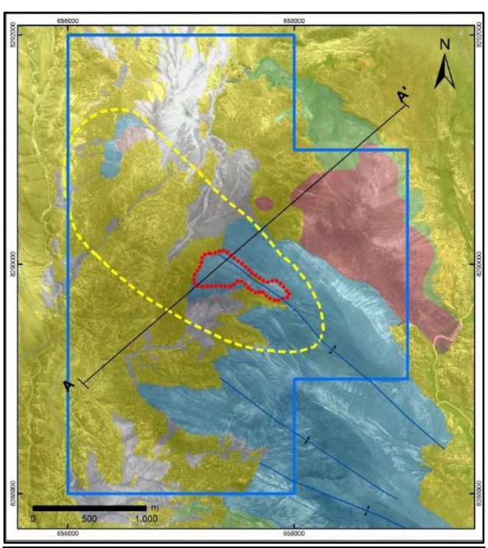

Figure 13. The Muñaorjo property showing the exploration target area as a yellow dashed line.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

FINANCIAL INFORMATION

EXPLORATION AND EVALUATION ASSET EXPENDITURES

Expenditures for the year ended December 31, 2022 were as follows:

	Flor de Cobre	Elida	Pahuay and Muñaorjo	Total
Balance at December 31, 2021	$ 1,910,378	$ 6,342,479	$ 1,527,754	$ 9,780,611
Additions:				
Option payments	391,128	-	-	391,128
Drilling	1,227,127	659,557	-	1,886,684
Geological and mapping	19,723	159,026	-	178,749
Geophysics and geochemistry	115,130	114,598	-	229,728
Permitting, concessions and taxes	442,096	275,911	991	718,998
Community, health, safety and	127,277	281,208	-	408,485
Technical report	-	35,286	-	35,286
Geology salaries	63,666	97,918	-	161,584
Property maintenance and administration	327,316	531,889	12,759	871,964
Total additions for the year	2,713,463	2,155,393	13,750	4,882,606
Impairment charge	-	-	(1,541,503)	(1,541,503)
Balance at December 31, 2022	$ 4,623,841	$ 8,497,872	$ 1	$ 13,121,714

Expenditures for the year ended December 31, 2021 were as follows:

	Flor de Cobre	Elida	Pahuay and Muñaorjo	Total
Balance at December 31, 2020	$ 1,449,929	$ 3,173,864	$ 1,511,778	$ 6,135,571
Additions:				
Option payments	339,344	-	-	339,344
Geological and mapping	1,721	650,959	-	652,680
Geophysics	41,839	26,678	-	68,517
Geochemistry and drilling	-	1,325,934	-	1,325,934
Permitting	1,159	2,588	-	3,747
Community, health, safety and	18,927	280,791	-	299,718
Concessions and taxes	435	502,848	1,559	504,842
Technical report	905	3,115	-	4,020
Geology salaries	-	224,661	-	224,661
Property maintenance and administration	56,119	151,041	14,417	221,577
Total additions for the year	460,449	3,168,615	15,976	3,645,040
Balance at December 31, 2021	$ 1,910,378	$ 6,342,479	$ 1,527,754	$ 9,780,611

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing and evaluation assets and, to the best of its knowledge, title to the exploration and evaluation assets remains in good standing.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Flor de Cobre Copper Project

Expenditures were related to drilling, payments to the optionor of the Candelaria concessions towards its earn-in on those claims, administration and support costs for the drilling program and costs associated with the completion of the permitting process.

Elida Copper Project

Expenditures were related to the completion of the seven-hole, 4,500 m drill program that was executed through out the 2021 year and completed in January 2022.

Pahuay and Muñaorjo Copper Projects

Expenditures were related to holding and administrative costs on the properties.

During the year ended December 31, 2022, the Company re-evaluated the carrying value of the Pahuay and Muñaorjo projects and, as a result of this review, recorded an impairment charge of $1,541,503.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

Operating Results

	2022	2021
General and administrative expenses		
Administration and office	$ 153,163	$ 138,326
Corporate development	263,027	-
Investor relations	700,987	730,962
Personnel costs	834,962	829,836
Professional fees	237,186	297,234
Filing fees	111,125	48,586
Foreign exchange (gain) loss	(188,942)	2,651
Share-based compensation	1,591,813	873,075
Depreciation	17,762	5,140
Other	7,053	(2,274)
Operating loss	3,728,136	2,923,536
Interest income	(27,702)	(17,817)
Impairment charge	1,541,503	-
Loss and comprehensive loss for the year	$ 5,241,937	$ 2,905,719

Administration and office expenses in 2022 were higher compared to 2021 due to inflationary costs increases.

Corporate development expenses in 2022 were for professional services to explore strategic initiatives.

Investor relations, personnel costs and professional fees in 2022 were all comparable to 2021.

Filing fees in 2022 were higher compared to 2021 due to listing on the Lima Stock Exchange and other regulatory requirements.

Share based compensation in 2022 were due to equity-based compensation grants in the year and vesting from prior grants.

During the year ended December 31, 2022, the Company re-evaluated the carrying value of the Pahuay and Muñaorjo projects and, as a result of this review, recorded an impairment charge of $1,541,503.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Quarterly Financial Data

	Q4 22	Q3 22	Q2 22	Q1 22
Administration and office	$ 43,465	$ 15,434	$ 42,908	$ 51,356
Corporate development	(10,660)	97,561	79,295	96,831
Investor relations	153,794	192,999	179,911	174,283
Personnel costs	195,055	197,684	255,586	186,637
Professional fees	88,430	8,514	117,159	23,083
Filing fees	30,675	29,578	32,119	18,753
Foreign exchange gain	(11,380)	(117,068)	(21,533)	(38,961)
Share-based compensation	31,925	356,988	11,807	1,191,093
Depreciation	4,492	4,430	4,430	4,410
Other	1,483	25,812	(9,620)	(10,622)
Operating loss	$ 527,279	$ 811,932	$ 692,062	$ 1,696,863

	Q4 21	Q3 21	Q2 21	Q1 21
Administration and office	$ 36,510	$ 41,251	$ 36,779	$ 23,785
Investor relations	204,590	187,417	196,319	142,636
Personnel costs	186,625	219,501	243,892	179,818
Professional fees	111,832	70,862	69,516	45,024
Filing fees	16,172	10,757	6,345	15,312
Foreign exchange (gain) loss	(17,855)	(26,230)	21,247	25,489
Share-based compensation	129,920	182,910	184,802	375,443
Depreciation	5140	-	-	-
Other	(9,911)	4,981	1,464	1,192
Operating loss	$ 663,023	$ 691,449	$ 760,364	$ 808,699

Overall costs, excluding share-based compensation, have been consistent since Q1 2021.

Corporate development expenses are for professional services to explore strategic initiatives.

Investor relations expenses are related to marketing activities to increase the Company's exposure in the capital markets.

Professional fees are related to legal and audit services and fluctuate based on the timing of invoices.

Share based compensation is directly related to the granting and/or vesting of equity-based compensation in the quarter.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

LIQUIDITY AND CAPITAL RESOURCES

	2022	2021
Cash flows used in operating activities before working capital movements	$ (2,083,582)	$ (2,024,548)
(Increase) decrease in receivables and prepaid expenses	(121,698)	1,885
(Decrease) increase in accounts payable and accrued liabilities	(8,246)	20,372
Increase in deposits	(13,960)	(8,900)
Cash flows used in operating activities after working capital movements	(2,227,486)	(2,011,191)
Cash flows used in investing activities	(5,245,614)	(3,217,895)
Cash flows from financing activities	720,000	6,842,328
(Decrease) increase in cash	(6,753,100)	1,638,242
Cash - beginning of year	7,857,949	6,219,707
Cash - end of year	$ 1,079,849	$ 7,857,949

Cash outflows after changes in non-cash working capital items in 2022 was comparable to 2021.

Cash outflows from investing activities in 2022 was higher compared to 2021 due to site and drill activity at the Flor de Cobre Project which commenced in Q1 2022 and also resulted in an increase in mineral exploration costs.

Cash flows from financing activities in 2022 was related to private placement subscriptions received in advance. Cash flows from financing activities in 2021 was related to a private placement in December 2021. See Shareholders' Equity section below.

Contractual Obligations

As at December 31, 2022, the Company had no contractual obligations outstanding.

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2022, the Company had 79,240,860 (December 31, 2021 – 79,240,860) shares issued and outstanding and 5,654,878 common shares held in escrow (December 31, 2021 – 11,848,262). At the date of this MD&A, the Company had 86,965,860 shares issued and outstanding.

On January 6, 2023, the Company closed a non-brokered private placement consisting of 7,725,000 units at a price of $0.20 per unit which raised gross proceeds of $1,545,000, of which $720,000 had been received as of December 31, 2022 and included in subscriptions in advance. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one share at a price of $0.30 per share for a period of two years from the closing date. The Company paid an aggregate finder's fee of $31,500.

The Company has no share capital transactions for the year ended December 31, 2022.

The Company's share capital transactions for the year ended December 31, 2021 as follows:

- On December 14, 2021, the Company closed a non-brokered private placement ("Private Placement") consisting of 11,498,000 units ("Unit") at a price of $0.60 per Unit which raised gross proceeds of $6,898,800. Each Unit consists of one common share of the Company (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant can be exercisable to acquire one Share at a price of $0.85 for a period of three years from the closing date. The Company paid a finder's fee of $116,262.
- On September 25, 2021, the former Chief Executive Officer and President retired from the Company and 538,508 common shares, with a value of $53,851, in relation to a promissory note were returned to treasury and cancelled.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Share Options

The Company provides share-based compensation to its directors, officers, employees, and consultants through grants of share options.

The Company has adopted a stock option plan (the "Plan"), as amended, to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding shares of the Company. Vesting is determined at the discretion of the Board of Directors (the "Board").

The Company uses the Black-Scholes option pricing model to determine the fair value of share options granted.

The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the share options. Since the Company has not paid and does not anticipate paying dividends on its common shares, the expected dividend yield is assumed to be zero. Companies are required to utilize an estimated forfeiture rate when calculating the share-based compensation expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the share-based compensation expense recorded in the accompanying Consolidated Statements of Comprehensive Loss.

As at December 31, 2022, the Company had 6,610,000 stock options outstanding.

The following is a summary of share options outstanding as at the date of this MD&A:

Number of share options	Number of share options vested	Exercise price per share option $	Expiry date
300,000	300,000	0.30	August 23, 2024
200,000	200,000	0.59	November 28, 2024
200,000	200,000	0.30	May 19, 2025
350,000	350,000	0.30	June 25, 2025
150,000	150,000	0.30	June 29, 2025
150,000	150,000	0.50	October 28, 2025
225,000	225,000	0.50	November 9, 2025
2,100,000	2,100,000	0.45	February 3, 2026
150,000	150,000	0.45	April 7, 2026
2,285,000	1,142,500	0.57	March 1, 2027
500,000	250,000	0.59	March 29, 2027
6,610,000	5,217,500		

Share Purchase Warrants

On December 14, 2021, the Company completed a unit private placement which included 5,749,000 share purchase warrants exercisable at $0.85 per share for a period of three years.

December 31, 2022 and at the date of this MD&A, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price per share purchase warrant $	Expiry date
6,655,200	0.70	December 3, 2023
2,666,478	0.50	December 3, 2023
5,749,000	0.85	December 14, 2024
15,070,678		

No share purchase warrants were exercised at the date of this MD&A.

Deferred Share Units ("DSU")

DSUs are granted to the Company's directors as a part of compensation under the terms of the Company's deferred share units plan (the "DSU Plan"). Each DSU entitles the participant to receive the value of one common share of the Company (a "Common Share"). The maximum number of awards of DSU's and all other security-based compensation arrangements shall not exceed 10% of the Company's outstanding shares.

Participants are entitled to the value of the Common Share upon termination of their service. In accordance to the DSU Plan, upon each vesting date the Company shall decide at, at its sole discretion whether, participants receive (a) the issuance of Common Shares equal to the number of DSUs vesting, or (b) a cash payment equal to the number of vested DSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX-V for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of DSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the DSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, DSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the DSU's are considered equity settled.

On March 3, 2022, the Company granted 300,000 (2021 – nil) DSUs to the Company's directors and recorded share-based compensation of $171,000 (2021 – nil). The fair value per DSU granted was determined to be C$0.57 (2021 – nil) which is the share price of the Common Share on grant date.

Restricted Share Units ("RSU")

RSUs are granted to the Company's directors, officers, employees and consultants as a part of compensation under the terms of the Company's restricted share units plan (the "RSU Plan"). Each RSU entitles the participant to receive the value of one Common Share. The maximum number of awards of RSU's and all other security based compensation arrangements shall not exceed 10% of the Company's outstanding shares.

The number of RSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion. In accordance with the RSU Plan, upon each vesting date the Company shall decide, at its sole discretion, whether participants receive (a) the issuance of Common Shares equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX-V for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, RSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the RSU's are considered equity settled.

On March 3, 2022, the Company issued 500,000 (2021 – nil) RSUs to employees and consultants of the Company all of which vest 50% after the first anniversary of the grant date and 50% after the second anniversary of the grant date. The Company recorded share-based compensation expense of $178,353 (2021 – nil) related to the RSUs vested during the year. The fair value per RSU granted was determined to be C$0.57 (2021 – nil) which is the share price of the Common Share on grant date.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

OTHER DISCLOSURES

Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at the date of this MD&A.

Related Party Transactions

The Company's related parties include key management personnel and directors. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, Vice President Exploration and Corporate Secretary.

Direct remuneration paid to the Company's directors and key management personnel during the year ended December 31, 2022 and 2021 was as follows:

	2022	2021
Salaries and benefits – personnel costs	$ 321,667	$ 374,339
Consulting fees – personnel costs	391,707	258,121
Directors' fees – personnel costs	97,553	95,138
Share-based compensation	1,089,492	606,120
	$ 1,900,419	$ 1,333,718

As at December 31, 2022, included in accounts payable and accrued liabilities was an amount of $22,275 (2021 - $16,000) due to the Company's interim Chief Executive Officer.

In the prior years, the Company issued common shares of the Company to certain executives in exchange for promissory notes (the "Promissory Note") to the Company.

The following is a continuity schedule of Promissory Notes:

Balance at December 31, 2020	57,456
Cancellation	(53,851)
Interest	(3,605)
Balance at December 31, 2021	$ -

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

Significant areas requiring the use of management estimates and judgments include:

I. The determination of the fair value of the Company's equity instruments for the calculation of the share-based compensation.

II. The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.

III. The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

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

Financial instruments

a) Fair value classification of financial instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, restrict cash, receivables, deposits, accounts payable and accrued liabilities, and loan payable. Restricted cash represents collateral in respect of the corporate credit card facility with a financial institution.

The carrying values of these financial instruments approximate their fair value due to their short terms to maturity.

The following table summarizes the classification and carrying values of the Company's financial instruments at December 31, 2022 and 2021:

December 31, 2022	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash	$ -	$ 1,079,849	$ -	$ 1,079,849
Restricted cash	-	25,000	-	25,000
Receivables	-	57,535	-	57,535
Deposit	-	22,860	-	22,860
Total financial assets	$ -	$ 1,185,244	$ -	$ 1,185,244
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 420,735	$ 420,735
Loan payable	-	-	40,000	40,000
Total financial liabilities	$ -	$ -	$ 460,735	$ 460,735

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

December 31, 2021	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash	$ -	$ 7,832,949	$ -	$ 7,832,949
Restricted cash	-	25,000	-	25,000
Receivables	-	30,178	-	30,178
Deposit	-	8,900	-	8,900
Total financial assets	$ -	$ 7,897,027	$ -	$ 7,897,027
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 751,336	$ 751,336
Loan payable	-	-	40,000	40,000
Total financial liabilities	$ -	$ -	$ 791,336	$ 791,336

b) Financial risk management

i) Credit risk

The Company's credit risk is primarily attributable to cash.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

ii) Liquidity risk

The Company manages liquidity risk by trying to maintain enough cash balances to ensure that it is able to meet its short term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

The Company's operating results may vary due to fluctuation in commodity price, inflation and foreign exchange rates.

iii) Market risks

<u>Interest rate risk</u>

The Company's interest rate risk arises primarily from the interest received on cash. The Company does not believe that it is exposed to material interest rate risk on its cash.

As at December 31, 2022, the Company has not entered into any contracts to manage interest rate risk.

<u>Foreign exchange risk</u>

The functional currency of the parent and its subsidiaries is the Canadian dollar. A portion of the Company`s operating expenses are in US$ and Peruvian soles.

As at December 31, 2022, the Company has not entered into contracts to manage foreign exchange risk.

The Company is exposed to foreign exchange risk through the following assets and liabilities:

Q4 2022 MD&A (expressed in Canadian Dollars, except where otherwise noted)

	2022	2021
Cash	$ 361,325	$ 1,058,809
Accounts payable and accrued liabilities	(206,925)	(533,415)
	$ 154,400	$ 525,394

As at December 31, 2022, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C$) would result in an insignificant change in net loss.

Capital management

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. There are no external restrictions on management of capital and there has been no changes to the Company's capital management during the current year. The Company believes it will be able to raise new funds as required in the long term to fund its exploration programs but recognizes there will be risks involved that may be beyond its control.

RISKS AND UNCERTAINTIES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Measurement of the Company's assets and liabilities is subject to risks and uncertainties, including those related to title to mineral properties; future commodity prices; future costs of restoration provisions; changes in government legislation and regulations; future income tax amounts; the availability of financing; and various operational factors.

E29 is a mineral exploration and development company and is exposed to a number of risks and uncertainties due to the nature of the industry in which it operates and the present state of development of its business and the foreign jurisdictions in which it carries on business; some of these risks and uncertainties have been discussed elsewhere in this MD&A. The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks.

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on any of its properties, its financial condition and results of operations will be materially adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the Flor de Cobre Technical Report and the Elida Technical Report is based, in part, upon, historical data compiled by previous parties involved with the Flor de Cobre and Elida Projects. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and any development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and any development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the copper industry in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by purchasers. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company success must be considered in light of our early stage of operations. Investors should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration and any development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Uninsured and Underinsured Risks

The Company faces and will face various risks associated with mining exploration and the management and administration thereof including those associated with being a public company. Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

Public Health Crises such as the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of the Flor de Cobre and Elida Projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of the Flor de Cobre and Elida Projects are disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's financial position and trading price of the Company's securities.

COVID-19 and efforts to contain it may have broad impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

In addition, the current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Company's suppliers, contractors and service providers.

Environmental Risks

The Company's activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company in Peru.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company's operations are subject to political and other risks in Peru

The Company plans to conduct exploration, development and production activity in Peru. There are uncertainties regarding capital control and future changes in applicable laws related to exploration, development and mining operations. The Company's future operations will be subject to the payment of government taxes, fees and duties. Holders of mineral concessions are obliged to pay to the Peruvian Government, a mining royalty, as consideration for the exploitation of metallic and non-metallic natural resources, which is calculated based on the quarterly sales revenues from metallic and non-metallic mineral resources at a minimum rate of 1% and up to 12%. In addition, an additional tax called the "Special Mining Tax" is payable to the Peruvian Government which imposes a tax on the operating profit of metallic resources at a tax rate that ranges between 2% to 8.4%. In some areas of Peru, the development of infrastructure projects and extractive industries have met with strong rejection from the local population. Such social conflict may lead to public demonstrations and blockades which could affect the Company's operations.

The Company is not able to determine the impact of other potential political and country risks on its future financial position nor its ability to meet future interest or principal payments, which include:

• cancellation or renegotiation of contracts;

• changes in foreign laws or regulations;

• changes in tax laws;

• royalty and tax increases or claims by governmental entities;

• retroactive tax or royalty claims;

• expropriation or nationalization of property;

• inflation of costs that is not compensated by a currency devaluation;

• high rates of inflation;

• restrictions on the ability of local operating companies to sell copper or other minerals offshore for U.S. dollars, and on the ability of companies to hold U.S. dollars or other foreign currencies;

• restrictions on the purchase of foreign currencies and on the remittance of dividend and interest payments offshore;

• limitations on the repatriations of earnings;

• import and export regulations;

• environmental controls and permitting;

• opposition from local community members or non-governmental organizations;

• civil strife, acts of war, guerrilla activities, insurrection and terrorism;

• unenforceability of contractual rights and judgements; and

• other risks arising out of foreign sovereignty over the areas in which the Company's operations are conducted.

Such risks could potentially arise in any country in which the Company operates. These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, and may materially adversely affect the Company's financial position or results of operations. The Company may also evaluate business opportunities in other jurisdictions where such risks may exist. Furthermore, in the event of a dispute arising from such activities, the Company may be subject to the exclusive jurisdiction of courts outside North America or may not be successful in subjecting persons to the jurisdiction of the courts in North America, which could adversely affect the outcome of a dispute. Furthermore, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company operates, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's profits being subject to additional taxation or that could otherwise have an adverse material effect on the Company.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Conflicts of Interest

Most of the Company's directors and officers do not devote their full time to the affairs of the Company and are also directors, officers and shareholders of other natural resource or other public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the BCBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Copper and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of our revenue will be derived from the sale of copper. Therefore, the Company's future profitability will depend upon the world market prices of the copper for which it is exploring. The price of copper and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes.

Moreover, copper prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, copper as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration and any development and production activities, as well as on its ability to fund those activities. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on copper prices.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Reporting Issuer Status

The Company is subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements increases legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer may make it more expensive to obtain and maintain director and officer liability insurance, and the Company maybe required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in the Prospectus, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of copper on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Climate Change Risks

The Company acknowledges climate change as an international and community concern, and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. IT systems and other technologies including those related to the Company's financial and operational management and its technical and environmental data, are an integral part of the Company's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, “forward-looking statements”), which reflect management's expectations regarding the Company’s future growth, results from operations (including, without limitation, statements about the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the Flor de Cobre and Elida Projects (as such term is defined herein) and the Company’s planned and future exploration on the Flor de Cobre and Elida Projects;
- the Company’s goals regarding exploration and potential development of its projects;
- the Company’s future business plans;
- expectations regarding the ability to raise further capital;
- the market price of copper;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to obtain and/or maintain any required permits, licenses or other necessary approvals for the exploration or development of its mineral properties;
- government regulation of mineral exploration and development operations in Peru;
- the Company’s compensation policy and practices;
- the Company’s expected reliance on key management personnel, advisors and consultants;
- plans regarding future composition of the Board; and
- effects of the novel coronavirus (“COVID-19”) outbreak as a global pandemic.

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management’s experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this MD&A including, without limitation, assumptions about:

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company's mineral properties;
- future prices of copper and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and price of copper;
- that general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Flor de Cobre Project as described in the Flor de Cobre Technical Report (as such term is defined herein);
- the geology of the Elida Project as described in the Elida Technical Report (as such term is defined herein);
- the accuracy of budgeted exploration and development costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required approvals, licenses and permits on favourable terms and any required renewals of the same;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets;
- expectations regarding the level of disruption to exploration at the Flor de Cobre and Elida Projects as a result of COVID 19; and
- availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- the Company may fail to find a commercially viable deposit at any of its mineral properties;
- there are no resources or mineral reserves on any of the properties in which the Company has an interest;
- the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- fluctuations in the demand for copper;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;

- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- risks associated with political instability and changes to the regulations governing the Company's business operations.
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- the Company's future profitability may depend upon the world market prices of copper;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Common Shares and an active and liquid one may never develop, which could impact the liquidity of the Unit shares;
- the Common Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Common Shares;
- the Company may not use the funds available to it in the manner described in the Prospectus;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change; and
- other factors discussed under "Risks and Uncertainties".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See "Risks and Uncertainties" for a discussion of certain factors investors should carefully consider before deciding to invest in the securities of the Company.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining disclosure controls and procedures, which provide reasonable assurance that material information relating to the Company and its subsidiaries is accumulated and communicated to management to allow timely decisions regarding required disclosure. Management has evaluated the effectiveness of its disclosure controls and procedures as of December 31, 2022 and believes its disclosure controls and procedures are effective.

The Company’s management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only a reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part on certain assumptions about the likelihood of certain events, and there can be no assurance that any design can achieve its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing internal control over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management evaluated the Company’s internal control over financial reporting at December 31, 2022 and concluded that it is effective and that no material weakness relating to design or operations exists. No change in the Company’s internal control over financial reporting occurred during the year beginning on January 1, 2022 and ended on December 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Flor de Cobre Project contained in the Prospectus is derived from, and in some instances is a direct extract from, and is based on the assumptions, qualifications and procedures set out in, the Flor de Cobre Technical Report. Derrick Strickland, P.Geo, author of the Flor de Cobre Technical Report, has reviewed and approved the scientific and technical information relating to the Flor de Cobre Project contained in the Prospectus and is a Qualified Person and “independent” of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Flor de Cobre Technical Report, which is available for review under the Company’s profile on SEDAR at www.sedar.com.

Scientific and technical information relating to the Elida Project contained in the Prospectus is derived from, and in some instances is a direct extract from, and is based on the assumptions, qualifications and procedures set out in, the Elida Technical Report. Derrick Strickland, P.Geo, author of the Elida Technical Report, has reviewed and approved the scientific and technical information relating to the Elida Project contained in the Prospectus and is a Qualified Person and “independent” of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Elida Technical Report, which is available for review under the Company’s profile on SEDAR at www.sedar.com.

Cautionary Note to United States Investors - Canadian Disclosure Standards in Mineral Resources and Mineral Reserves

The terms “mineral reserve”, “Proven mineral reserve” and “Probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Definition Standards - For Mineral Resources and Mineral Reserves, adopted by the CIM Council on May 10, 2014, as may be amended from time to time by the CIM.

The definitions of Proven and Probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three year history average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “Measured mineral resource”, “Indicated mineral resource” and “Inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in rare cases.

Accordingly, information contained in this MD&A containing descriptions of E29’s mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.