



Management's Discussion and Analysis Year Ended December 31, 2025

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

April 29, 2026

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended December 31, 2025 and related notes thereto which have been prepared with IFRS Accounting 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.sedarplus.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") 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 technical and scientific information regarding the Elida Project ("Elida") is contained in the technical report titled "NI 43-101 Technical Report Mineral Resource Estimation of the Elida Porphyry Copper Project in Peru" with an effective date of September 20, 2022 prepared for the Company by Marc Jutras (P. Eng., M.A. Sc.), Ginto Consulting Inc. The disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Richard Osmond (P. Geo.), the President and CEO of the Company. Each of Mr. Strickland, Mr. Jutras, 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 potentially develop Cu-(Mo-Ag-Au) mineralization on its 100% owned mineral properties. At the Company's flagship Elida project, exploration and resource expansion programs are planned to further delineate Cu-Mo-Ag mineralization in the Zone 1 deposit and also to drill test the four other similar porphyry targets located on the project.

The Company also holds three other projects; the Flor de Cobre porphyry Cu-Mo project, the Paka Cu-Zn (Au-Ag) skarn project (referred to previously as the Muñaorjo project), and the Pahuay porphyry Cu-(Mo-Ag) skarn project, which are all located in southern 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 S.A.C., Elida Resources S.A.C., and Pahuay Resources S.A.C., 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

Corporate

- On January 7th, 2026, the Company announced receiving the new Declaración de Impacto Ambiental (“**DIA**”) environmental certificate for the Elida Project representing an Important step towards securing a new Programa de Inicio de Actividades (“**PIA**”) Drill Permit that would significantly expand the current permitted drilling footprint and support the continued advancement of the Elida porphyry Cu-Mo-Ag deposit.
- On January 26th, 2026, the Company announced the results from the first five drill holes completed in 2025 for 4,456 metres (“**m**”) from its Phase 3 drilling program at its Elida Project. The Company continued to intersect long intervals of Cu-Mo-Ag mineralization starting near surface and extending to vertical depths of over 1000 m highlighting the potential for further resource expansion. Highlights included:
 - Drill hole ELID037 intersected 0.44% Cu, 0.04% Mo, 4.09 g/t Ag over 1,489.0 m, from bedrock surface to the end of the hole (“**EOH**”) at 1,552.0 m.
 - Including 1,152.0 m grading 0.49% Cu, 0.04% Mo, 4.65 g/t Ag, from a depth of 400.0 m to the EOH.
 - Several higher-grade Cu-Mo-Ag sub-intervals were intersected in ELID037 including:
 - 401.0 m grading 0.60% Cu, 0.03% Mo, 7.67 g/t Ag, starting at a depth of 401.0 m; and
 - 283.8 m grading 0.58% Cu, 0.06% Mo, 3.68 g/t Ag, starting at a depth of 1268.2 m.
 - The Cu grades in ELID037 are increasing at depth with the last 93.8 m grading 0.71% Cu, 0.06% Mo, 3.99 g/t Ag, which correlates with the upper part of a large, low resistivity MT geophysical anomaly potentially outlining a large high-grade copper core.
- On August 19, 2025, the Company closed a non-brokered private placement consisting of 12,649,000 units at a price of \$0.50 per unit which raised gross proceeds of \$6,324,500. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of \$0.70 per share for a period of three years from the closing date. The Company paid an aggregate finder’s fees totaling \$254,415.
- On February 27th, 2026, the Company announced receiving the new DIA environmental certificate for the Paka Project representing an Important step towards securing a new PIA Drill Permit for an inaugural drilling program.
- On April 22, 2026, the Company closed a non-brokered private placement and issued 32,245,269 common shares of the Company at a price of \$1.10 per share for aggregate gross proceeds of \$35,469,796. The Company paid an aggregate cash finder’s fees totaling \$630,000.

The Company’s financial highlights for the year ended December 31, 2025, included:

- Operating loss was \$2,582,267 compared to an operating loss of \$2,026,305 in fiscal 2024;
- Operating cash outflow before working capital was \$1,354,736 compared to an operating cash outflow before working capital of \$1,411,248 in fiscal 2024; and
- As at December 31, 2025, cash and cash equivalents was \$7,572,828 and working capital was \$6,352,644.

OUTLOOK

Elida

On September 3rd, 2025, the Company announced the recommencement of the Phase 3 drilling program, with plans to complete an additional 7,000 m of diamond drilling. Currently, there are two drill rigs actively drilling on site with the objective to continue potential resource expansion and to enhance the overall Cu-Mo-Ag grades. In addition, exploration drilling outside the Inferred Mineral Resource Estimate is supported by the 3D resistivity model derived from the MT geophysical survey completed in July 2025.

The Company is in the process of upgrading the Programa de Inicio de Actividades (“**PIA**”) Drill Permit from a Ficha Técnica Ambiental (“**FTA**”) environmental certificate, which allows drilling from a maximum of 20 diamond drill platforms, to a Declaración de Impacto Ambiental (“**DIA**”) environmental certificate, increasing this maximum to 40 platforms for an additional 5 years.

On January 6th, 2026, the Company reported that it has received the DIA environmental certificate which provides a comprehensive review of potential environmental impacts associated with exploration activities and outlines appropriate mitigation measures for up to 40 drilling platforms. This approval represents an important advancement toward securing an upgraded PIA, which would allow the Company to continue exploration beyond the current pit-constrained Mineral Resource Estimate and further evaluate the larger hydrothermal alteration footprint of the Elida porphyry Cu–Mo–Ag system.

As part of the requirements for the new PIA drilling permit application, the Company also executed a new five-year Access Agreement with the host community on April 30, 2025 and is in the process of completing a Collective Impacts Report (Informe de Impactos Colectivos) for submission to the Ministerio de Cultura as part of the Prior Consultation (Consulta Previa) process.

The receipt of the DIA, together with the execution of the Access Agreement, represents key milestones for Elida, as they satisfy critical requirements of the new PIA Drill Permit application.

Flor de Cobre

The PIA Drill Permit application for Flor de Cobre is ongoing with the submission of a Collective Impacts Report to MINEM in March 2024. On October 21st, 2024, the Company received notice that it had been exempted from the Prior Consultation process. Upon completing the surface access agreement with the host community, all requirements for MINEM to issue the Drill Permit will be met, with plans to conduct an initial drill program potentially later in 2026. Negotiations with the host community are ongoing with plans to finalize access agreements prior to the Drill Permit.

Paka

On February 27th, 2026, the Company announced that it had received the DIA environmental certification, satisfying a critical requirement for the new PIA Drill Permit application at Paka. The DIA represents a major catalyst advancing the project closer to its inaugural drill program to test a large, highly prospective porphyry–skarn system along the possible northwest extension of the Southern Perú Copper Belt.

The Company is also in the process of completing a Collective Impacts Report for submission to the Ministerio de Cultura as part of the Prior Consultation process and plans to complete an Access Agreement with the host community as part of the requirements for the new PIA Drill Permit application.

PROJECT DETAILS - PERU

ELIDA PORPHYRY CU-MO-AG PROJECT

The Elida Project is located in the province of Ocos, 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 1).

The property is made up of 29 mining concessions, totalling 19,159.06 ha, and 3 claims with 3,000 ha recently staked as shown in Figure 2. The concessions are currently registered in the name of Elida Resources SAC. There is currently one mineral concession internal to the Elida property and that concession is not owned by Element 29.



Figure 1. The location of the Elida property approximately 200km north of Lima at an elevation of approximately 1600m.

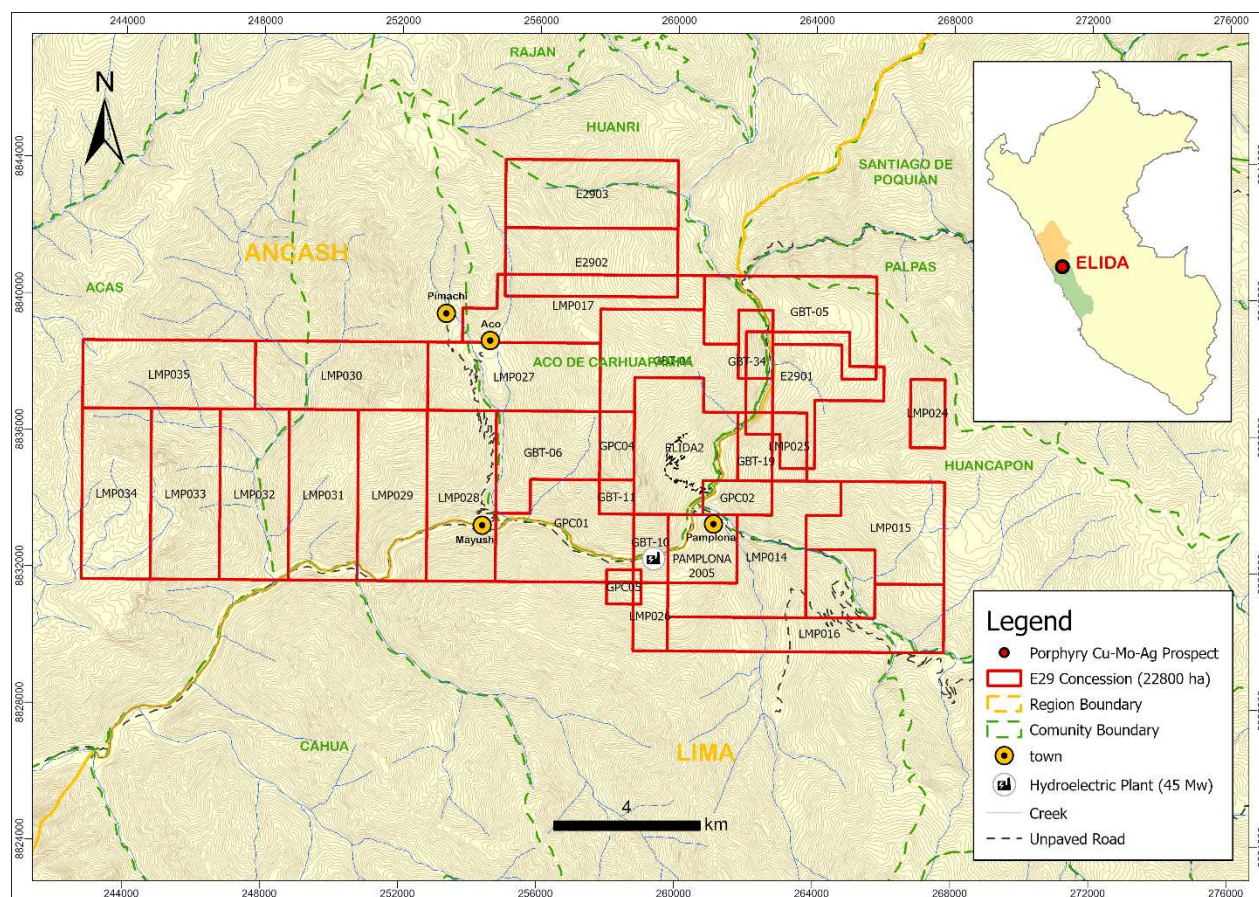


Figure 2. Elida property concession map.

The property was originally staked by GlobeTrotters Resource Group Inc. (“**GlobeTrotters**”) over a large, remote-sensing anomaly situated in an emerging porphyry belt in central Peru. Ground follow-up of this anomaly by GlobeTrotters 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, volcanoclastic 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 from GlobeTrotters 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.

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 Uranium²³⁸/Lead²⁰⁶ 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.

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 ELID012 intersected an interval of 502.9 m of 0.42% Cu, 0.046% Mo, 3.2 g/t Ag including 181.8 m of 0.55%

Cu, 0.046% Mo, 4.5 g/t Ag. The remaining half core for all holes is stored at the Company's secure core storage facility near Lima.

The Elida porphyry complex is a Cu-Mo-Ag mineralized multiphase porphyry system approximately 2.5 by 2.5 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. 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. The Ag content is relatively common yet minor in content throughout the mineralization. The Zn grades are 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.

Lundin terminated the option with GlobeTrotters in 2016. The project was later acquired by the Company in February 2019 through a share purchase agreement with GlobeTrotters to acquire 100% of the shares in Peruvian subsidiary Elida Resources S.A.C.

Drill Program Results (Figure 3)

The Company completed 4,481.4 m of diamond drilling in a seven-hole Phase 1 drill program in December 2021. The results 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 <https://www.e29copper.com/news/2022/element-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>)

The Company completed 2,043 m of diamond drilling in a seven-hole Phase 2 drill program in November 2022. The results were disclosed in the following press releases:

- Element 29 Commences Phase 2 Drill Program at the Elida Copper Deposit in Peru (see October 13, 2022 press release <https://www.e29copper.com/news/2022/element-29-commences-phase-2-drill-program-at-the-elida-copper-deposit-in-peru>)
- Element 29 Announces Results from the Elida Phase 2 Drill Program including 404.5 metres of 0.60% CuEq (see March 6, 2023 press release <https://www.e29copper.com/news/2023/element-29-announces-results-from-elida-phase-2-drill-program-including-4045-metres-of-060-cueq1>)

The Company completed 2,249 m of diamond drilling from the first two-holes of a Phase 3 drill program in December 2024. The results were disclosed in the following press releases:

- Element 29 Announces Results from Elida Phase-III Drill Program including 1039.6 metres of 0.54% CuEq (See January 22, 2025 press release <https://www.e29copper.com/news/2025/element-29-announces-results-from-elida-phase-iii-drill-program-including-10396-metres-of-054-cueq2>)

The Company completed 4,456 m of diamond drilling from an additional five holes of the Phase-3 diamond drilling program in December 2025. The results were disclosed in the following press release:

- Element 29 Reports Longest and Highest-Grade Intercepts to Date at Elida with 1,489 m of 0.58% CuEq (See January 26, 2026, press release <https://www.e29copper.com/news/2026/element-29-reports-longest-and-highest-grade-intercepts-to-date-at-elida-with-1489-m-of-058-cueq2>)

The Company completed 1,232 m of diamond drilling from the first hole of the Phase-3 diamond drilling program in April 2026. The results were disclosed in the following press release:

- Element 29 Continues to Drill Long Mineralized Intercepts to Potentially Expand Mineral Resources 1 at its Elida Porphyry Cu-Mo-Ag Deposit, Perú (See April 1, 2026, press release <https://www.e29copper.com/news/2026/element-29-reports-longest-and-highest-grade-intercepts-to-date-at-elida-with-1489-m-of-058-cueq2>)

Results of drilling are summarized in Table 2 and collar locations are shown Table 3.

Table 2. Results from the Elida drilling program expressed as length-weighted assay intervals.

HoleID	From (m)	To (m)	Length ³ (m)	Cu (%)	Mo (%)	Ag (ppm)
ELID019	43.2	426.9	383.8	0.54	0.035	4.2
includes	43.2	358.0	314.9	0.60	0.033	4.7
ELID020	143.0	451.0	308.0	0.43	0.028	3.9
includes	249.0	353.0	104.0	0.54	0.031	4.6
includes	384.2	451.0	66.8	0.62	0.041	5.2
ELID021	207.9	764.0	556.1	0.36	0.024	2.4
includes	244.0	662.0	418.0	0.40	0.025	2.6
ELID022	145.0	533.0	388.0	0.34	0.026	2.4
includes	201.0	405.0	204.0	0.38	0.026	2.7
and includes	201.0	229.0	28.0	0.62	0.022	4.2
and includes	283.0	405.0	122.0	0.39	0.032	2.8
includes	425.0	451.0	26.0	0.43	0.024	3.2
ELID023	87.0	610.5	523.5	0.24	0.024	2.9
includes	87.0	178.1	91.1	0.41	0.032	4.1
includes	425.0	610.5	185.5	0.30	0.017	4.6
ELID024	198.5	650.2	451.8	0.38	0.034	3.1
includes	198.5	467.5	269.1	0.31	0.026	2.8
includes	467.5	650.2	182.7	0.47	0.047	3.9
and includes	467.5	540.0	72.5	0.59	0.048	4.5
ELID025	38.5	947.2	908.8	0.39	0.035	2.9
includes	38.5	378.0	339.6	0.50	0.036	4.3
includes	442.0	821.2	379.2	0.30	0.033	1.9
includes	821.2	861.0	39.8	0.58	0.027	3.6
includes	861.0	947.2	86.2	0.34	0.039	2.0
ELID026	29.1	117.7	88.6	0.01	0.000	2.6
ELID027	22.9	272.6	249.7	0.01	0.000	2.3
ELID028	144.3	250.6	106.4	0.01	0.001	3.9
ELID029	3.4	250.9	247.5	0.03	0.001	2.3

ELID030	144.3	300.3	156.1	0.13	0.033	1.1
ELID031	34.1	401.0	366.9	0.27	0.027	2.2
includes	34.1	70.3	36.2	0.14	0.025	2.7
includes	70.3	189.4	119.1	0.38	0.025	2.5
includes	189.4	389.3	200.0	0.23	0.028	1.9
includes	389.3	401.0	11.7	0.17	0.015	1.3
ELID032	45.5	450.0	404.5	0.45	0.032	3.6
includes	45.5	93.5	48.0	0.38	0.029	3.3
includes	93.5	216.5	123.0	0.52	0.036	4.0
includes	216.5	271.0	54.5	0.36	0.029	2.8
includes	271.0	361.0	90.0	0.50	0.034	3.9
includes	361.6	450.0	88.4	0.41	0.029	3.4
and includes	436.6	450.0	13.4	0.75	0.032	7.2
ELID033	69.9	1109.6	1039.7	0.39	0.036	3.0
includes	245.8	588.0	342.2	0.41	0.037	3.7
includes	799.5	1109.6	310.1	0.56	0.040	3.5
ELID034	57.7	161.2	103.6	0.28	0.025	3.1
ELID035	56.6	979.0	922.4	0.33	0.045	2.8
includes	56.6	417.8	361.2	0.40	0.029	4.0
includes	520.2	610.0	89.9	0.40	0.040	3.1
includes	706.5	747.9	41.4	0.45	0.058	3.1
ELID036	122.5	215.2	92.7	0.36	0.030	3.1
and	380.9	540.0	159.1	0.24	0.020	3.1
ELID037	63.0	1552.0	1489.0	0.44	0.040	4.1
includes	400.0	1552.0	1152.0	0.49	0.040	4.7
includes	400.0	801.0	401.0	0.60	0.030	7.7
includes	589.2	750.5	161.3	0.66	0.030	9.2
includes	1268.2	1552.0	283.8	0.58	0.060	3.7
includes	1381.5	1552.0	170.5	0.63	0.060	3.5
and includes	1458.2	1552.0	93.8	0.71	0.060	4.0
ELID038	48.0	715.0	667.0	0.28	0.030	2.3
includes	61.7	145.4	83.7	0.43	0.040	3.0
and includes	447.9	564.3	116.4	0.29	0.050	1.9
ELID039	13.3	615.0	601.7	0.30	0.030	4.1
includes	13.3	117.9	104.6	0.50	0.030	4.7
includes	202.5	292.0	89.5	0.31	0.030	3.3
and includes	445.5	615.0	169.5	0.28	0.040	6.3
ELID040	39.6	154.6	115.0	0.37	0.020	3.5
and	242.6	297.9	55.3	0.29	0.020	4.8
ELID041	29.8	933.5	903.7	0.31	0.020	2.2
includes	29.8	737.5	707.7	0.33	0.030	2.4
and includes	29.8	525.0	495.2	0.35	0.030	2.8

Table 3. 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	-90
ELID020	259900	8835350	1759	567	180	-65
ELID021	260150	8835360	1740	770	179	-78
ELID022	260274	8835320	1713	602	179	-70
ELID023	260000	8834960	1613	662	180	-65
ELID024	259700	8835200	1794	650	83	-65
ELID025	260058	8835187	1690	947	0	-80
ELID026	260300	8836000	1948	118	90	-65
ELID027	260300	8836000	1948	273	263	-65
ELID028	260300	8836000	1948	251	90	-60
ELID029	260200	8835750	1835	251	80	-60
ELID030	259800	8835250	1776	300	180	-60
ELID031	260150	8835280	1710	401	180	-60
ELID032	260059	8835182	1686	450	277	-65
ELID033	259903	8835209	1729	1110	274	-82
ELID034	260003	8835291	1731	161	270	-85
ELID035	260003	8835295	1731	979	270	-85
ELID036	259904	8834950	1622	831	180	-54
ELID037	260001	8835292	1731	1552	270	-75
ELID038	260071	8835044	1634	845	91	-68
ELID039	260096	8834956	1583	695	180	-50
ELID040	259992	8834809	1556	532	175	-46
ELID041	260213	8835159	1666	1232	5	-80

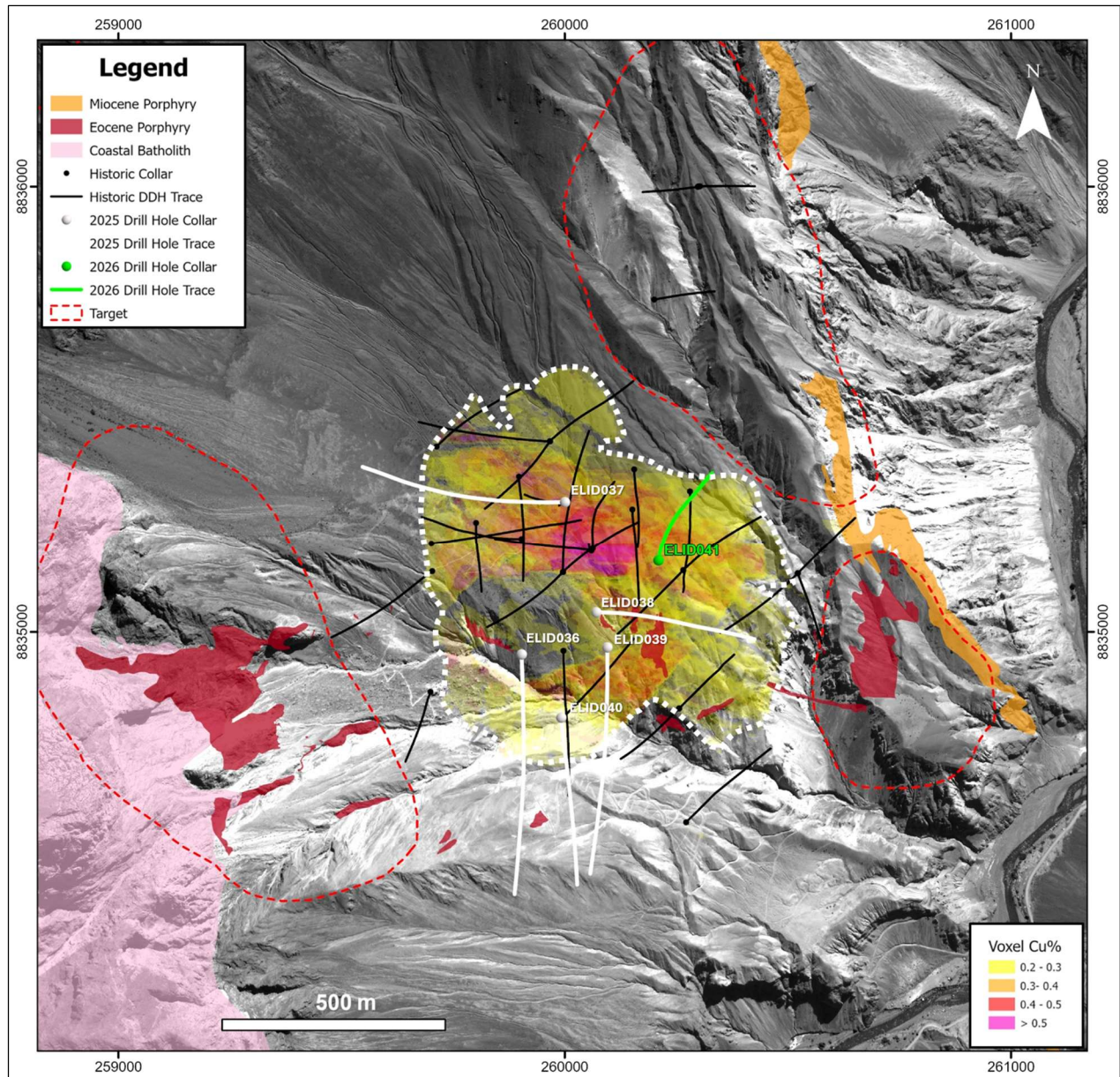


Figure 3. Location and trace of the 41 diamond drill holes completed at Elida as well as the surface projection of the Mineral Resource at a greater than 0.2% Cu cutoff for Zone 1.

Mineral Resource Estimation

The Company announced the completion of an initial independent Inferred Mineral Resource Estimate¹ (“**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 Error! Reference source not found.4 were estimated by:

- Developing a geologic interpretation of Cu 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 59.7 million inferred tonnes at 0.49% Cu, 0.036% Mo, and 3.99g/t Ag at a cut-off grade of 0.4% Cu ("**Higher-Grade Resource**") 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 Inferred Mineral Resource Estimate is September 20, 2022. A NI 43-101 technical report prepared by Ginto Consulting was 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.

Exploration Potential

The Mineral Resource utilized widely spaced drill holes that tested a portion of the interpreted Zone 1 mineralization surrounding a lower-grade porphyry centre. More drilling will be required in the southwest and northwest sectors to completely evaluate the mineral resource potential of Zone 1. 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 and upgrade the Mineral Resource.

Table 4. Pit-constrained Inferred Mineral Resource estimates 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

Phase 3 Drilling Program

The Company announced on September 24th, 2024, the start of the Phase 3 drilling program for a total of 5000 m to further test Zone 1. This drilling program had the following objectives:

- Show potential to expand the existing pit-constrained Mineral Resource of 321.7 million tonnes of 0.32% Cu, 0.03% Mo and 2.61 g/t Ag at a 0.2% Cu cutoff and a 0.74:1 strip ratio; and
- Infill gaps within the exiting pit-shell to show potential to increase the Higher-Grade Resource of 59.7 million tonnes of 0.49% Cu, 0.036% Mo and 3.99 g/t Ag at a 0.4% Cu cutoff.
- Continue to explore outside the Zone 1 pit shell to depths of up to 1000 m while in porphyry Cu-Mo-Ag mineralization.

The drilling program was postponed on December 26th, 2024, for operational purposes after completing three holes for a total of 2,249.8 m of drilling. The restart of the Phase 3 drilling program was announced on September 3rd, 2025, with plans to complete an additional 7,000 m of diamond drilling in 2025 and 2026. The Phase 3 drilling program is currently ongoing with 6,706 m completed to date. Results from the 2025-2026 drilling are summarized as follows (**Figure 4**):

ELID036 (Figure 5)

ELID036 was drilled to a depth of 831.4 m at a dip of -55° towards a 180° azimuth. The hole was designed to (1) infill within the current pit shell to potentially improve overall Cu–Mo–Ag grades, (2) extend mineralization south of the pit shell without materially increasing the strip ratio, and (3) test a large, low-resistivity MT geophysical anomaly located south of the existing pit shell.

Starting at a depth of 122.5 m, the hole intersected 92.7 m grading 0.36% Cu, 0.03% Mo and 3.11 g/t Ag, associated with biotitic hornfels interbedded with lesser calcsilicate hornfels. A second intercept of 159.1 m of 0.24% Cu, 0.02% Mo and 3.05 g/t Ag was encountered starting at a depth of 380.9 m, hosted by calcsilicate hornfels interbedded with biotitic hornfels and minor skarn lenses.

In both intercepts, the Cu-Mo-Ag mineralization is associated with porphyry-style A- and B-type vein stockworks, as well as C-type veins related to retrograde chlorite-epidote alteration. These results highlight the potential to increase the overall grades within the pit shell and expand mineral resources to the south. The hole was terminated at a depth of 831.4 m without fully testing the southern low-resistivity MT geophysical anomaly due to a decrease in chalcopyrite mineralization at depth.

ELID037 (Figure 6)

ELID037 was drilled to a depth of 1,552.0 m at a dip of -75° towards an azimuth of 270°, corresponding to a vertical depth of approximately 1,479 m, making it the deepest hole drilled at Elida to date. The hole was designed to follow up higher-grade Cu–Mo–Ag mineralization previously intersected at the bottom of ELID033 and to test a large, low-resistivity MT geophysical anomaly at depth interpreted to represent a

deeper, high-grade copper core, a mineralization event commonly associated with economic porphyry copper systems.

The hole intersected approximately 63 m of overburden, followed by 1,489 m grading 0.44% Cu, 0.04% Mo, and 4.09 g/t Ag, and was terminated at a depth of 1,552.0 m due to operational constraints.

The entire mineralized interval is strongly potassic altered and comprised predominately of thick sequences of skarn and calcsilicate hornfels, with minor interbedded biotitic hornfels. Local limestone units are partially to completely replaced by semi-massive to massive pyrrhotite-chalcopyrite, interpreted as carbonate replacement deposit ("CRD")-style mineralization.

The interval is crosscut by multiple generations of porphyry-related A- and B-type vein forming stockworks, which are subsequently cut by C-type veins and patches associated with retrograde chlorite-epidote-amphibole alteration.

ELID037 also intersected 1,152 m grading 0.49% Cu, 0.04% Mo, 4.65 g/t Ag, starting at a depth of 400 m near the edge of the current pit shell and continuing to EOH at 1,552.0 m, extending the Cu-Mo-Ag mineralization well beyond the existing pit shell.

This interval includes several higher-grade sub-intervals, notably 401.0 m grading 0.60% Cu, 0.03% Mo, and 7.67 g/t Ag starting at 400 m depth, and 283.8 m grading 0.58% Cu, 0.06% Mo and 3.68 g/t Ag from 1,268.2 m to the EOH.

The hole terminated in 93 m grading 0.71% Cu, 0.06% Mo, and 3.99 g/t Ag at 1,552.0 m depth due operational constraints. This deeper, higher-grade Cu-Mo-Ag mineralization remains open at depth and correlates well with the upper portion of the large, low-resistivity MT geophysical anomaly and is interpreted to represent the western edge of a high-grade copper core (Figure 11).

ELID038 (Figure 7)

ELID038 was drilled to a depth of 845.1 m at a dip of -70° towards an azimuth of 90°. The hole was designed to test the Elida porphyry system on the eastern side of the current pit shell. The drill collar is positioned immediately west of outcropping, strongly altered volcanoclastic rocks cut by phyllic-altered QMP stocks and dykes hosting A-, B-, and D-type veins (intermineral porphyries) that are leached and locally contain visible copper oxide mineralization. The hole was also designed to test several strongly potassic-altered QMP dykes and fingers previously intersected in hole ELID005. These intrusions are interpreted as potassic-altered early porphyries characterized by pervasive secondary biotite replacement, EDM-type veins, and disseminated chalcopyrite.

The hole intersected 667.0 m grading 0.28% Cu, 0.03% Mo, and 2.26 g/t Ag from 48.0 m to 715.0 m depth.

In the upper part of the hole, a sub-interval of 83.0 m grading 0.43% Cu, 0.04% Mo and 2.97 g/t Ag, starting at 61.7 m depth, is associated with a phreatic breccia containing heterolithic fragments including mineralized biotitic hornfels, early-intermineral QMPs, and minor skarn, supported in a fragmental rock flour matrix. The mineralization occurs both within breccia fragments and within the matrix as disseminations, stringers, and locally as pockets of semi-massive to massive sulphide replacement.

A second sub-interval of 116.4 m grading 0.29% Cu, 0.05% Mo and 1.92 g/t Ag starting at 447.9 m depth, is associated with C-type veins developed along the structural foliation, as well as open-space-filling veins and local breccias hosted within interbedded biotitic hornfels and fine-grained biotitic sandstones. The hole was terminated at a depth of 845.1 m due to a visible decrease in chalcopyrite mineralization at depth.

ELID039 (Figure 8)

ELID039 was drilled to a depth of 695.1 m at a dip of -50° towards a 180° azimuth. Similar to ELID036, this hole was designed to (1) infill within the current pit-shell to potentially improve the overall Cu-Mo-Ag grades, (2) extend the mineralization outside the pit shell to the south without materially changing the strip ratio, and (3) test a large, low resistivity MT geophysical anomaly observed to the south of the existing pit shell.

The hole intersected 601.7 m grading 0.30% Cu, 0.03% Mo, and 4.10 g/t Ag, starting at 13.3 m depth, associated with a sequence of calcsilicate hornfels interbedded with biotitic hornfels and locally cut by phyllic-altered QMP dykes and phreatic breccias.

Within the pit shell, the hole intersected two sub-intervals, including 104.6 m grading 0.50% Cu, 0.03% Mo, and 4.66 g/t Ag, starting at depth of 13.3 m and 89.5 m grading 0.31% Cu, 0.03% Mo, and 3.31 g/t Ag, starting at a depth 202.5 m. Both mineralized intervals are associated with A- and B-type vein stockworks with later C-type veins developed as stringers along the structural foliation, and as patches within interbedded biotitic hornfels and calcsilicate hornfels. These results highlight the potential to increase the overall grades within the pit shell.

Outside the pit shell, the hole intersected a third sub-interval of 169.5 m grading 0.28% Cu, 0.04% Mo, and 6.31 g/t Ag, starting at 445.5 m depth, associated with a thick sequence of calcsilicate hornfels locally cut by phreatic breccias. Mineralization in this interval is also associated with C-type veins developed along the structural foliation, as well as locally developed replacement patches within both the calcsilicate hornfels and phreatic breccias. This sub-interval coincides closely with a low-resistivity MT geophysical anomaly and highlights the potential to further expand mineral resources to the south.

The hole was lost at a depth of 695.1 m before testing the deeper low-resistivity MT geophysical anomaly.

ELID040 (Figure 9)

ELID040 was drilled to a depth of 531.9 m at a dip of -45° towards an azimuth of 175° . The hole was drilled south of holes ELID036 and ELID039 and was designed to (1) infill within the current pit shell to potentially improve overall Cu–Mo–Ag grades, (2) extend mineralization south of the pit shell without materially increasing the strip ratio, and (3) test the margin of the large, low-resistivity MT geophysical anomaly observed south of the current pit shell.

Starting at a depth of 39.6 m, the hole intersected 115.0 m grading 0.37% Cu, 0.02% Mo, and 3.53 g/t Ag, associated with a phreatic breccia composed of heterolithic fragments in a rock flour matrix, with minor intervals of intrusive breccia and biotitic hornfels. This interval is followed by calcsilicate hornfels interbedded with skarn and minor biotitic hornfels. Mineralization within the phreatic breccia occurs both within the fragments and the matrix as disseminations, patches, and locally as massive sulphide replacement. Within the calcsilicate hornfels and skarn, mineralization occurs as C-type veins forming along the structural foliation, disseminations, and locally as replacement patches.

The hole also intersected 55.3 m grading 0.29% Cu, 0.02% Mo, and 4.83 g/t Ag, starting at 242.6 m depth associated with a second sequence of foliated calcsilicate hornfels interbedded with biotitic hornfels. Mineralization in this interval is characterized by similar C-type veins developed along the structural foliation, disseminations, and locally as replacement patches.

ELID041 (Figure 10)

ELID041 was completed to a depth of 1,232.2 m at a dip of -80° towards an azimuth of 5° . The hole was completed on the northeastern side of the deposit, approximately 200 m east of hole ELID025 and was designed to (1) infill within the existing pit-shell to potentially expand the Higher-Grade Resource, and (2) extend the mineralization outside the pit-shell to 1000 m along the eastern side of Zone-1.

The hole returned 903.7 m grading 0.31% Cu, 0.02% Mo, and 2.22 g/t Ag from bedrock surface at 29.8 m depth, including 707.7 m of 0.33% Cu, 0.03% Mo, and 2.41 g/t Ag, and including 495.2 m of 0.35% Cu, 0.03% Mo, and 2.78 g/t Ag. These results extended porphyry Cu–Mo–Ag mineralization by more than 400 m beyond the current pit shell, highlighting potential for resource expansion in this area of the deposit.

The hole intersected a sequence of predominately biotitic hornfels interlayered with lesser biotitic sandstones and minor biotitic volcanoclastic sandstones extending from bedrock surface at 29.8 m to 538.4 m depth, transitioning to predominately biotitic volcanoclastic sandstones which continue to the EOH at 1,232.2 m. In the upper part of the hole, the units are overprinted by weak to moderate phyllic alteration with local silica replacement becoming strongly phyllic altered at depth within the biotitic volcanoclastic sandstones.

These rocks are cut by multiple generations of porphyry related stockworks including barren quartz veins, A- and B-type veins later cut by C-type veins as the main source of Cu mineralization which occurs along the structural foliation as strings and in open-space filling.

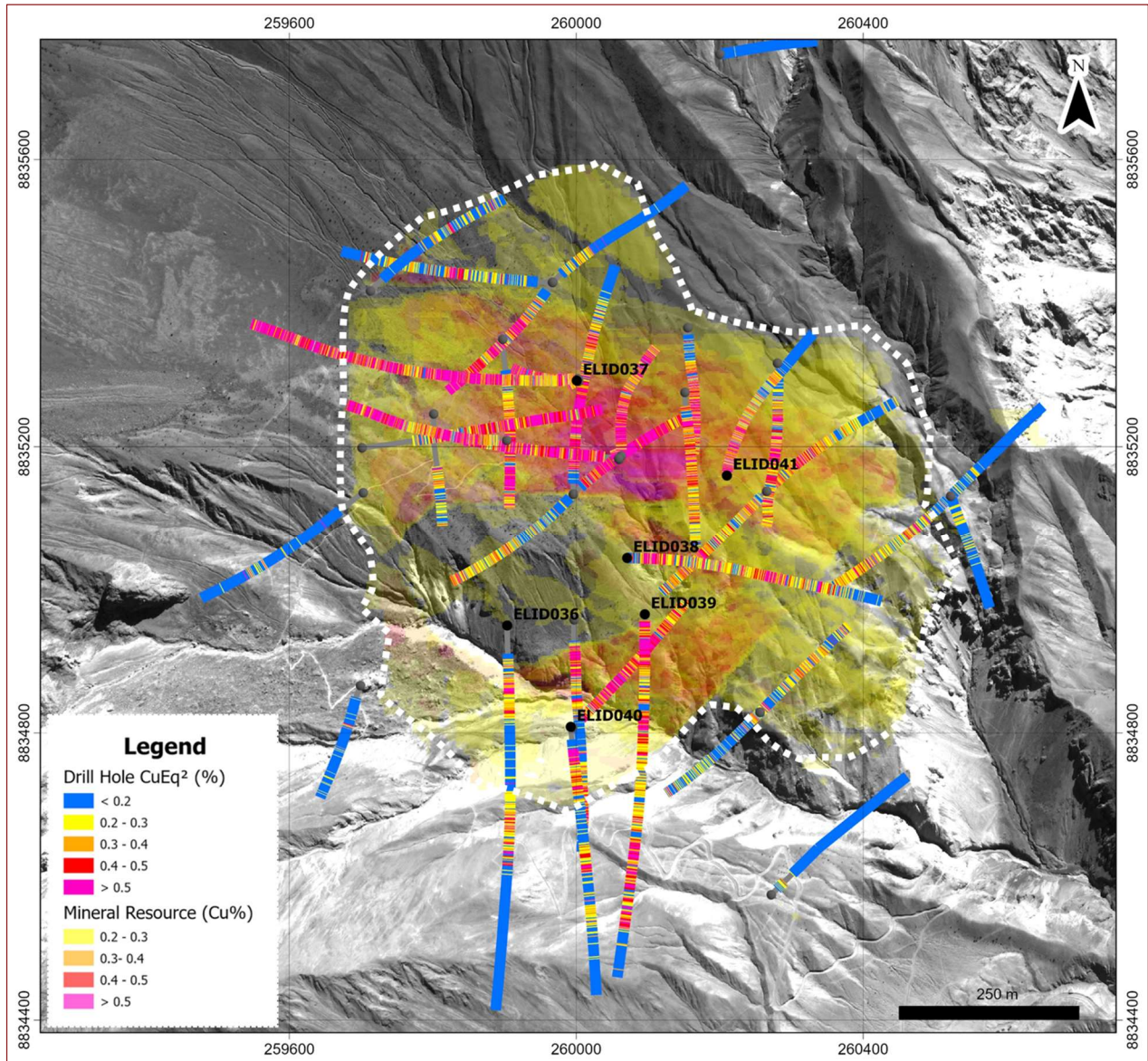


Figure 4. Zone 1 showing the CuEq² (%) geochemistry along the drill hole traces and the surface projection of the Mineral Resource at a greater than 0.2% Cu cutoff. Drill holes from the 2025-2026 Phase 3 drilling program are labeled with geological sections along the hole for Figures 5 to 10.

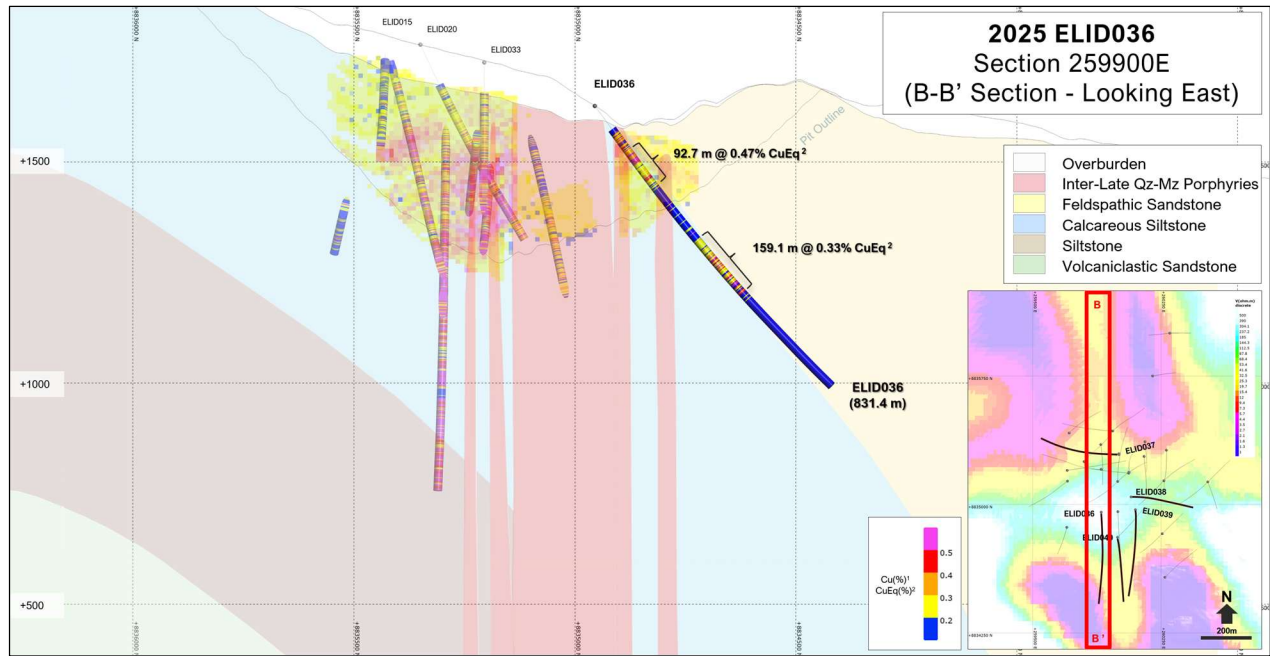


Figure 5. An east-west oriented geological cross section along northing 259900E containing drill hole ELID036 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section also shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

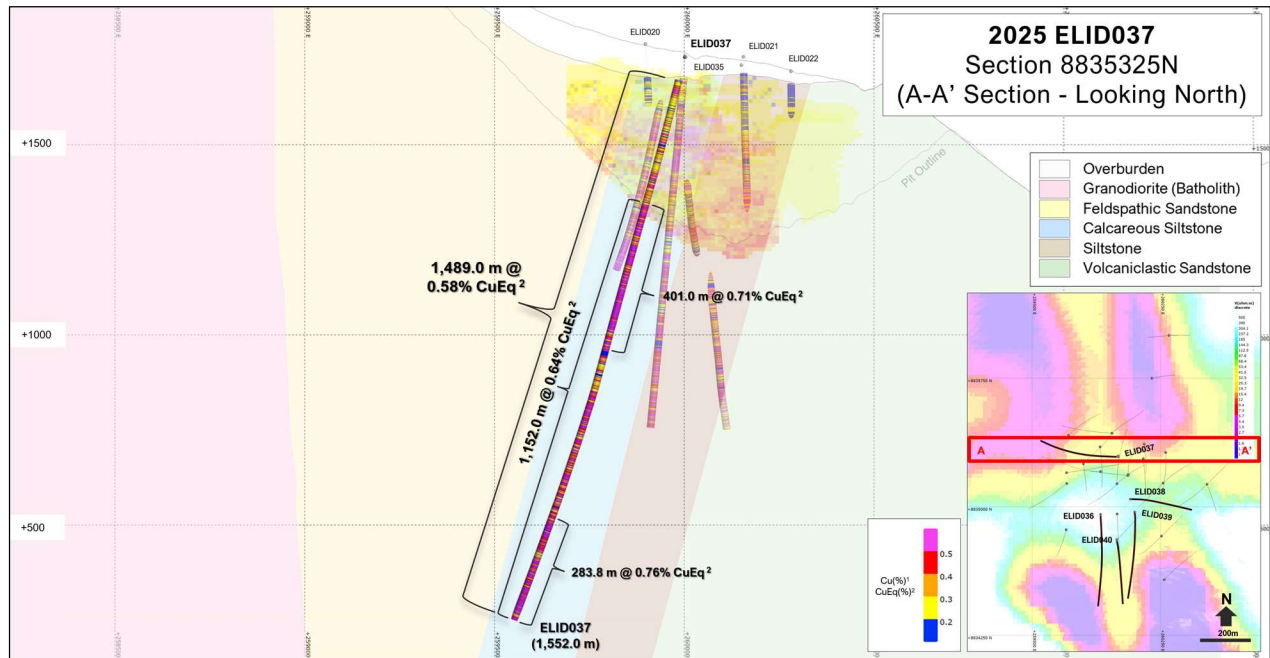


Figure 6. An east-west oriented geological cross section along northing 8835325N containing drill hole ELID037 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

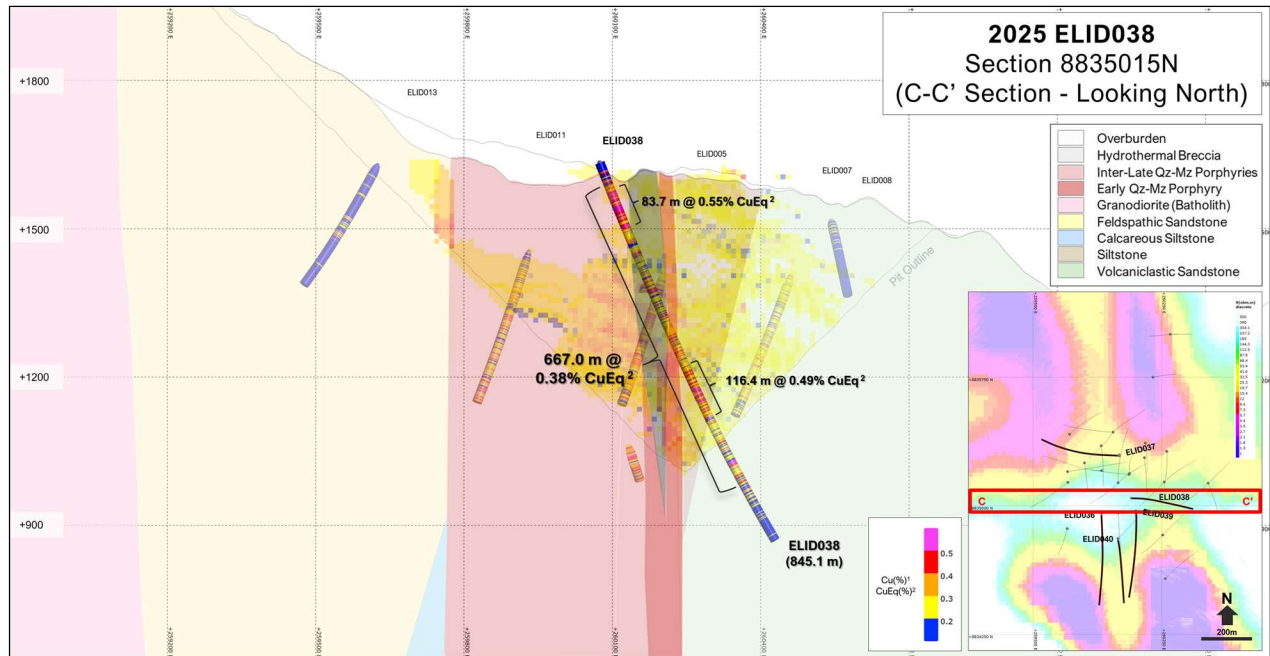


Figure 7. An east-west oriented geological cross section along northing 8835015N containing drill hole ELID038 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

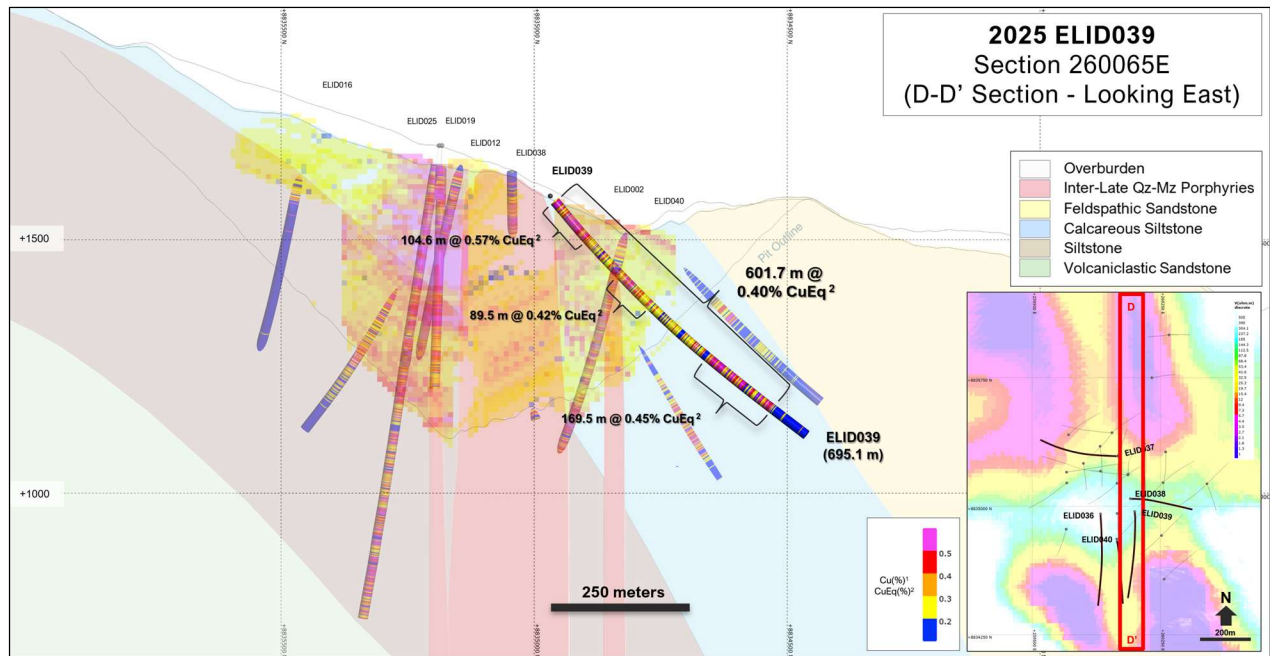


Figure 8. An east-west oriented geological cross section along northing 260065E containing drill hole ELID039 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

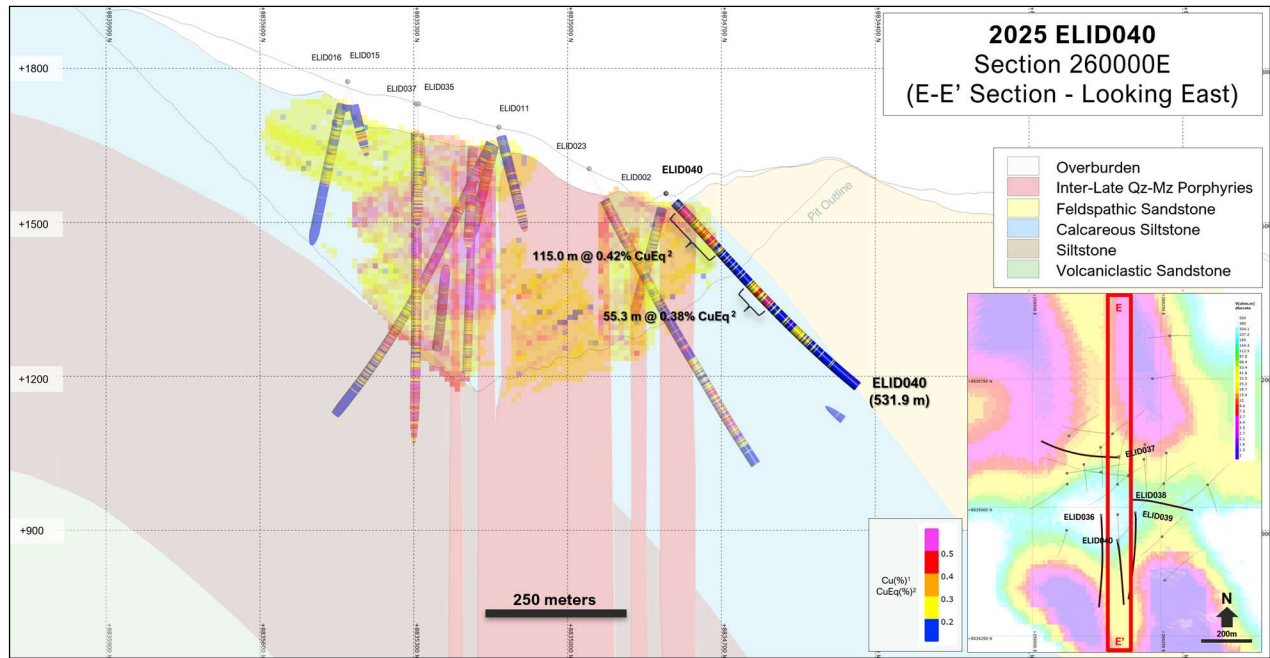


Figure 9. An east-west oriented geological cross section along northing 260000E containing drill hole ELID040 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

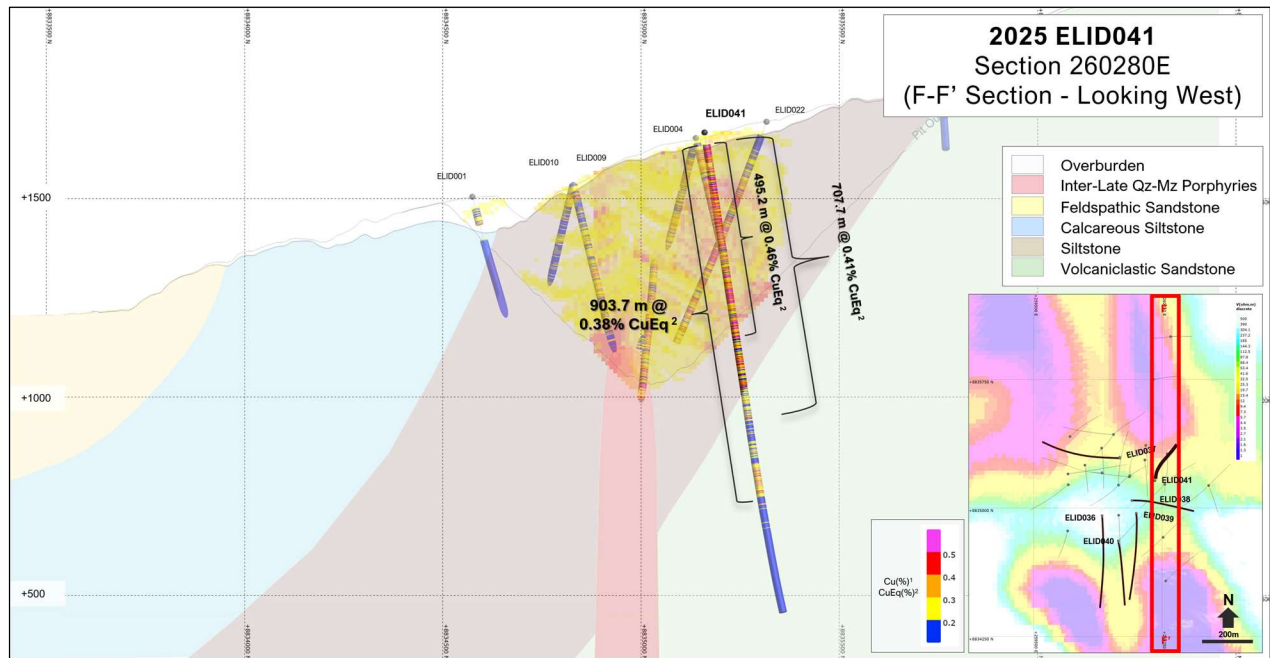


Figure 10. An east-west oriented geological cross section along northing 260280E containing drill hole ELID041 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq² geochemistry along the drill hole traces.

MT Geophysical Survey

The Company completed a large-scale MT geophysical survey at Elida, targeting mineralization outside and beneath the current pit-constrained Mineral Resource. MT is a passive geophysical method that measures natural variations in the Earth's electromagnetic fields to detect changes in subsurface resistivity. In porphyry Cu exploration, MT is particularly effective for imaging the large-scale geological structures that control

porphyry emplacement as well as the associated hydrothermal alteration and Cu-sulfide mineralization as low-resistivity zones. Widely used throughout the Andes, MT has contributed to the discovery of several deep-seated porphyry systems that exceed 1,000 m depth.

Based on a total of 123 MT stations collected over a 5 km by 6 km survey area, a high-resolution, three-dimensional (“3D”) resistivity model of the subsurface was generated to depths exceeding 3,000 m. The MT 3D resistivity model outlined a 1,000 m long east-west trending high-resistivity anomaly running through the centre of the Elida deposit which correlates well with the Elida porphyry intrusive complex intruding predominately potassic-altered volcano-sedimentary host-rocks. This high-resistivity anomaly is straddled by several large low-resistivity anomalies that correlate with intensely hydrothermally altered volcano-sedimentary host-rocks cut by narrow early to late mineral porphyry fingers and dykes. The Cu-Mo-Ag mineralization shows a strong correlation with the high-resistivity anomaly, with higher-grade Cu-mineralization occurring along the transition from high to low resistivity. This transition likely maps the emplacement of the Elida porphyry intrusive complex into the altered volcano-sedimentary host rocks. A large untested low-resistivity anomaly also occurs to the north outside the mapped 2.5 km by 2.5 km phyllic alteration footprint of the Elida deposit. Outcrop exposures are poor, but preliminary mapping suggests the phyllic alteration extends to the north into this area (Figure 11).

The 3D resistivity model enhances the Company’s understanding of the structural controls and geometry of the Elida porphyry system including potential relationships between host rocks and porphyry intrusions, hydrothermal alteration zones and sulphide mineralization. The Company intends to use the 3D resistivity model to further identify and prioritize drill targets extending outside and below the current Mineral Resource at Zone 1 and to explore for potential new zones of Cu-Mo-Ag mineralization within the mapped 2.5 km by 2.5 km phyllic alteration footprint of the porphyry system. Several of these MT anomalies also extend beyond the mapped alteration footprint suggesting the potential for currently unrecognized extensions to the known system and/or additional porphyry centres on the property.

Future Work

The Phase 3 drilling program recommenced on September 3rd, 2025, with plans to complete an additional 7,000 m of diamond drilling (refer to news release – September 3, 2025 <https://www.e29copper.com/news/2025/element-29-continues-potential-resource-expansion-drilling-at-its-elida-porphyry-cu-mo-ag-deposit-in-per>). This program is designed to potentially expand the existing Mineral Resource and enhance the overall Cu-Mo-Ag grades. The Drill Program will test the potential for resource expansion beyond the current pit shell to depths exceeding 1,000 m, while infill drilling to strengthen confidence in the existing Mineral Resource and enhance the overall Cu-Mo-Ag grades. In addition, exploration drilling outside the Mineral Resource will be supported by the 3D resistivity model derived from the MT geophysical survey.

The Phase 3 drilling program continues under the existing PIA Drill Permit with two drill rigs currently operating on site. The drilling program is being carried out under the existing FTA environmental certificate, which is scheduled to expire in Q2 2026. The Company plans to complete an additional 5,000 m of drilling before the end of 2026 under the upgraded PIA Drill Permit and DIA environmental certificate, increasing the number of allowable drilling platforms from 20 to 40 with an additional 5-year term.

As part of the requirements for the upgraded PIA, the Company announced on June 4th, 2025, the signing of a renewed Access Agreement with the host community for an additional 5-year term, expiring on April 30th, 2030. Additionally, the Company announced the receipt of the new DIA environmental certificate on January 7th, 2026. The Company is still required to complete the Prior Consultation process or receive an exemption and is in the process of preparing the Collective Impacts Report, to be submitted to MINEM in Q2 2026.

Preliminary metallurgical test work is also planned for 2026 to better understand overall Cu-Mo-Ag concentrate recoveries and potential presence of deleterious elements across key ore types within the Elida deposit. To minimize oxidation, selected sample rejects from geochemical analysis of cut drill core have been stored in nitrogen-sealed bags as part of this planning process.

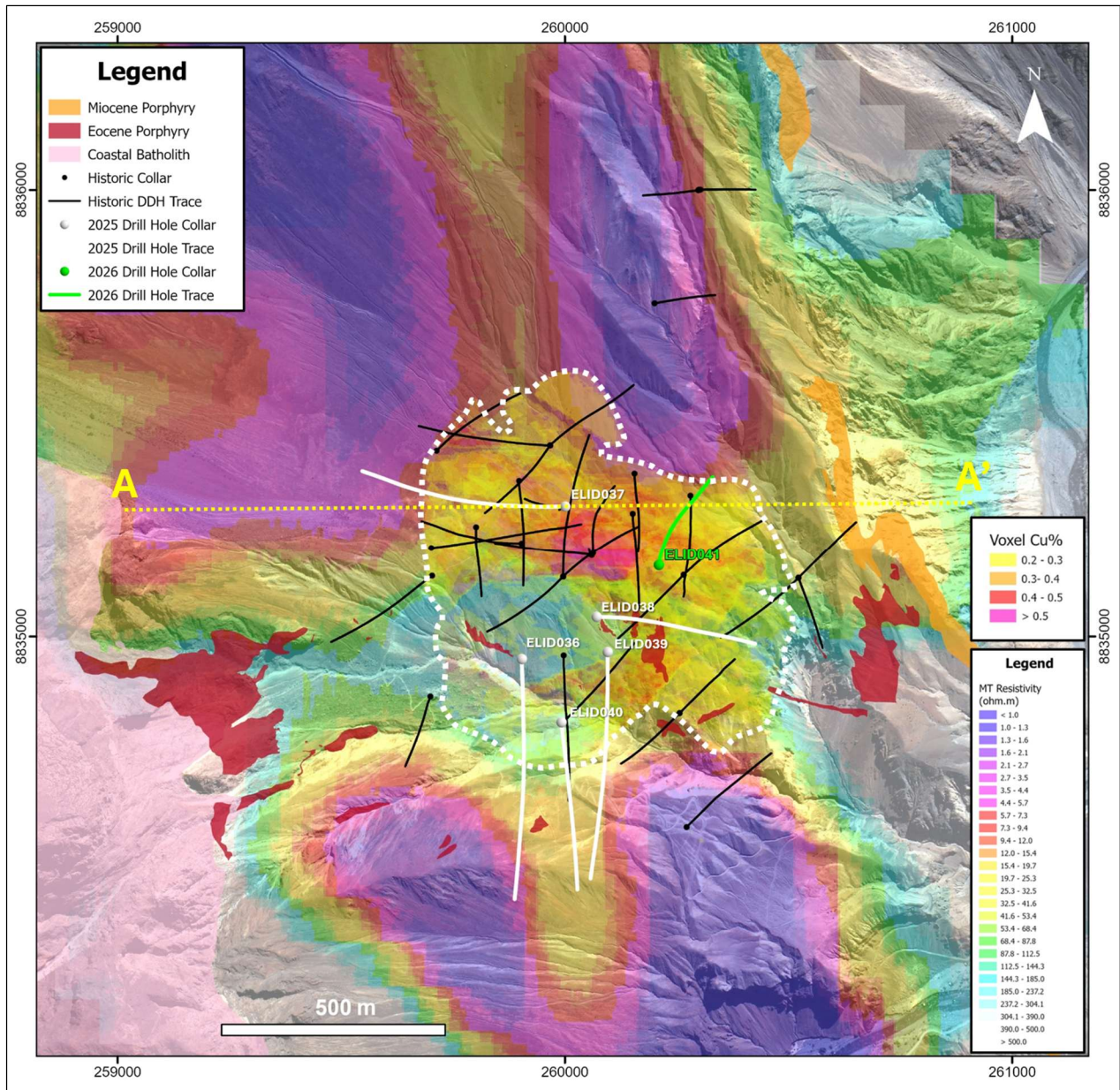


Figure 11: Location map showing the planned 2025 diamond drilling program at Elida. The proposed drill holes are highlighted in green superimposed on the surface projection of the Mineral Resource (outlined in white) and a 2D level slice of the 3D MT resistivity model at -400 m below topographic surface. The map also shows the location of the porphyry intrusions and the surface projections

of historical drill holes (black traces). The locations of the 2D section A-A' in Figure 12 is also shown.

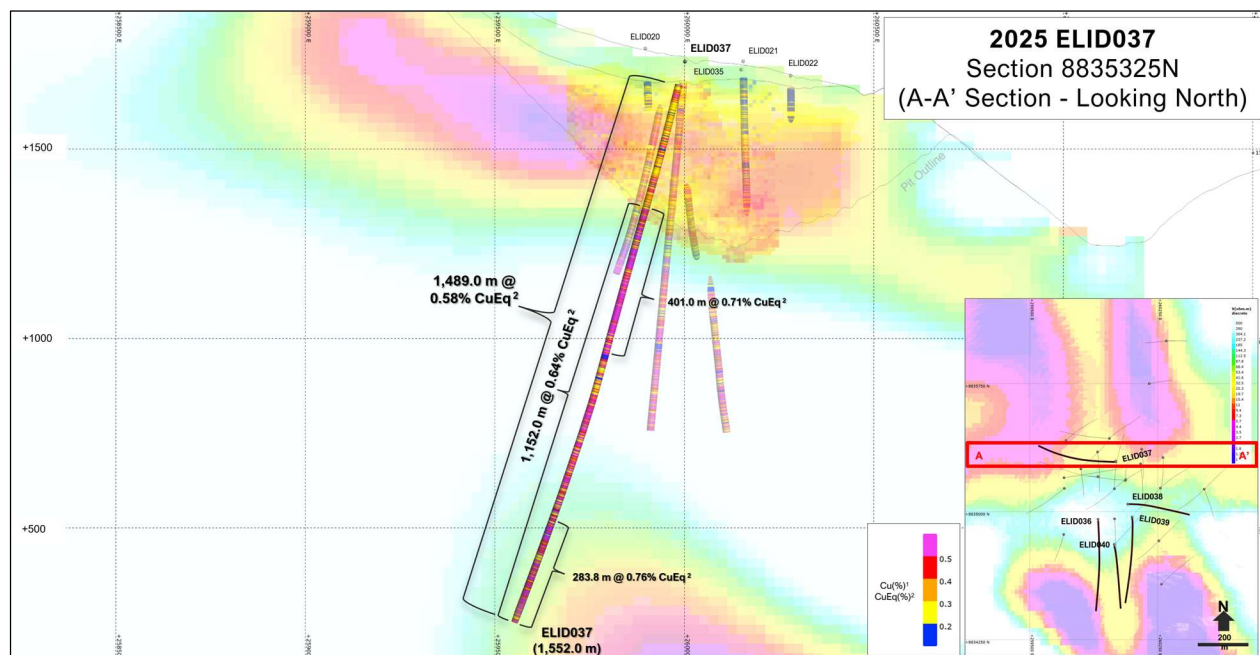


Figure 12: A 2D section (looking north) along drill hole ELID037 (Section 8835325N) plotted over the 3D MT resistivity model, drill hole traces showing length-weighted CuEq² (%) grades, and the outline of the Mineral Resources with pit-shell.

Notes:

1. Mineral Resource Estimate information is available in "NI 43-101 Technical Report, Mineral Resource Estimation of the Elida Porphyry Copper Project in Peru" dated September 20, 2022 and prepared in accordance with Form 43-101F1 by Marc Jutras, P.Eng., M.A.Sc., Ginto Consulting Inc., a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, who is independent of Element 29 Resources Inc. .

Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability and may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

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.

Mineral Resources are reported 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.

2. The CuEq grades are calculated using $CuEq = Cu\% \times 0.85 + [Mo\% \times 4.2578] + [Ag \text{ g/t} \times 0.0074]$ utilizing metal recoveries of Cu = 85%, Mo = 65%, and Ag = 65% and metal prices of Cu = US\$4.56/lb, Mo = US\$29.87/lb and Ag = US\$35.50/oz based on a 2-year average of daily spot prices (from January 16, 2024, to January 15, 2026). The spot price of Mo is derived from Molybdenum Bar, 99.9% minimum purity, China converted to US\$/lbs.
3. Intervals are downhole drilled core lengths. Drilling data to date is insufficient to determine true width of mineralization. Assay values are uncut.

FLOR DE COBRE CU-MO PROJECT

Flor de Cobre is located 35 km southeast of Arequipa and straddles the border between the Departments of Arequipa and Moquegua, the Provinces of Arequipa and General Sanchez Cerro, and the Districts of Polobaya and La Capilla. The property is accessible along paved and maintained unpaved roads from Arequipa and is situated at a modest elevation of ~2,700 m with excellent infrastructure for mine development (Figure 13).

Flor de Cobre is comprised of eleven mining concessions for a total of 2,535.36 ha and which are 100% owned by the Company's Peruvian subsidiary Candelaria Resources S.A.C. (Figure 15). The project is in the Southern Peru Copper Belt, which is host to numerous porphyry Cu deposits, including the Cerro Verde Cu-Mo mine operated by Freeport-McMoRan; the Cuajone and Toquepala Cu-Mo mines operated by Southern Copper; and the Quellaveco Cu-Mo mine operated by Anglo American. Flor de Cobre is located 5 km northwest of the Chapi Mine and 26 km southeast of the Cerro Verde Mine (Figure 14).



Figure 13: Location map for the Flor de Cobre, Paka and Pahuay Projects. The light green tone is the approximate position of the Paleocene Magmatic Arc and the Southern Peru Copper Belt, which hosts major porphyry copper deposits in the region.

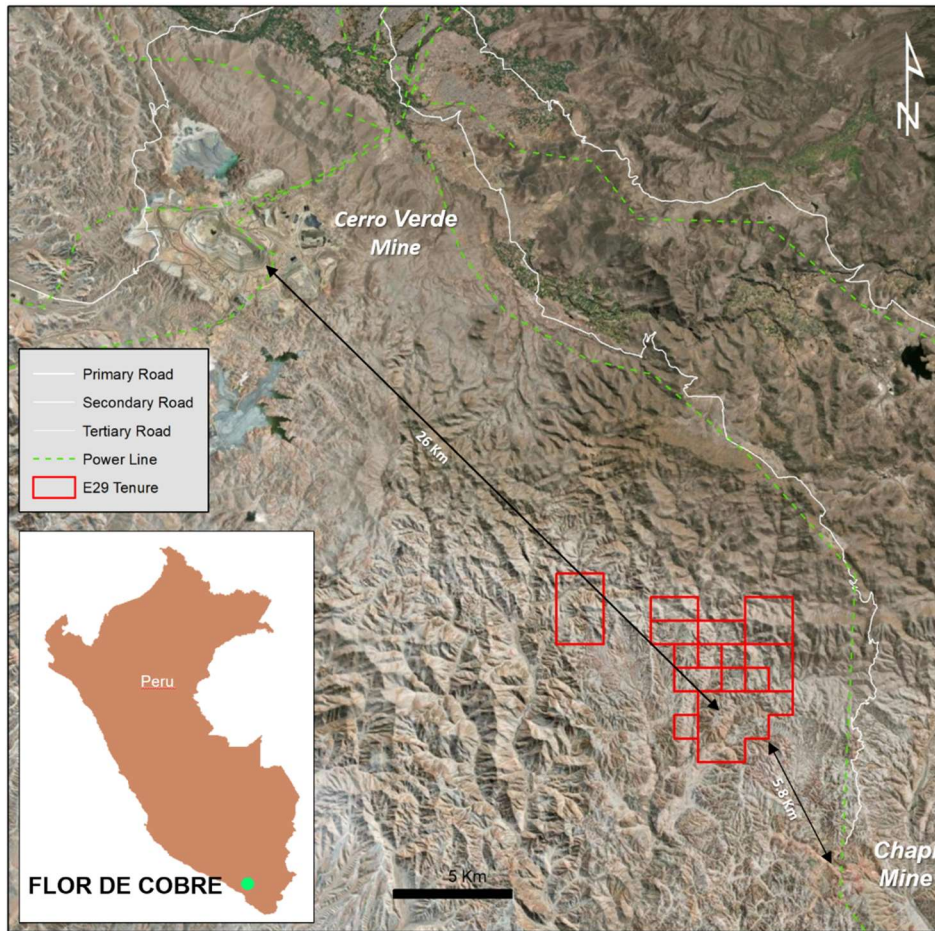


Figure 14: Regional setting and infrastructure for the Flor de Cobre Project.

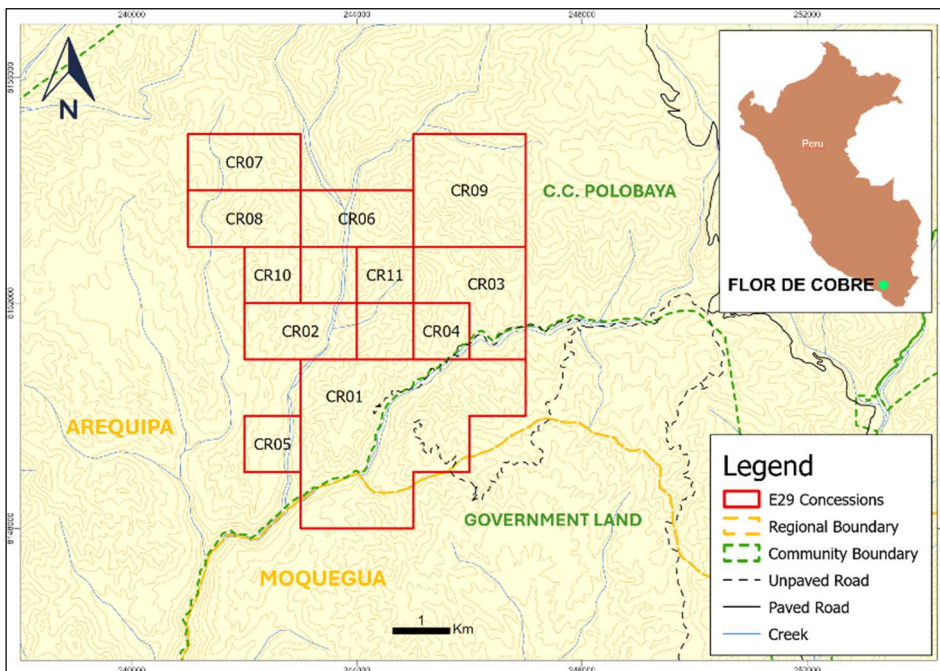


Figure 15: Flor de Cobre property concession map.

Atravesado Target Development

Atravesado is a large porphyry Cu-Mo target located within the Company's 100% owned Flor de Cobre concessions. The target is defined by anomalous surface rock Cu-Mo geochemistry, surface IP resistivity and chargeability geophysical anomalies, and corresponding geological indicators within an area of approximately 1.5 km x 2.0 km (Figure 16).

A field mapping program was undertaken in September 2023 where information on rock types, hydrothermal alteration, mineralization, and vein densities were collected. The field work outlined widespread Cu-oxide mineralization associated with a leached capping zone atop phyllic-overprinted potassic-altered Jurassic-Cretaceous-aged Yura Group sediments. Increased densities of A-type veins within the potassic alteration zone correlate with enhanced Cu-oxide mineralization and elevated surface rock Cu-Mo geochemistry, resulting from the remobilization of Cu from weathered primary sulphide mineralization. The intense potassic alteration footprint and associated Cu mineralization, along with the identification of several narrow potassic-altered quartz-monzonite porphyry dikes at surface, suggest the potential for a deeper, untested early-mineral porphyry intrusion as part of a larger multi-phase porphyry intrusive complex. This is further supported by the 3D inversion model of the ground IP geophysics.

The Company recently took possession of drill core from three (3) historical diamond drill holes completed by Anglo American in 2007 along the perimeter of the Atravesado porphyry Cu-Mo target where quartz veinlet densities are relatively low. The Company plans to complete more geological mapping and sampling as well as detailed logging of these historical drill holes to integrate into the geological model prior to drilling.

The Company received the approval of the DIA environmental permit for Atravesado in Q4 2023. This allows the Company to drill from a maximum of 40 drilling platforms over a period of up to 5 years. A Collective Impacts Report was submitted to MINEM on March 2024 and the Company received notice on October 21st, 2024, that it had been exempted from the Prior Consultation process. Upon completing the surface access agreement with the host community, all requirements for MINEM to issue the Drill Permit will be met, with plans to conduct an initial drilling program in Q4 2026.

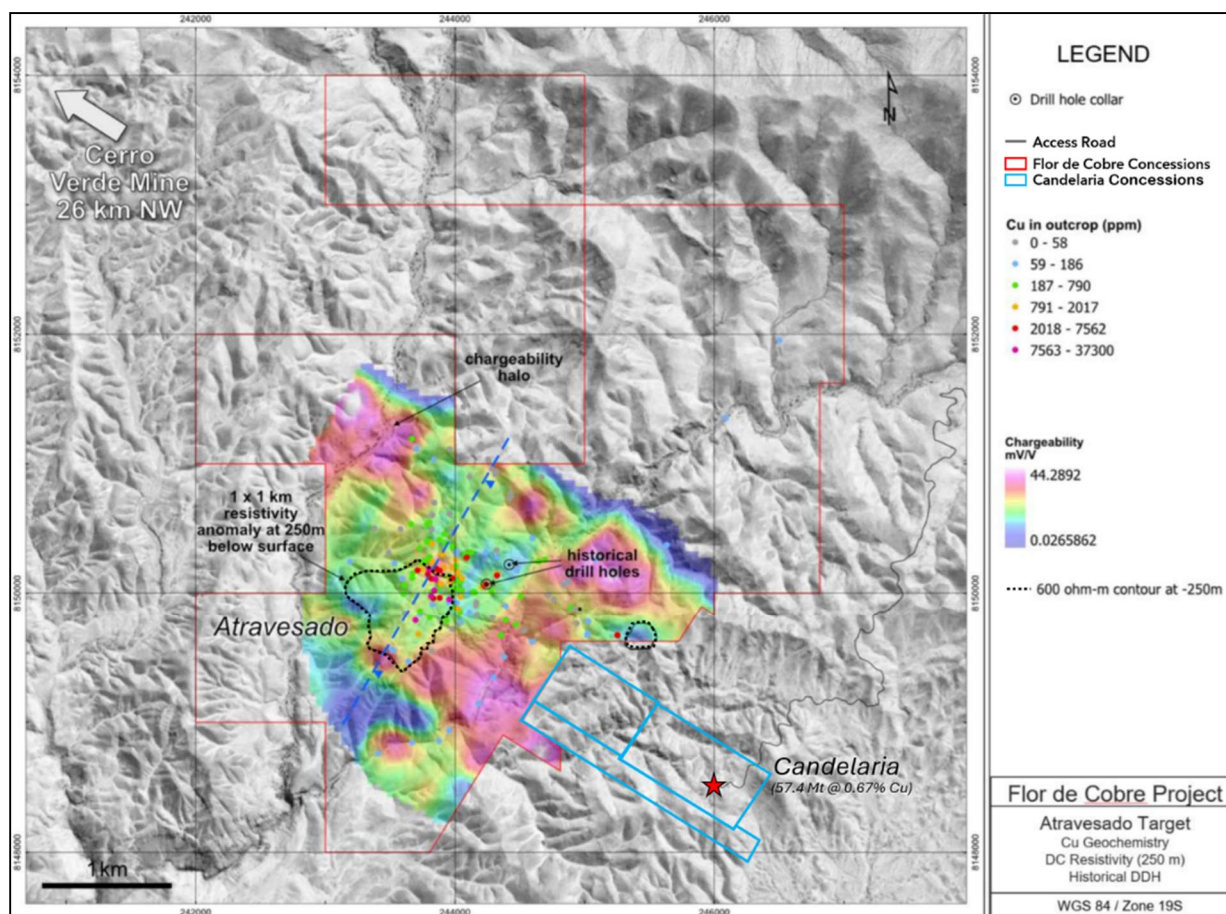


Figure 16: The Flor de Cobre project showing the locations of the Candelaria and Atravesado target areas. The continuous colour overlay shows chargeability response at 250 m depth. The black dashed line delimits moderate resistivity response at the same depth. Anomalous outcrop geochemistry, quartz veinlet development, and minor late porphyry dikes coincide with the moderate resistivity zone.

PAHUAY PORPHYRY-SKARN CU-(MO-AG) PROJECT

The Pahuay Cu project consists of 1200 ha and is 100% owned by the Company (Figure 17), subject to a 2% net smelter royalty return to Globetrotters Resource Group Inc. The property is located 270 km south of Lima (Figure 13) 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 (Zn, Pb, Cu, Au, and Ag) mine controlled by Nexa Resources Peru SA. Paleocene porphyry intrusions are emplaced into Cretaceous volcanoclastic 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 volcanoclastic units. Cu 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 (Zn, Cu and Ag) returned assays up to 6.5% Zn. 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 18).

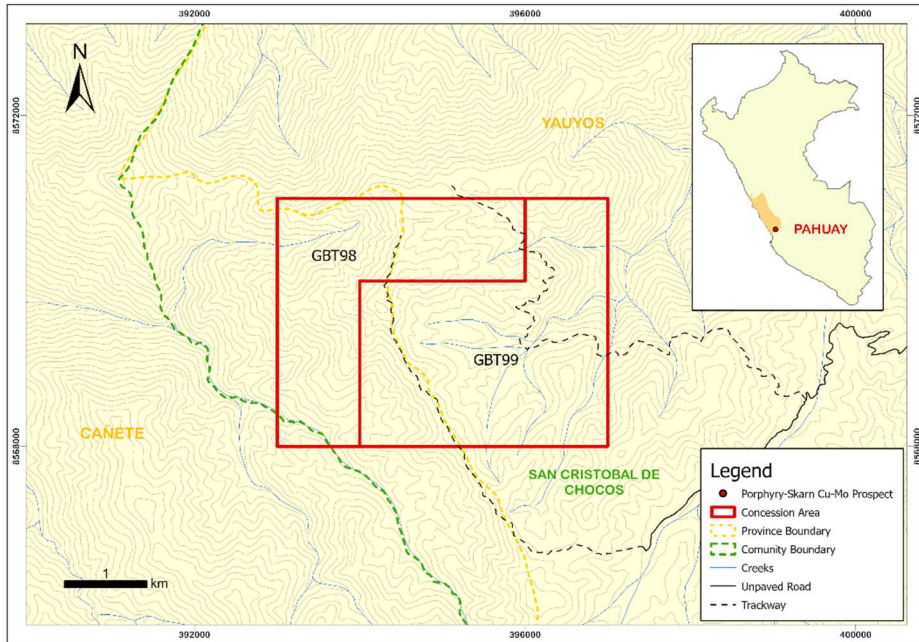


Figure 17: Pahuay porphyry Cu-Mo skarn concession location map.

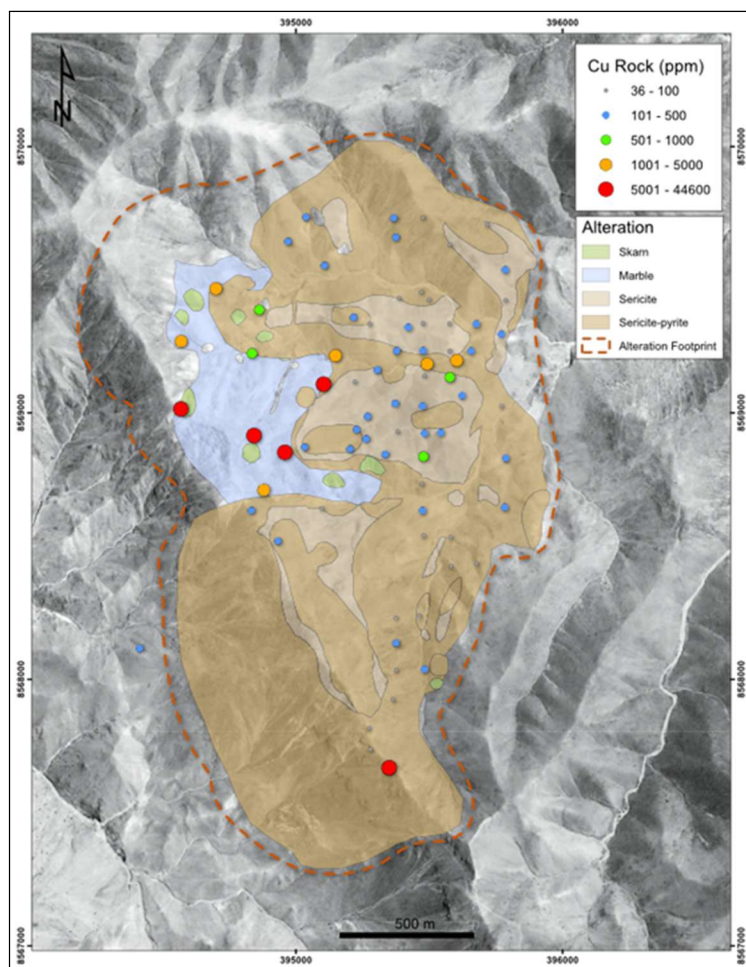


Figure 18: The Pahuay porphyry Cu-Mo skarn system showing the hydrothermal alteration footprint of a phyllic overprinting potassic altered porphyry Cu-Mo system with skarn alteration and anomalous Cu-Mo rock geochemistry in outcrop samples.

PAKA PORPHYRY-SKARN CU-ZN-(AU-AG) PROJECT

The Paka copper project (previously referred to as the Muñaorjo project) consists of 2,500 ha of titled concession and is 100% owned by Element 29 (Figure 19), subject to a 2% net smelter return royalty with Globetrotters. The project is located in southern Perú and is road accessible from the capital city, Lima via the Pan American Highway, approximately 610 km southeast to the coastal city of Chala, followed by 75 km inland along a network of paved and gravel roads (Figure 13).

The Paka porphyry-skarn Cu-Zn-(Au-Ag) system is situated near the eastern margins of the Peruvian Coastal Batholith and hosted within Cretaceous limestones sequences which are intruded by diorite to granodiorite plutons of the Coastal Batholith. The hydrothermal system is spatially associated with the Tertiary magmatic arc and is interpreted to be Paleocene in age, potentially representing the northwestern continuation of the Southern Peru Copper Belt, which hosts several large porphyry copper deposits including Cerro Verde (Freeport-McMoRan-Buenaventura), Cuajone (Southern Copper), and Quellaveco (Anglo American) (Figure 13).

The Paka prospect comprises a large porphyry–skarn hydrothermal system defined by an alteration footprint greater than 2 km by 1 km, exposed along the crest of a broad anticline within thick limestone sequences and locally concealed beneath post-mineral volcanic cover (Figure 20). Along the northwestern margin of the alteration footprint, a 480 m by 280 m skarn–marble zone is exposed at surface and hosts strongly anomalous Cu, Zn, Au, and Ag rock geochemistry. Mineralization is characterized by dense quartz–limonite stockwork veining hosted within skarn, calc-silicate marble, and recrystallized limestones. Surface veining

commonly displays goethite–hematite with associated green copper oxides formed through supergene processes. Locally, pyrite and chalcopyrite are preserved as disseminations and within narrow veinlets.

A total of 121 rock grab samples were collected across the property, of which 62 samples returned grades greater than 0.01% Cu, including 48 samples exceeding 0.2% Cu and up to 4.03% Cu. Higher-grade copper values are concentrated within the skarn–marble zone and diminish outward from the core of the showing (Figure ??). The alteration and mineralization remain open to the northwest and west beneath post mineral cover consisting of unaltered Miocene dacites, rhyolites, and volcanic tuffs.

Peripheral areas northeast of the skarn–marble zone exhibit propylitic alteration developed within dioritic phases of the Coastal Batholith, characterized by chlorite–epidote–magnetite assemblages, suggesting distal alteration halos surrounding a deeper interpreted porphyry centre at Paka.

Paka prospect is interpreted as a large Cu–Zn–(Au–Ag) bearing porphyry–skarn system preserved at a relatively high level of erosion, where the causative porphyry intrusions are not yet exposed at surface. Further geological mapping and a planned deep-seeking IP–Resistivity geophysical survey are planned to better delineate porphyry-related alteration and mineralization at depth and beneath post-mineral volcanic cover to the west and northwest.

The Company announced the receipt of the DIA environmental certificate on February 27th, 2026 and is currently fulfilling the remaining requirements for the PIA Drill Permit application, including the completion of the Collective Impacts Report to seek an exemption from the Prior Consultation process.

A drone photogrammetry survey was conducted as part of the baseline study, serving as a field reference and used to produce a digital terrain model for the project. More detailed geological mapping and geochemical sampling were carried out in Q1 2025 alongside a ground magnetometer geophysical survey, covering a total of 68 line-km. Further geological mapping, outcrop sampling, as well as magnetometer and IP geophysical surveys are planned for 2026.

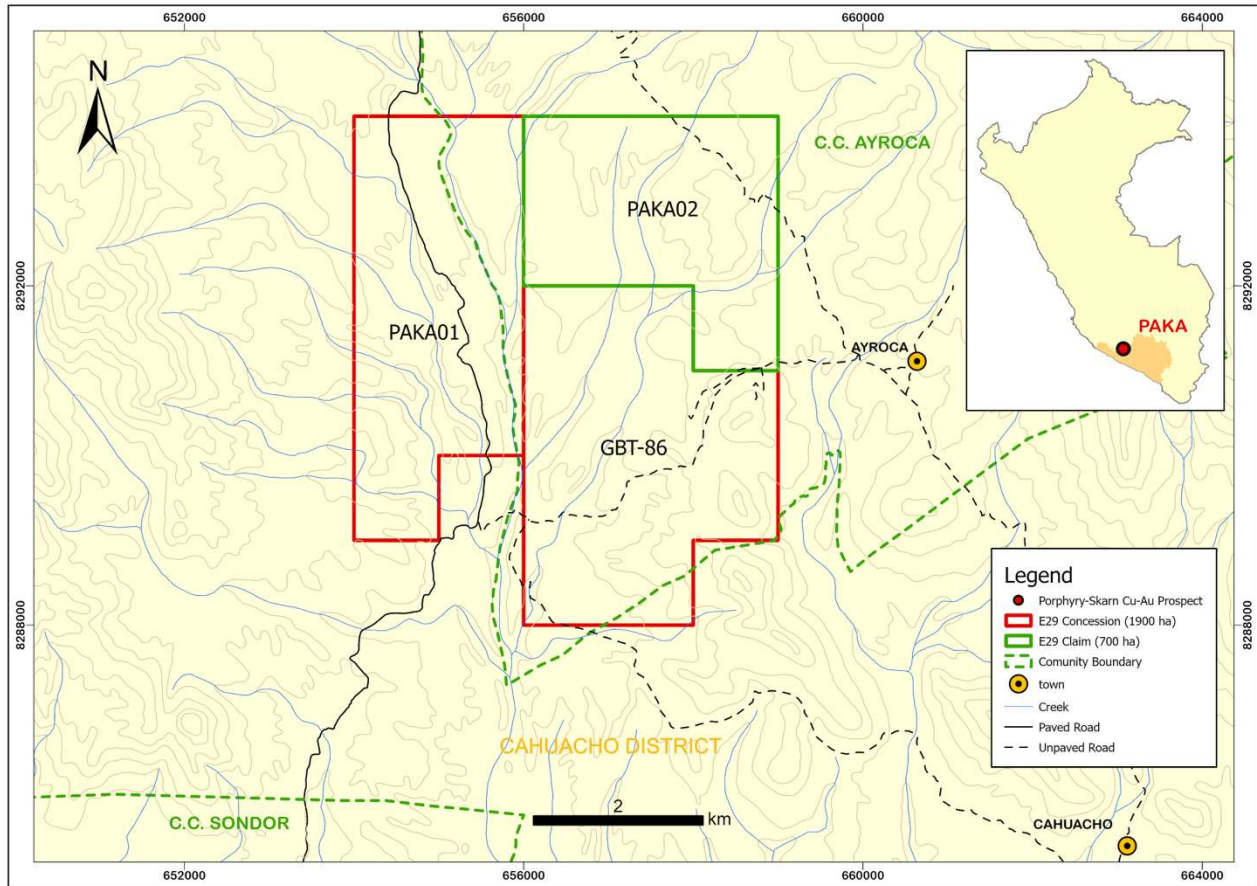


Figure 19: The Paka porphyry Cu-Au skarn project concessions location map.

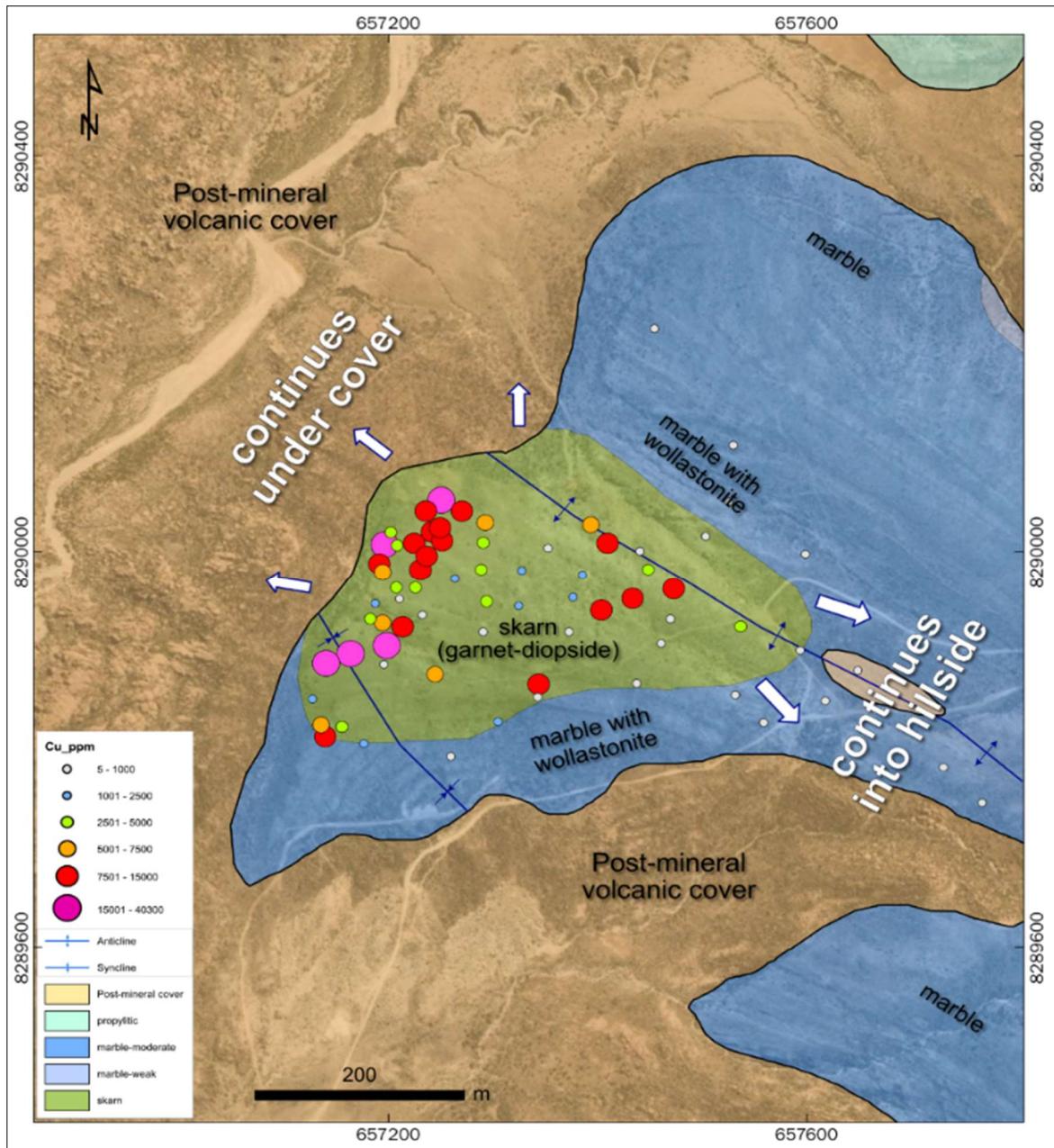


Figure 20: The Paka porphyry Cu-Au skarn project showing the outline of the porphyry Cu-Au skarn related hydrothermal alteration and highly anomalous Cu rock geochemistry in outcrop samples.

FINANCIAL INFORMATION

EXPLORATION AND EVALUATION ASSET EXPENDITURES

Expenditures for the year ended December 31, 2025 were as follows:

	Flor de Cobre	Elida	Pahuay and Paka	Total
Balance at December 31, 2024	\$ 1	\$ 11,909,193	\$ 1	\$ 11,909,195
Additions:				
Drilling	471	2,509,846	8,894	2,519,211
Geological and mapping	8,661	-	24,202	32,863
Geophysics and geochemistry	-	390,135	3,428	393,563
Permitting, concessions and taxes	31,408	479,697	55,682	566,787
Community, health, safety and environment	-	145,136	8,244	153,380
Geology salaries	189	115,228	1,047	116,464
Property maintenance and administration	42,099	712,888	2,033	757,020
Total additions for the year	82,828	4,352,930	103,530	4,539,288
Balance at December 31, 2025	\$ 82,829	\$ 16,262,123	\$ 103,531	\$ 16,448,483

Expenditures for the year ended December 31, 2024 were as follows:

	Flor de Cobre	Elida	Pahuay and Paka	Total
Balance at December 31, 2023	\$ 5,134,672	\$ 9,220,212	\$ 1	\$ 14,354,885
Additions:				
Drilling	-	893,371	-	893,371
Geological and mapping	-	168,285	-	168,285
Geophysics and geochemistry	-	43,679	-	43,679
Permitting, concessions and taxes	-	338,202	-	338,202
Community, health, safety and environment	-	225,165	-	225,165
Geology salaries	-	128,861	-	128,861
Property maintenance and administration	-	891,418	-	891,418
Total additions for the year	-	2,688,981	-	2,688,981
Impairment charge	(5,134,671)	-	-	(5,134,671)
Balance at December 31, 2024	\$ 1	\$ 11,909,193	\$ 1	\$ 11,909,195

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.

Elida Copper Project

The Company owns 100% of the Elida copper project, subject to a 2% Net Smelter Return ("NSR") to Globetrotters. The property is located in Peru.

Expenditures were related to drilling, administration and support costs for the current drilling program.

Flor de Cobre Copper Project

The Company owns a 100% interest of the Flor de Cobre copper project, with the exception of certain claims (“Candelaria Concessions”), where it had an option to earn 100% interest. The Flor de Cobre copper project is subject to a 2% NSR to Globetrotters. The property is located in Southern Peru.

On March 1st, 2024, the Company announced the termination of the 5-year option agreement between Peruvian subsidiary, Candelaria Resources S.A.C., and the vendor for the 127.12 ha Candelaria Concessions. Upon termination, the Company signed a non-binding letter of intent (“LOI”) to negotiate the terms for a new option agreement with the vendor. This LOI expired on May 15th, 2024 without executing a new agreement and the Company no longer holds an option interest in the Candelaria Concessions.

Impairment of Non-Current Assets

During the year ended December 31, 2024, the Company re-evaluated the carrying value of the Flor de Cobre copper project and, as a result of this review, recorded an impairment charge of \$5,134,671.

Pahuay and Paka Copper Projects

The Company owns 100% of the Pahuay and Paka Copper projects, subject to a 2% NSR to Globetrotters. The properties are located in Peru.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

Operating Results

The Company’s operating results for the years ended December 31, 2025 and 2024 were:

	2025	2024
General and administrative expenses		
Administration and office	\$ 40,489	\$ 135,110
Corporate development	128,129	127,170
Investor relations	646,958	435,229
Personnel costs	461,514	462,367
Professional fees	100,681	95,427
Filing fees	112,063	75,639
Foreign exchange (gain) loss	(130,830)	15,596
Share-based compensation	1,154,895	612,229
Depreciation	54,703	58,942
Finance expenses	13,665	8,596
Operating loss	2,582,267	2,026,305
Interest income	(92,626)	(11,471)
Other	78,002	-
Impairment charge	-	5,134,671
Loss and comprehensive loss for the year	\$ 2,567,643	\$ 7,149,505

Administration and office expenses in 2025 were lower than in fiscal 2024 due to cost reductions in 2025 and one-time charges that occurred in 2024.

Corporate development expenses in 2025 were comparable to fiscal 2024 and are related to professional services to explore strategic initiatives.

Investor relations expenses in 2025 were higher than in fiscal 2024 due to increased marketing initiatives and timing of investor relation activities.

Personnel costs and professional fees in 2025 were comparable to fiscal 2024.

Filing fees in 2025 were higher than in fiscal 2024 due to increased corporate security activities.

Share-based compensation expenses in 2025 were higher compared to fiscal 2024 due to higher valuation of equity-based compensation.

Depreciation charges are related to the Vancouver office lease and fixed assets in Peru.

Quarterly Financial Data

	Q4 25	Q3 25	Q2 25	Q1 25
Administration and office	\$ 12,273	\$ 7,071	\$ 10,462	\$ 10,683
Corporate development	43,837	21,838	28,020	34,434
Investor relations	221,335	100,431	172,352	152,840
Personnel costs	105,175	121,759	118,635	115,945
Professional fees	14,160	2,621	80,360	3,540
Filing fees	34,401	29,714	27,901	20,047
Foreign exchange (gain) loss	58,005	(72,248)	56,389	(172,976)
Share-based compensation	183,286	208,186	231,272	532,151
Depreciation	9,677	10,171	14,819	20,036
Other	2,952	807	4,841	5,065
Operating loss	\$ 685,101	\$ 430,350	\$ 745,051	\$ 721,765

	Q4 24	Q3 24	Q2 24	Q1 24
Administration and office	\$ 102,429	\$ 10,298	\$ 8,367	\$ 14,016
Corporate development	34,560	33,742	33,578	25,290
Investor relations	128,484	214,102	55,149	37,494
Personnel costs	117,621	74,970	102,333	167,443
Professional fees	5,207	10,574	18,290	61,356
Filing fees	20,075	25,397	20,268	9,899
Foreign exchange (gain) loss	(3,255)	41,511	(3,052)	(19,608)
Share-based compensation	131,137	472,757	-	8,335
Depreciation	11,168	10,976	29,327	7,471
Other	2,001	2,434	1,924	2,237
Operating loss	\$ 549,427	\$ 896,761	\$ 266,184	\$ 313,933

Overall costs, excluding share-based compensation and foreign exchange gain / loss, have been consistent since Q1 2024.

Corporate development expenses were for professional services to explore strategic initiatives and fluctuates based on strategies pursued.

Investor relations expenses were related to marketing activities to increase the Company's exposure in the capital markets and fluctuate based on timing of activities.

Personnel costs have been consistent.

Professional fees are related to legal, tax and audit services and fluctuate based on the timing of expenditures and services required.

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

LIQUIDITY AND CAPITAL RESOURCES

	2025	2024
Cash flows used in operating activities before working capital movements	\$ (1,354,736)	\$ (1,411,248)
(Increase) decrease in receivables and prepaid expenses	(107,883)	123,468
Increase (decrease) in accounts payable and accrued liabilities	91,756	(6,413)
Decrease (increase) in deposits	19,966	(19,966)
Cash flows used in operating activities after working capital movements	(1,350,897)	(1,314,159)
Cash flows used in investing activities	(3,676,639)	(2,308,149)
Cash flows from financing activities	11,410,377	3,583,866
Increase (decrease) in cash and cash equivalents	6,382,841	(38,442)
Cash and cash equivalents - beginning of the year	1,189,987	1,228,429
Cash and cash equivalents - end of the year	\$ 7,572,828	\$ 1,189,987

Cash outflows after changes in non-cash working capital items in 2025 was comparable to fiscal 2024.

Cash outflows used in investing activities in 2025 was higher compared to fiscal 2024 due to increased drilling activity at Elida.

Cash flows from financing activities in 2025 was higher due to funds received from private placement and warrant exercises during the year.

Contractual Obligations

As at December 31, 2025, the Company had the following contractual obligation outstanding:

	Total	Less than 1 year	1 -3 years	3-5 year	More than 5 years
Lease commitment	\$ 84,392	\$ 34,620	\$ 49,772	\$ -	\$ -

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2025, the Company had 155,508,476 (December 31, 2024 – 121,407,598) shares issued and outstanding and nil common shares held in escrow (December 31, 2024 – nil). At the date of this MD&A, the Company had 188,697,567 shares issued and outstanding.

On April 22, 2026, the Company closed a non-brokered private placement and issued 32,245,269 common shares of the Company at a price of \$1.10 per share for aggregate gross proceeds of \$35,469,796. The Company paid an aggregate cash finder's fees totaling \$630,000.

On August 19, 2025, the Company closed a non-brokered private placement consisting of 12,649,000 units at a price of \$0.50 per unit which raised gross proceeds of \$6,324,500. 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 \$0.70 per share for a period of three years from the closing date. The Company paid an aggregate finder's fee of \$254,415.

On August 29, 2024, the Company closed a non-brokered private placement consisting of 13,058,985 units at a price of \$0.25 per unit which raised gross proceeds of \$3,264,746. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant is exercisable to

acquire one share at a price of \$0.50 per share for a period of three years from the closing date. The Company paid an aggregate finder's fee of \$92,768. The warrants are also subject to accelerated expiration upon the occurrence of certain events.

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").

Under the Plan, an option holder may elect to terminate an option, in whole or in part and, in lieu of receiving shares to which the terminated option relates (the "Designated Shares"), receive the number of shares, disregarding fractions, which, when multiplied by the weighted average trading price of the shares on the TSX-V during the five trading days immediately preceding the day of termination (the "Fair Value" per share) of the Designated Shares, has a total dollar value equal to the number of Designated Shares multiplied by the difference between the Fair Value and the exercise price per share of the Designated Shares.

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 profit or loss.

As at the date of this MD&A, the Company had 12,640,000 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
1,020,000	1,020,000	0.57	March 1, 2027
4,650,000	4,650,000	0.255	September 24, 2029
100,000	100,000	0.255	October 1, 2029
2,370,000	2,370,000	0.49	February 10, 2030
400,000	200,000	0.52	May 21, 2030
100,000	50,000	0.54	July 9, 2030
4,000,000	2,000,000	1.36	April 23, 2031
12,640,000	10,390,000		

Share Purchase Warrants

On August 19, 2025, the Company completed a unit private placement which included 6,324,500 share purchase warrants exercisable at \$0.70 per share for a period of three years. The share purchase warrants were determined to have a fair value of \$nil using the residual value method.

During fiscal 2025, share purchase warrants to purchase 21,092,754 common shares with exercise prices ranging from \$0.25 to \$0.30 were exercised resulting in gross proceeds of \$5,407,564 being received by the Company.

Subsequent to December 31, 2025 and up to the date of the MD&A, share purchase warrants to purchase 215,000 common shares with exercise prices ranging from \$0.50 to \$0.70 were exercised resulting in gross proceeds of \$122,500 being received by the Company.

On August 29, 2024, the Company completed a unit private placement which included 13,058,984 share purchase warrants exercisable at \$0.50 per share for a period of three years. The share purchase warrants were determined to have a fair value of \$nil using the residual value method

As 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
12,918,984	0.50	August 29, 2027
6,249,500	0.70	August 19, 2028
19,168,484		

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 5.0 million of the Company’s common 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 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 volume weighted average trading price of the Company’s Common Shares on the TSX-V calculated by dividing the total value by the total volume of such Common Shares traded for the five trading days 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.

As at the date of this MD&A, the following DSUs were outstanding:

	Number of DSUs
Outstanding – December 31, 2024	375,000
Granted	578,750
Outstanding	953,750

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 5.0 million of the Company’s common 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 volume weighted average trading price of the Company's Common Shares on the TSX-V calculated by dividing the total value by the total volume of such Common Shares traded for the five trading days 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.

As at the date of this MD&A, the following RSUs were outstanding:

	Number of RSUs
Outstanding – December 31, 2024	280,000
Redeemed	(118,665)
Granted	161,000
Forfeited	(50,000)
Outstanding	272,335

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 consist of members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, Chief Technical Officer, and Corporate Secretary.

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

	2025	2024
Salaries and benefits – personnel costs	\$ -	\$ 65,333
Consulting fees – personnel costs	584,280	535,014
Directors' fees – personnel costs	99,659	78,345
Share-based compensation (*)	966,107	517,697
	\$ 1,650,046	\$ 1,196,389

* During the year ended December 31, 2025, the options relating to the former Chief Financial Officer were forfeited resulting in a decrease in share-based compensation of \$19,399 (2024 – nil).

As at December 31, 2025, included in accounts payable and accrued liabilities was an amount of \$89,608 (December 31, 2024 - \$47,085) due to the Company's related parties.

Financial instruments

- i) 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 and cash equivalents, receivables, deposits, accounts payable and accrued liabilities and lease liability.

The carrying values of these financial instruments approximate their fair value due to their short terms to maturity. Lease liability approximates its fair value as it has been discounted with an interest rate comparable to current market rates..

The following table summarizes the classification and carrying values of the Company's financial instruments at December 31, 2025 and 2024:

December 31, 2025	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	\$ -	\$ 7,572,828	\$ -	\$ 7,572,828
Receivables	-	10,700	-	10,700
Deposit	-	5,519	-	5,519
Total financial assets	\$ -	\$ 7,589,047	\$ -	\$ 7,589,047
Financial liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,419,796	\$ 1,419,796
Lease liability	-	-	77,008	77,008
Total financial liabilities	\$ -	\$ -	\$ 1,496,804	\$ 1,496,804

December 31, 2024	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	\$ -	\$ 1,189,987	\$ -	\$ 1,189,987
Receivables	-	31,829	-	31,829
Deposit	-	25,485	-	25,485
Total financial assets	\$ -	\$ 1,247,301	\$ -	\$ 1,247,301
Financial liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 445,781	\$ 445,781
Lease liability	-	-	13,607	13,607
Total financial liabilities	\$ -	\$ -	\$ 459,388	\$ 459,388

ii) Financial risk management

i) Credit risk

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

The Company limits its credit exposure on cash and cash equivalents 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 interest rate, foreign exchange and commodity price.

iii) Interest rate risk

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

As at December 31, 2025, the Company has not entered into any contracts to manage interest rate risk.

iv) Foreign exchange risk

The functional currency of the parent and its subsidiaries is the Canadian dollar. A portion of the Company's operating expenses are in United States dollars ("US\$") and Peruvian soles.

As at December 31, 2025, 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:

	2025	2024
Cash	\$ 1,002,648	\$ 332,507
Accounts payable and accrued liabilities	(1,265,787)	(372,345)
	\$ (263,139)	\$ (39,838)

As at December 31, 2025, 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.

v) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of commodities. The Company monitors commodities prices to determine the appropriate course of action to be taken by the Company.

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.

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.
- iv. The Company must make significant estimates in respect of the provision for income taxes and the composition of its deferred income tax assets and deferred income tax liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question which may, on resolution in the future, result in adjustments to the amount of current or deferred income tax assets or liabilities, and those adjustments may be material to the Company's statement of financial position and results of operations.

RISKS AND UNCERTAINTIES

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.

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..

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, 2025 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, 2025 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, 2025 and ended on December 31, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

SCIENTIFIC AND TECHNICAL INFORMATION

Richard Osmond (P. Geo.), the President and CEO of the Company and a Qualified Person as defined by NI 43-101, has approved the scientific and technical disclosure in this MD&A.

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.