



## Management's Discussion and Analysis Three Months Ended March 31, 2025

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

May 29, 2025

*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements for the period ended March 31, 2025 and related notes thereto which have been prepared in accordance with IFRS 34, Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, as well as the annual audited consolidated financial statements for the year ended December 31, 2024, which are in accordance with IFRS, and the related MD&A. References to "E29", "Element 29", and the "Company" are to Element 29 Resources Inc. and/or one or more of its wholly owned subsidiaries. Further information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Information is also available on the Company's website at [www.e29copper.com](http://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 Elida Property, Peru" with an effective date of February 15, 2020 prepared for the Company by Derrick Strickland (P. Geo.) (the "Elida Technical Report") and a table of historical drilling results prepared for the Company by Christopher Keech (P. Geo.). The disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Richard Osmond (P. Geo.), the President and CEO of the Company. Each of Mr. Strickland, Mr. Keech, 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-(Mo-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 22, 2025, the Company announced the results from the first 2 drill holes for 2,249.8 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 ELID033 intersected 0.39% Cu, 0.036% Mo, 2.96 g/t Ag over 1039.6 m starting from bedrock surface to the end of the hole (“EOH”) at 1109.6 m.
  - Drill hole ELID035 intersected 0.33% Cu, 0.045% Mo, 2.76 g/t Ag over 922.4 m starting at bedrock surface to the EOH at 979.0 m.
  - Drill hole ELID033 extended the porphyry Cu-Mo-Ag mineralization with higher Cu grades than the existing pit-constrained Inferred Mineral Resource Estimate to a vertical depth of more than 1000 m along the western side of the Zone 1.
  - The Cu-Mo-Ag grades in ELID033 also increased significantly at depth with the last 310.1 m grading 0.56% Cu, 0.040% Mo, 3.49 g/t Ag. This suggests the Cu-Mo-Ag mineralization is increasing at depth on the western side of Zone 1.

The Company’s financial highlights for the three months ended March 31, 2025, included:

- Operating loss was \$721,765 compared to an operating loss of \$313,933 in the comparative period of 2024;
- Operating cash outflow before working capital was \$175,504 compared to an operating cash outflow before working capital of \$288,579 in the comparative period of 2024; and
- As at March 31, 2025, cash and cash equivalents was \$1,294,362 and working capital was \$1,143,339.

## 2025 OUTLOOK

### Elida

On September 24<sup>th</sup>, 2024, the Company announced the commencement of the Phase 3 drilling program, designed to infill gaps within the existing pit-constrained Initial Inferred Mineral Resource Estimate and potentially extend the Cu-Mo-Ag mineralization outside the pit-shell to depths of up to 1000 m from bedrock surface while still in porphyry Cu-Mo-Ag mineralization. The Company completed 2 drill holes, totalling 2,249.8 m, before demobilizing on December 28<sup>th</sup>, 2024, for operational reasons. On January 22, 2025, results from these 2 drill holes were announced, highlighting long intervals of Cu-Mo-Ag mineralization starting near surface with potential for further resource expansion.

The Company initiated a large-scale more than 100-station magnetotellurics (“MT”) geophysical survey on at Elida on May 5<sup>th</sup>, 2025, that is scheduled completion prior to the end of Q2 2025. The Company also plans to complete the remaining 4 drill holes of the Phase 3 drilling program beginning in Q3 2025. and complete preliminary metallurgical test work before the end of 2025.

The Company is in the process of upgrading the Drill Permit from a Ficha Técnica Ambiental (“FTA”) environmental approval, which allows drilling from a maximum of 20 diamond drill platforms, to a Declaración de Impacto Ambiental (“DIA”) approval, increasing this maximum to 40 platforms for an additional 5 years. As part of this permit upgrade, the Company is preparing a Collective Impacts Report to apply for exemption from the Prior Consultation process and is finalizing a new surface access agreement with the host community for an additional 5-year term.

### Flor de Cobre

On March 1<sup>st</sup>, 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 15<sup>th</sup>, 2024, without executing a new agreement and no longer holds an option interest in the Candelaria Concessions.

The drill permitting application at Atravesado is ongoing with the submission of a Collective Impacts Report to MINEM in March 2024. On October 21<sup>st</sup>, 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 in 2025. Negotiations with the host community are ongoing with plans to finalize access agreements prior to the Drill Permit.

## PROJECT DETAILS - PERU

### ELIDA COPPER 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 19,749 ha, as shown in Figure 2. These 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.

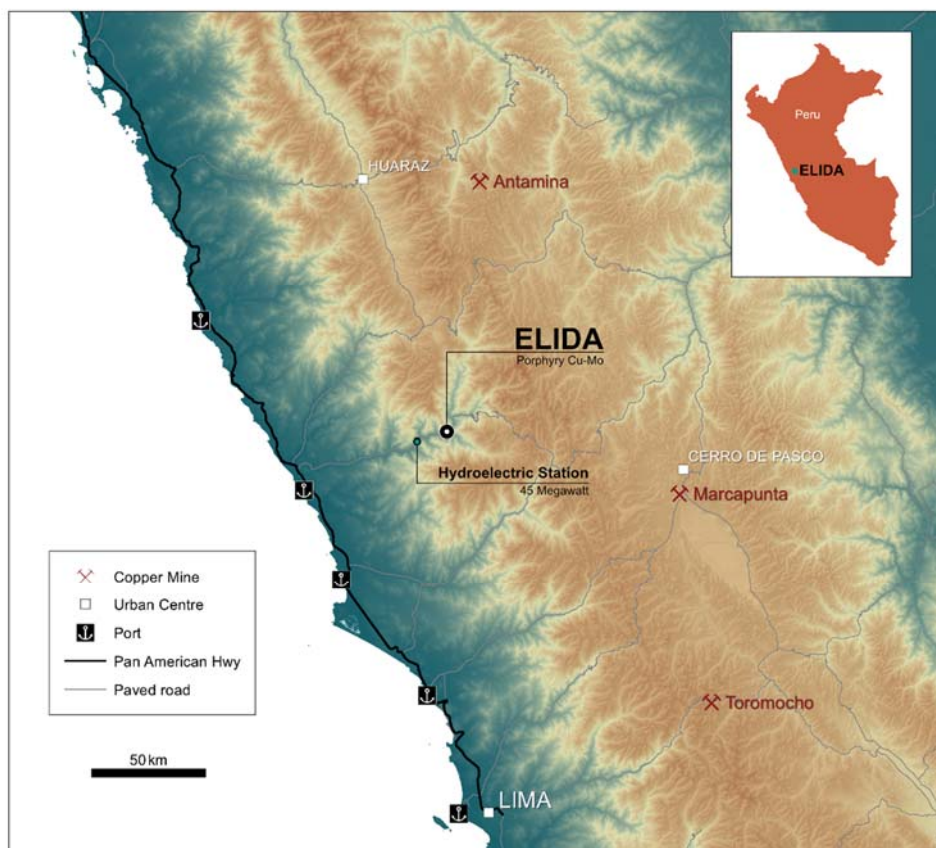


Figure 1. The location of the Elida property approximately 200km north of Lima at an elevation of approximately 1600m.

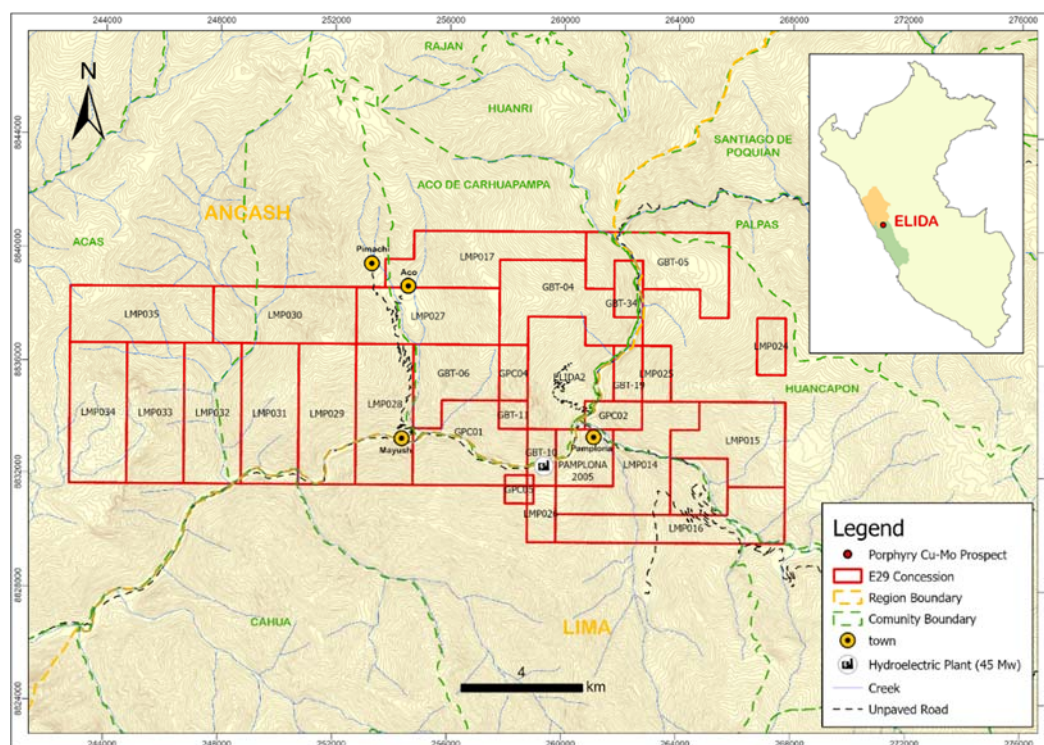


Figure 2. Elida property concession map.

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 Uranium<sup>238</sup>/Lead<sup>206</sup> 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 x 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 2,249.8 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> )

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 <sup>1</sup> (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

Notes:

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

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	602.2	179	-70
ELID023	260000	8834960	1613	662.4	180	-65
ELID024	259700	8835200	1794	650.2	83	-65
ELID025	260058	8835187	1690	947.2	0	-80
ELID026	260300	8836000	1948	117.7	90	-65
ELID027	260300	8836000	1948	272.6	263	-65
ELID028	260300	8836000	1948	250.6	90	-60
ELID029	260200	8835750	1835	250.9	80	-60
ELID030	259800	8835250	1777.5	300.3	180	-60
ELID031	260150	8835280	1709.5	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

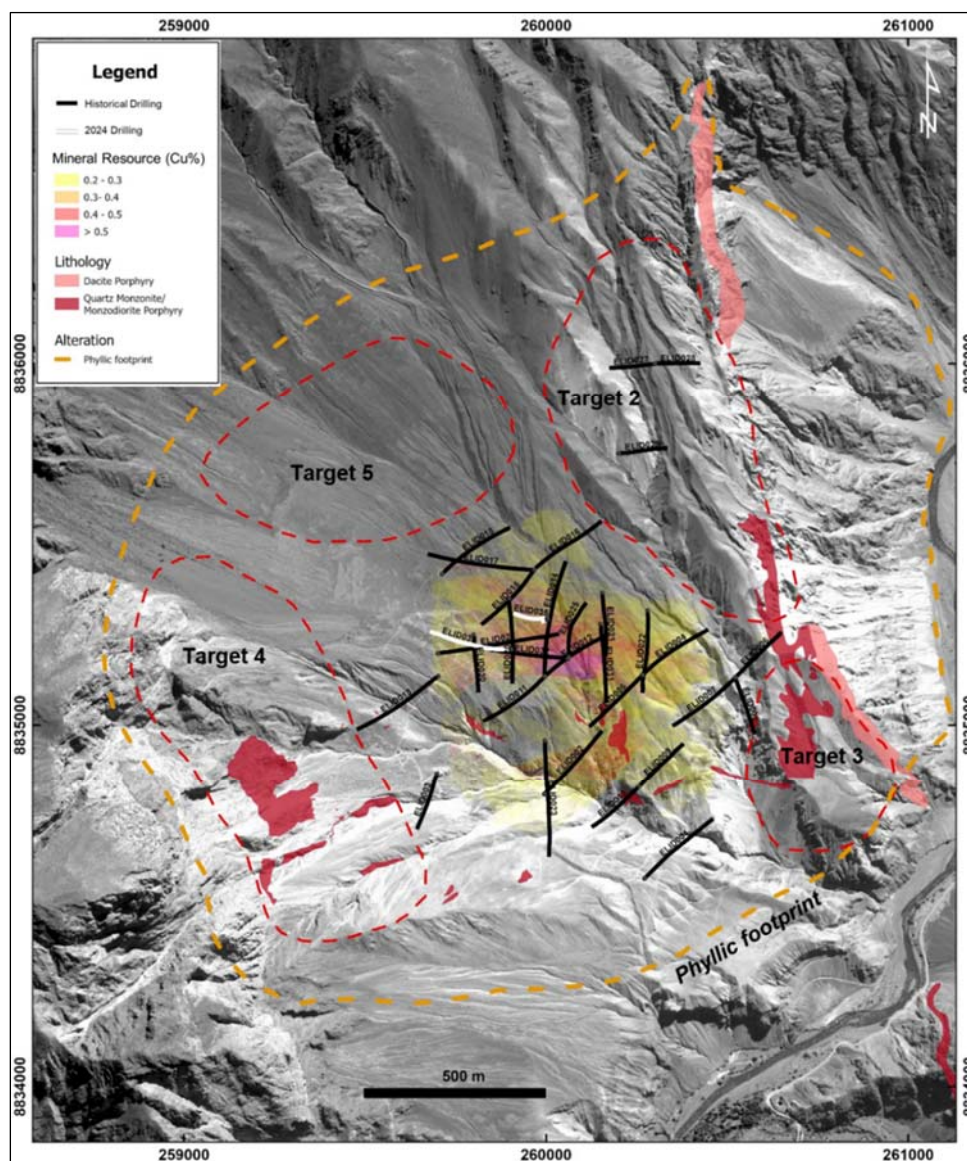


Figure 3. Location and trace of the 35 diamond drill holes completed at Elida as well as the surface projection of the Mineral Resource at a greater than 0.2% Cu cutoff for Zone 1. Also shown are the 4 remaining exploration targets (Targets 2-5) within the 2.5 x 2.5 km area of phyllic alteration footprint of the Elida porphyry system.

### Mineral Resource Estimation

The Company announced the completion of an initial independent Inferred Mineral Resource Estimate<sup>4</sup> (“**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 34.1 million inferred tonnes at 0.55% Cu, 0.037% Mo, and 4.4 g/t Ag (at a cut-off grade of 0.45% Cu) has potential to be mined with minimal stripping in the initial years of mining. Significant Mo and Ag grades have the potential to enhance the economics of the deposit, subject to metallurgical test work.

The effective date of the Initial 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

<b>0.20</b>	<b>321.7</b>	<b>0.316</b>	<b>2,241.2</b>	<b>1,016,568</b>	<b>0.029</b>	<b>205.7</b>	<b>93,293</b>	<b>2.61</b>	<b>27.0</b>
0.25	214.9	0.363	1,719.4	779,926	0.031	146.8	66,605	2.97	20.5
0.30	143.0	0.407	1,283.4	582,150	0.033	104.1	47,201	3.31	15.2
0.35	94.7	0.449	937.9	425,415	0.034	71.0	32,214	3.65	11.1
0.40	59.7	0.493	649.1	294,423	0.036	47.4	21,499	3.99	7.7
0.45	34.1	0.547	411.7	186,736	0.037	27.8	12,631	4.40	4.8
0.50	20.1	0.599	265.4	120,396	0.038	16.8	7,638	4.76	3.1

Notes (Continued):

- 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.

### Phase 3 Drill Program

The Company announced on September 24<sup>th</sup>, 2024, the commencement of its Phase 3 drilling program for a total of 5000 m to further test Zone 1. The drilling program was postponed on December 26<sup>th</sup>, 2024, for operational purposes after completing 3 holes for a total of 2249.8 m of drilling (Figure 4). It is worth noting that drill hole ELID034 was lost at a depth of 161.2 m and restarted as EDLID035, which was collared 4 m to the north. This drilling program had the following objectives:

- Show potential to expand the existing pit-constrained initial inferred Mineral Resource Estimate 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 0.59 million tonnes resource of 0.49% Cu, 0.036% Mo and 3.99 g/t Ag at a 0.4% Cu cutoff.
- Continue to explore Zone 1 to depths of up to 1000 m while in porphyry Cu-Mo-Ag mineralization.

### ELID033 (Figure 5)

ELID033, drilled at a -81.8° dip towards 273.8° azimuth, 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 western side of Zone-1. The assays returned 1039.6 m of 0.39% Cu, 0.036% Mo, 2.96 g/t Ag from bedrock surface (69.9 m) to the EOH at 1109.6 m. Starting at 245.8 m depth within the pit-shell, the hole intersected 342.2 m of 0.41% Cu, 0.037 Mo, 3.66 g/t Ag, highlighting the potential to increase the overall grades of the Mineral Resource.

This hole also intersected 310.1 m of higher-grade porphyry mineralization at 0.56% Cu, 0.040% Mo, 3.49 g/t Ag starting from 799.5 m to the EOH at 1109.6 m. This interval occurs within a sequence of calc-silicate hornfels-altered calcareous siltstones, garnet-pyroxene skarn-altered lenticular limestones, and minor biotitic hornfels-altered siltstones which are cut by a swarm of narrow early-intermineral porphyry dykes. These porphyry dykes are strongly potassic altered and better mineralized than the central quartz monzonite porphyry stock of Zone 1. Near the contacts, the porphyry dykes have partially assimilated xenoliths of strongly secondary biotite altered host rock with increased chalcopyrite content. The mineralization within the host rocks and porphyry dykes occurs as disseminations and veinlets, including EDM-veins, EB-veins,

A-veins, B-veins and C-veins which are cut by E-veins from a late retrograde epidote-chlorite alteration overprint.

***ELID035 (Figure 6)***

ELID035, drilled at -85.2° dip towards a 270.4° azimuth approximately 5 m north of ELID034, 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 a depth of 1000 m between holes ELID033 and ELID025. The hole intersected 922.4 m of 0.33% Cu, 0.045% Mo, 2.76 g/t Ag from bedrock surface (56.6 m) to the EOH at 979.0 m. Within the pit-shell, the hole intersected 361.2 m of 0.40% Cu, 0.029 Mo, 4.02 g/t Ag starting at bedrock surface, highlighting the potential to increase the overall grades of the Mineral Resource.

Within the pit-shell, the higher-grade Cu-Mo-Ag mineralization occurs within the garnet-pyroxene skarn-altered lenticular limestones and calc-silicate hornfels-altered calcareous siltstones associated with early-intermineral disseminations and quartz veins, cut by E-veins from a late retrograde epidote-chlorite alteration overprints as seen in the lower section of ELID033.

Outside the pit-shell, the geology transitions into more biotitic hornfels-altered siliciclastic sequence of siltstones interbedded with feldspathic arenites that are more strongly foliated by a preexisting deformation. The mineralization within this sequence occurs with occasional early-intermineral quartz veins cut by dense C-veins, which are dominantly controlled by the foliation. This mineralization also appears as disseminations and patches within the biotitic hornfels and quartz veins and is associated with a later chlorite overprint equivalent to the retrograde alteration within the calcareous sequence. This represents the dominate source of mineralization within this sequence. The mineralization remains open at depth.

***ELID034 (Figure 6)***

ELID034 was drilled to a depth of 161.2 m at -86° dip towards a 274.8° azimuth before the hole was accidentally lost at 161.2 m in garnet-pyroxene skarn-altered lenticular limestones interbedded with calc-silicate hornfels-altered calcareous siltstones similar to ELID035. The hole intersected 103.6 m 0.28% Cu, 0.025% Mo, 3.06 g/t Ag from bedrock surface (57.65 m) to the EOH at 161.2 m.

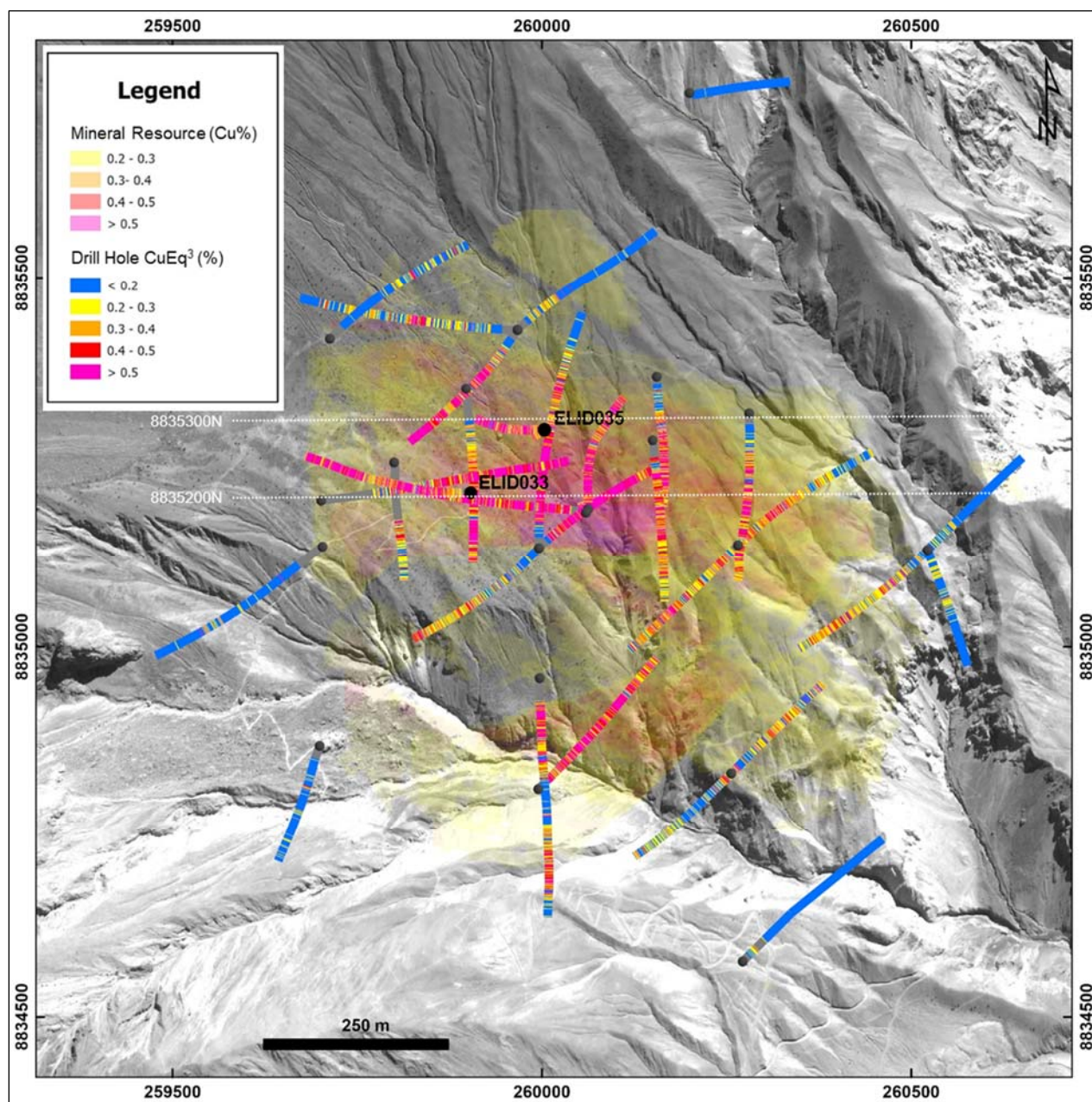


Figure 4. Zone 1 showing the CuEq³ geochemistry along the drill hole traces and the surface projection of the Mineral Resource at a greater than 0.2% Cu cutoff. Drill holes ELID033 and ELID035 from the Phase 3 drilling program are highlighted along with the location of the geological sections shown in Figure 5 and Figure 6.



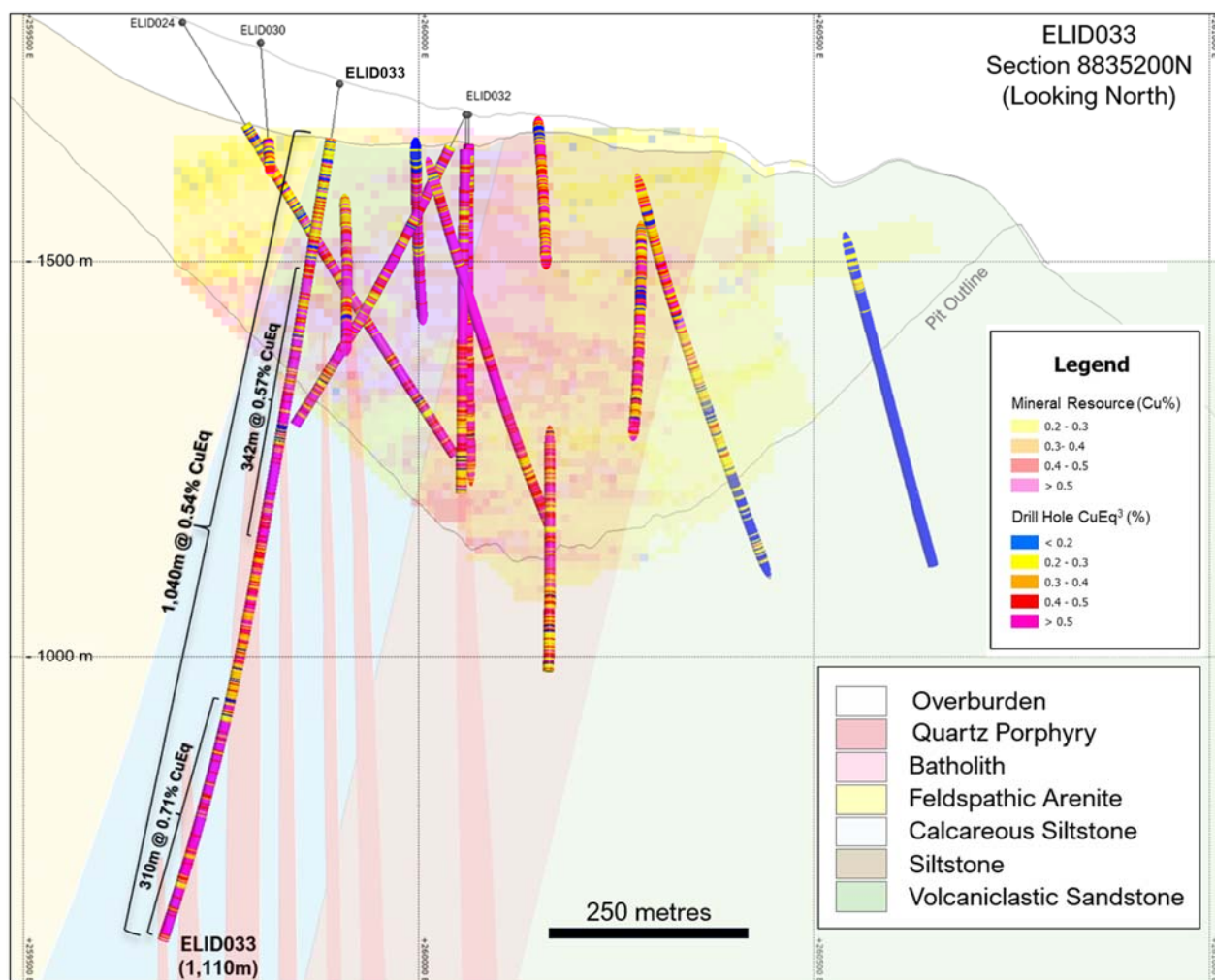


Figure 5. An east-west oriented geological cross section along northing 8835200N located in Figure 4 containing drill hole ELID033 superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section also shows the length-weighted assay intervals of CuEq<sup>3</sup> geochemistry along the drill hole traces. **Error! Reference source not found.**

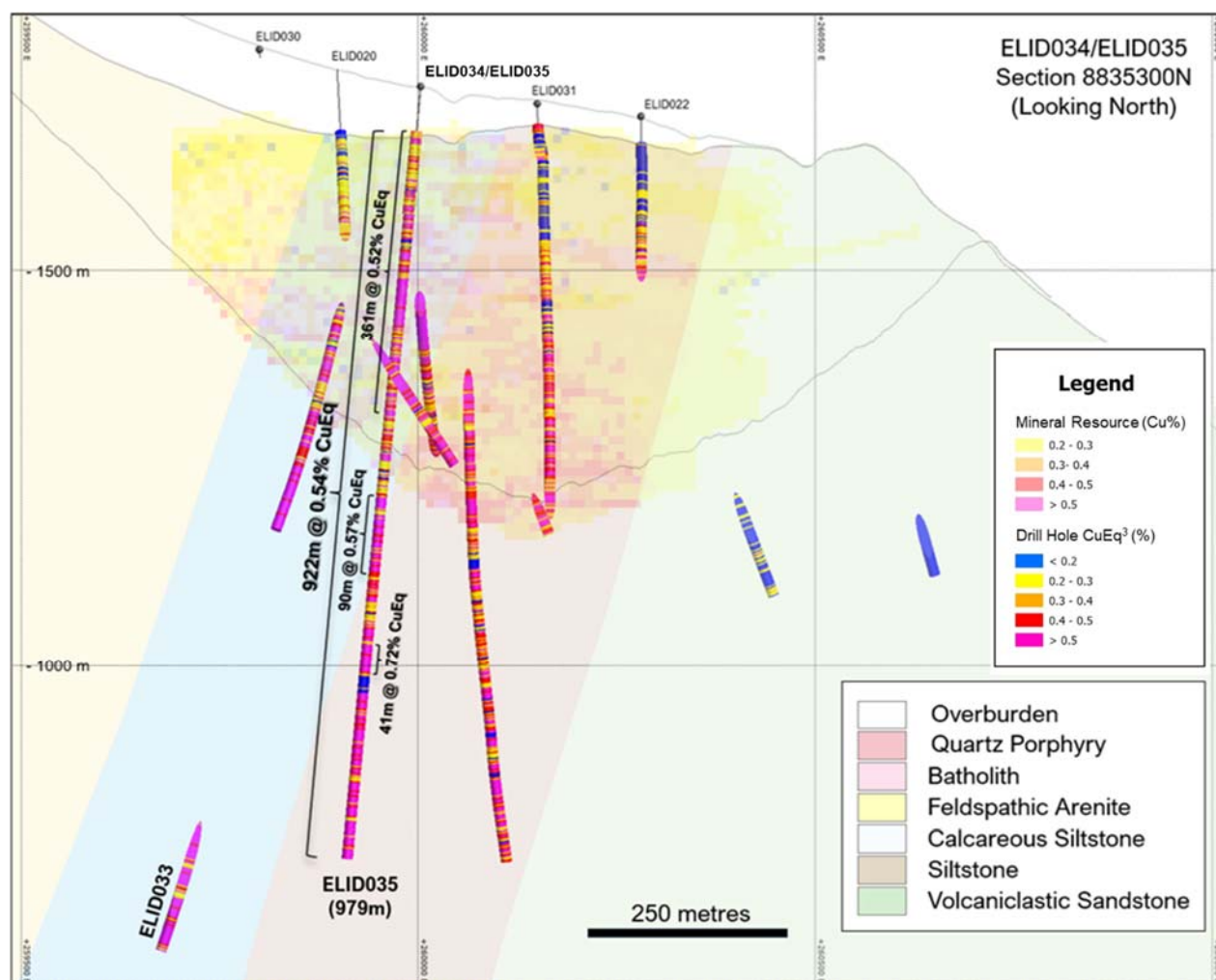


Figure 6. An east-west oriented geological cross section along northing 8835300N located in Figure 4 containing drill hole ELID035 (and ELID034) superimposed on the interpreted geology and the Mineral Resource at a greater than a 0.2% Cu cutoff. The section shows the length-weighted assay intervals of CuEq<sup>3</sup> geochemistry along the drill hole traces.

Notes (Continued):

3. The CuEq grades are calculated using  $CuEq = Cu\% \times 0.85 + [Mo\% \times 5.3744] + [Ag \text{ g/t} \times 0.0060]$  utilizing metal prices of Cu = US\$4.10/lb, Mo = US\$33.90/lb and Ag = US\$26.00/oz based on a 2-year average of daily spot price (from January 16, 2022, to January 14th, 2025). The daily Mo price was determined by applying a factor of 1.50 to the LME daily spot price for Molybdenum (Platts).

## Future Work

The Company plans to resume the Phase 3 drilling program in Q3 2025 to complete the remaining 4 holes of the planned 5000 m of drilling (Figure 7). Additionally, an MT geophysical survey covering the broader 3.5 x 3.5 km porphyry hydrothermal footprint commenced on May 5<sup>th</sup>, 2025 and is scheduled for completion later in Q2 2025. The survey is expected to assist in targeting of Cu sulphide mineralization to depths exceeding 1000 m.

Preliminary metallurgical test work is also planned for 2025 to better understand Cu-Mo-Ag metallurgical recoveries of the Mineral Resource. 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.

The Phase 3 drilling program will proceed under the current Drill Permit, which remains valid 7 months from the start of the program. The Company has submitted a DIA environmental approval application to MINEM to upgrade the permit, increasing the number of allowable platforms from 20 to 40 with an extended 5-year term. The DIA approval is anticipated in late Q3 2025.

As part of Drill Permit upgrade, the Company must complete the Prior Consultation process and negotiate a new access agreement with the host community. To seek an exemption, the Company is preparing a Collective Impacts Report, expected to be submitted to MINEM quartering Q3 2025. Concurrently, the Company is working to finalize a new access agreement for an additional 5-year term.

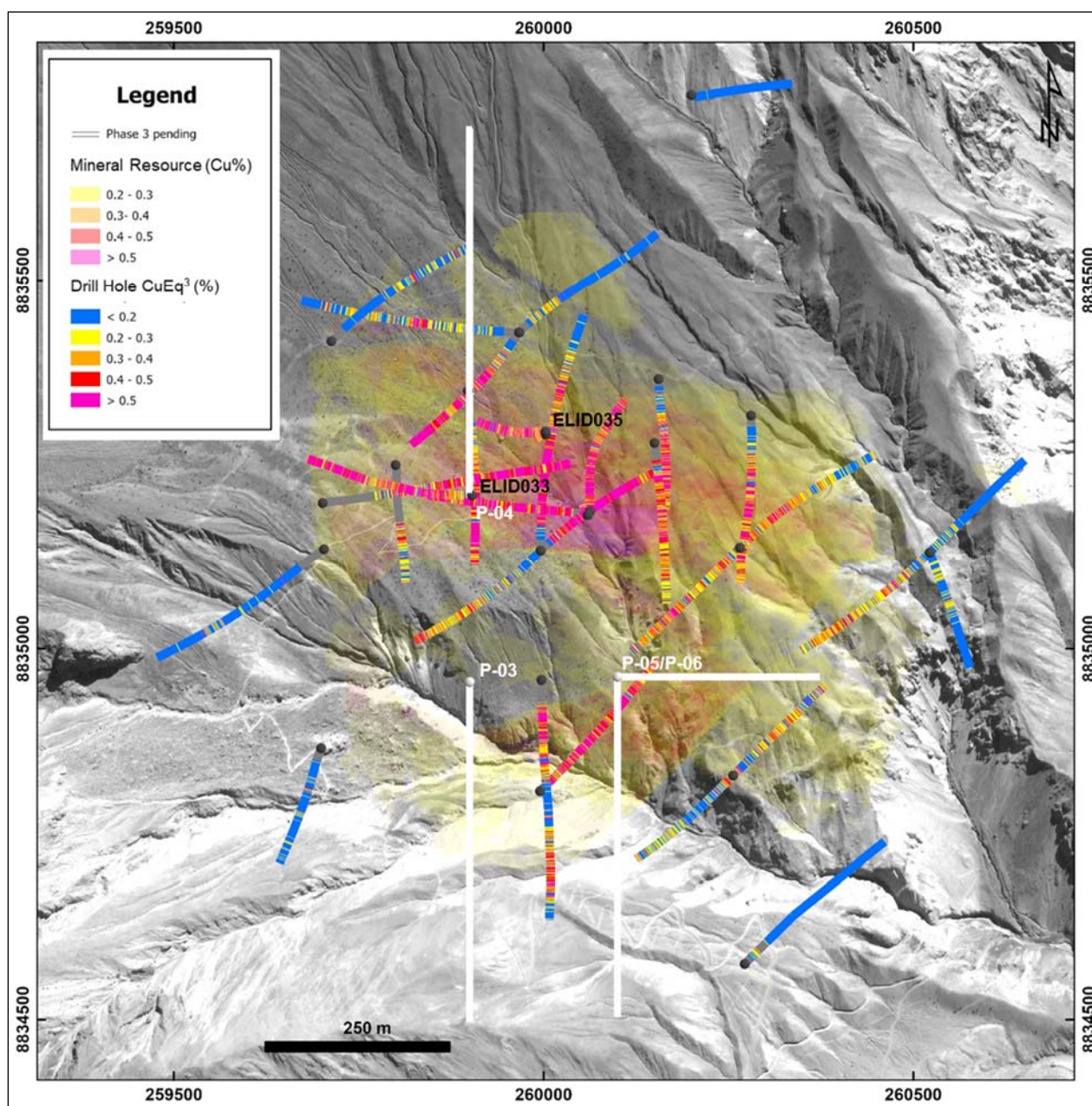


Figure 7. Elida Zone 1 showing the proposed Phase 3 drilling program as well as the surface projection of the Mineral Resource and the CuEq<sup>3</sup> geochemistry along the drill hole traces. The Phase 3 drilling program is designed infill gaps within the existing Mineral Resource to potentially increase the overall grades and potentially extend the mineralization to depths of up to 1000 m from bedrock surface.

## FLOR DE COBRE COPPER 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 8 and Figure 9).



Flor de Cobre is comprised of eleven mining concessions for a total of 2735.355 ha and one mining claim for an additional 400 ha which are 100% owned by the Company's Peruvian subsidiary Candelaria Resources S.A.C. (Figure 10). 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 (Figure 8). Flor de Cobre is located 5 km northwest of the Chapi Mine and 26 km southeast of the Cerro Verde Mine (Figure 9).

On March 1<sup>st</sup>, 2024, the Company announced the termination of the option agreement for the Candelaria Concessions and the signing of a non-binding LOI to negotiate the terms of a new option agreement with the Peruvian vendor. The original terms of the option agreement provided the Company with the right to earn a 100% interest in the Candelaria Concessions by making option payments to the vendor for the total amount of US\$5 million over five years between 2020 and 2024 with an additional US\$6 million payment due on completion of a positive feasibility study within the Candelaria Concessions area. Prior to the termination of the option agreement, the Company paid US\$2.0 million to the vendor. The LOI expired on May 15<sup>th</sup>, 2024, without reaching a new agreement and the Company no longer holds an option interest in the Candelaria Concessions.

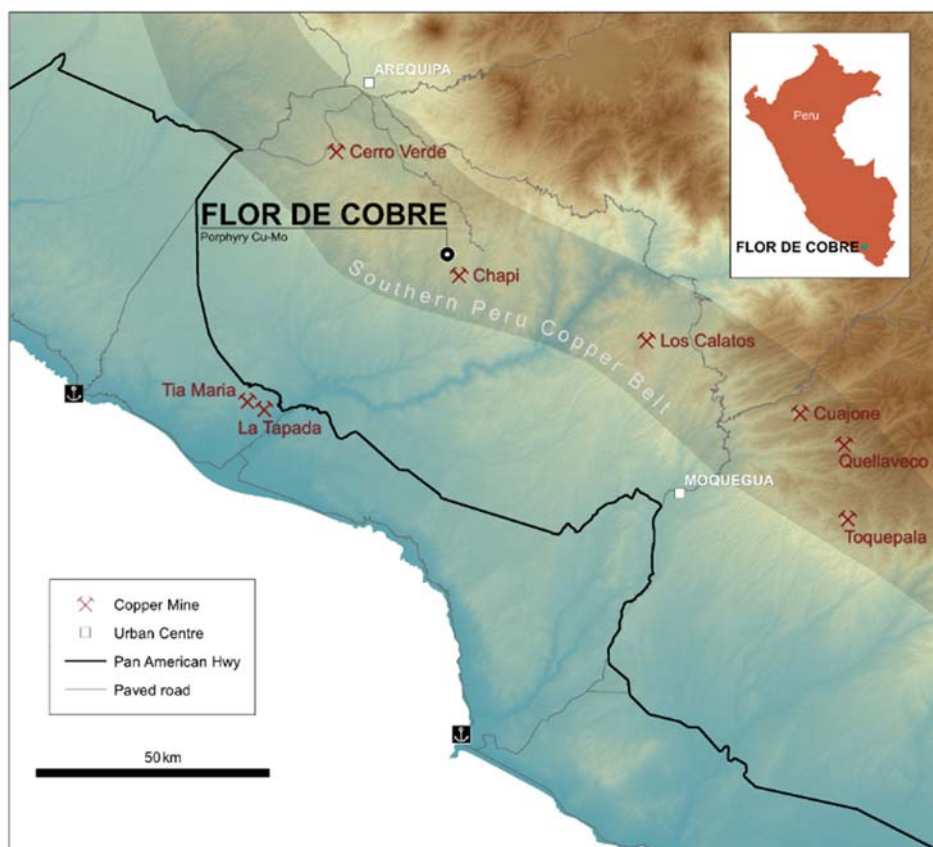


Figure 8. Flor de Cobre Project location. The light grey tone is the approximate position of the Southern Peru Copper Belt, which hosts major mining operations in the region.



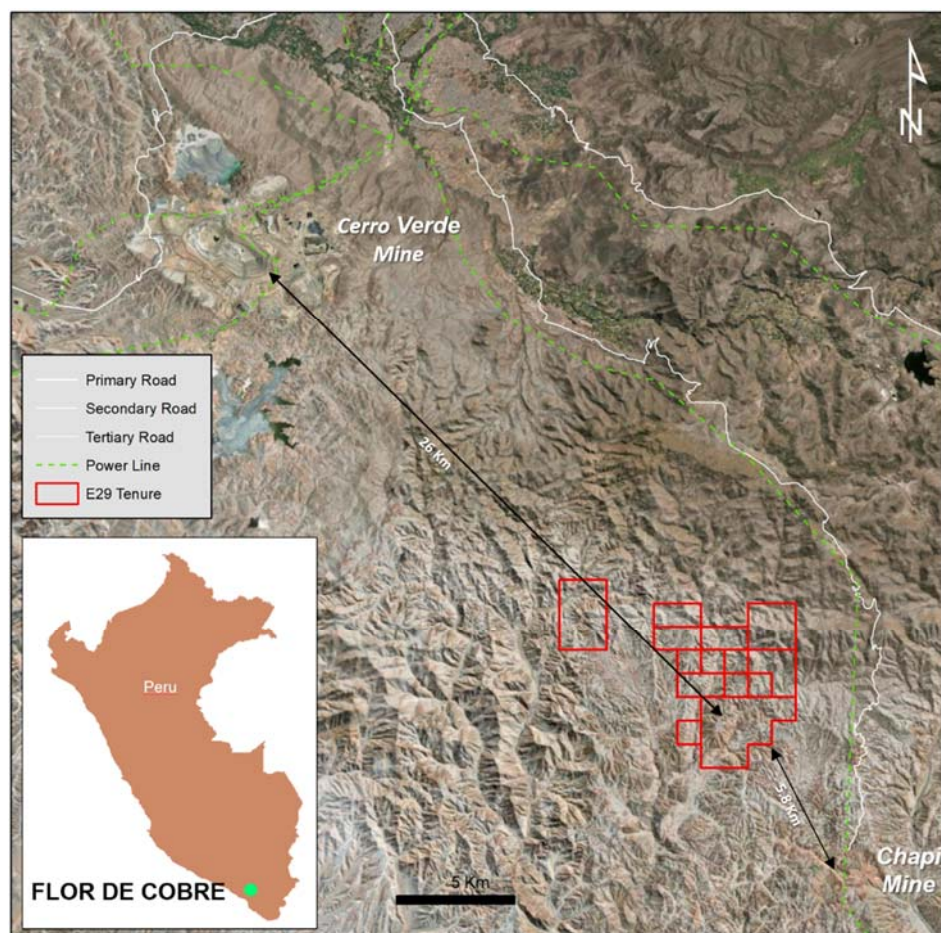


Figure 9. Regional setting and infrastructure.

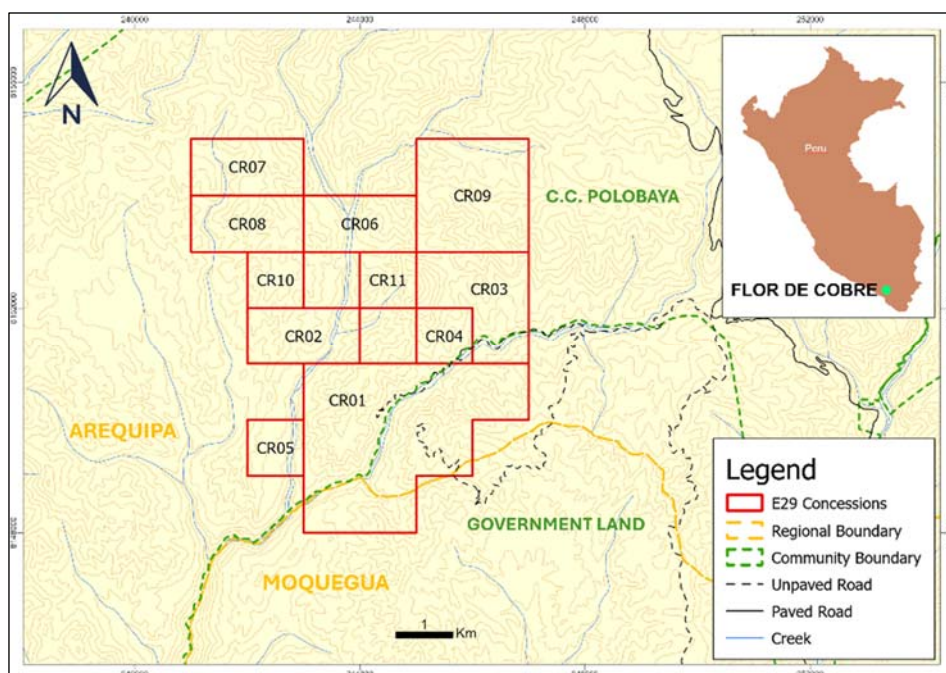


Figure 10. Flor de Cobre property concession map.

## **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 11).

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 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 continues to progress drill permitting at Atravesado with the approval of the DIA environmental permit in Q4 2023. This allows the Company to drill from a maximum of 40 drilling platforms over a period of up to 5 years. Upon receipt of the DIA, the Company applied to MINEM for the Drill Permit which triggered MINEM to evaluate the need for the Prior Consultation process. A Collective Impacts Report was submitted to MINEM on March 2024 and the Company received notice on October 21<sup>st</sup>, 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 drill program potentially in 2025.

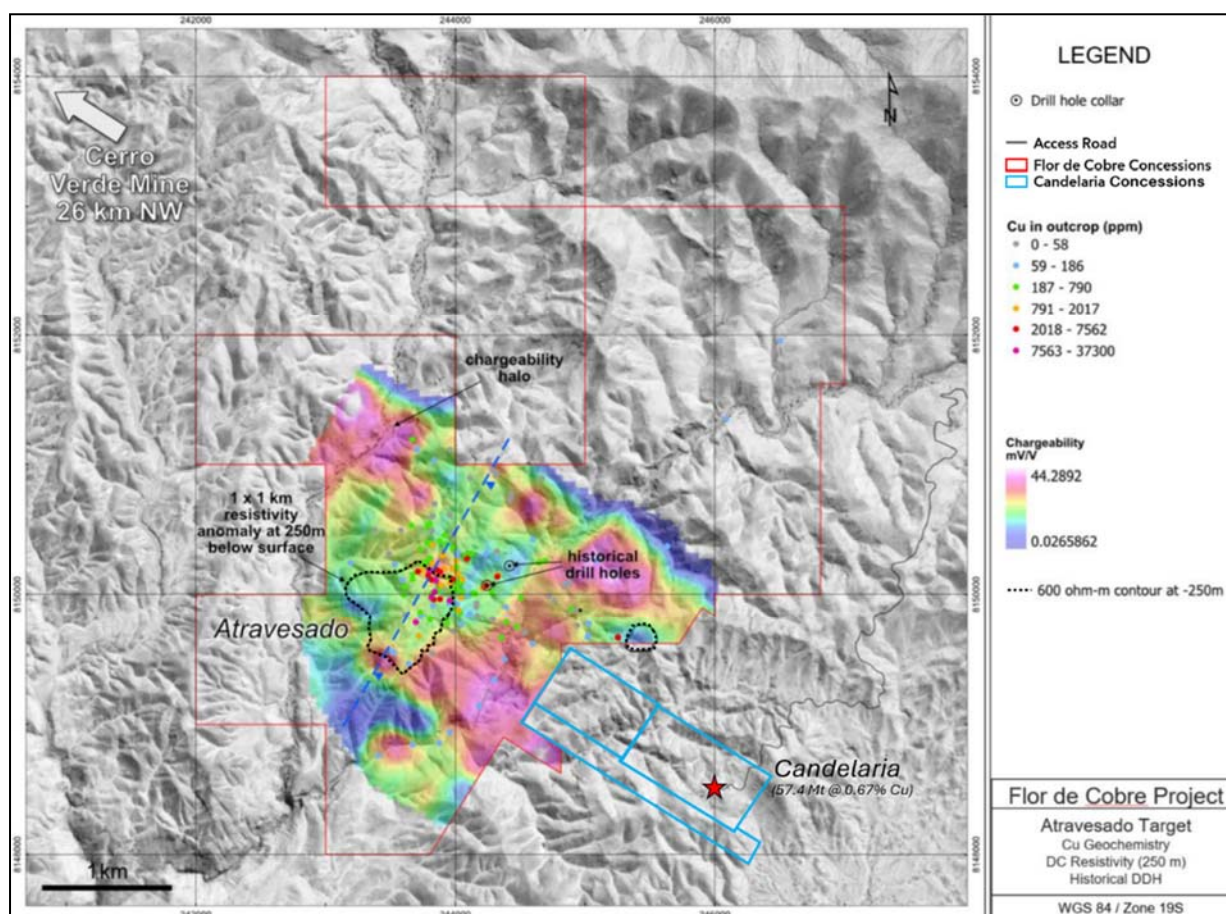


Figure 11. The Flor de Cobre project showing the locations of the Candelaria and Atravesado target areas. The continuous colour overlay shows chargeability response at 250 m depth. The black dashed line delimits moderate resistivity response at the same depth. Anomalous outcrop geochemistry, quartz veinlet development, and minor late porphyry dikes coincide with the moderate resistivity zone.

## PAHUAY PORPHYRY COPPER PROJECT

The Pahuay Cu project consists of 1200 ha and is 100% owned by the Company (Figure 13), subject to a 2% net smelter royalty return to Globetrotters Resource Group Inc. The property is located 270 km south of Lima (Figure 12) 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 14).



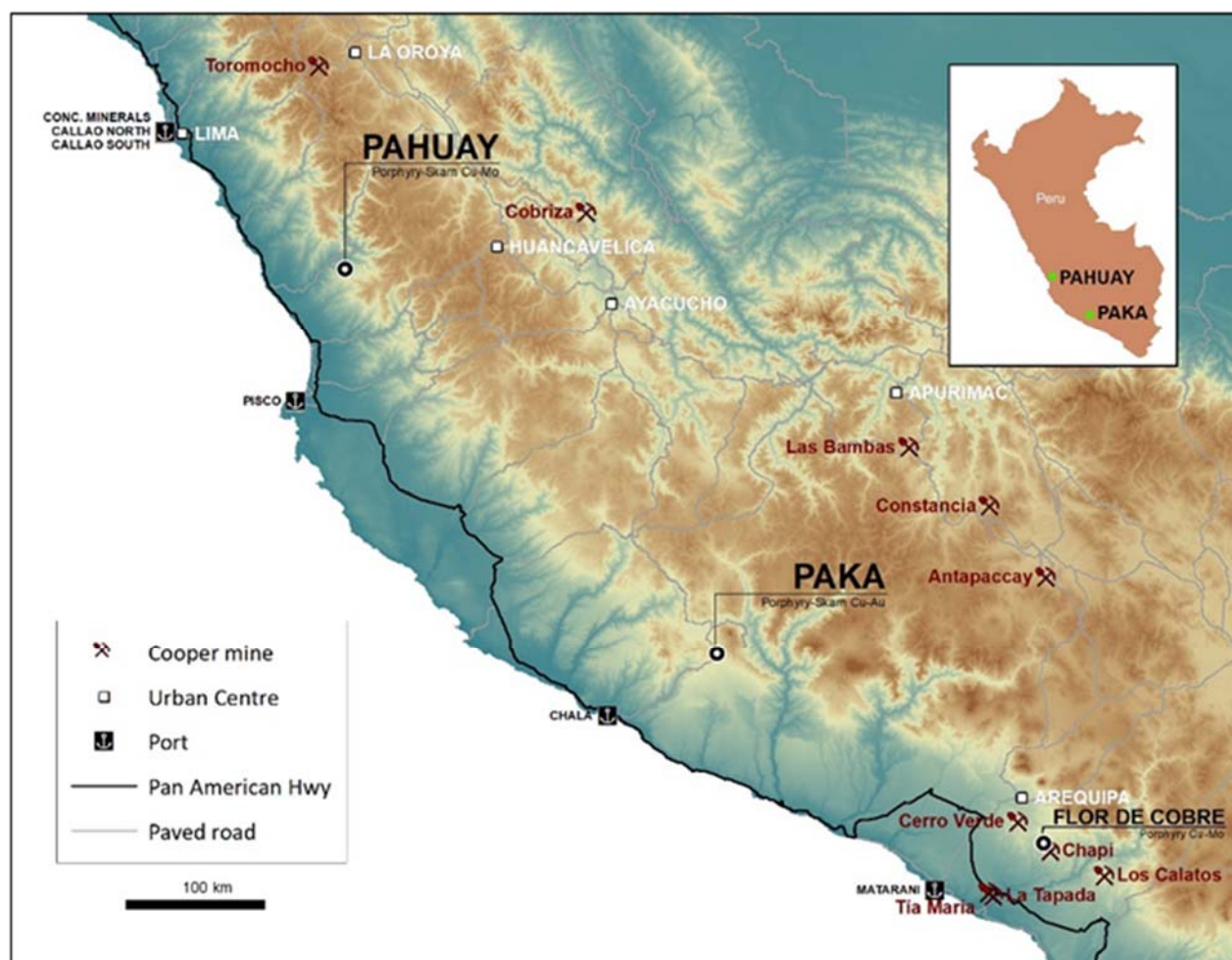


Figure 12. Location Map for the Paka porphyry Cu-Au skarn project and the Pahuay Cu-Mo skarn project in southern Peru. Based on observed geological relationships, both porphyry-skarn systems are interpreted as Paleocene-aged.



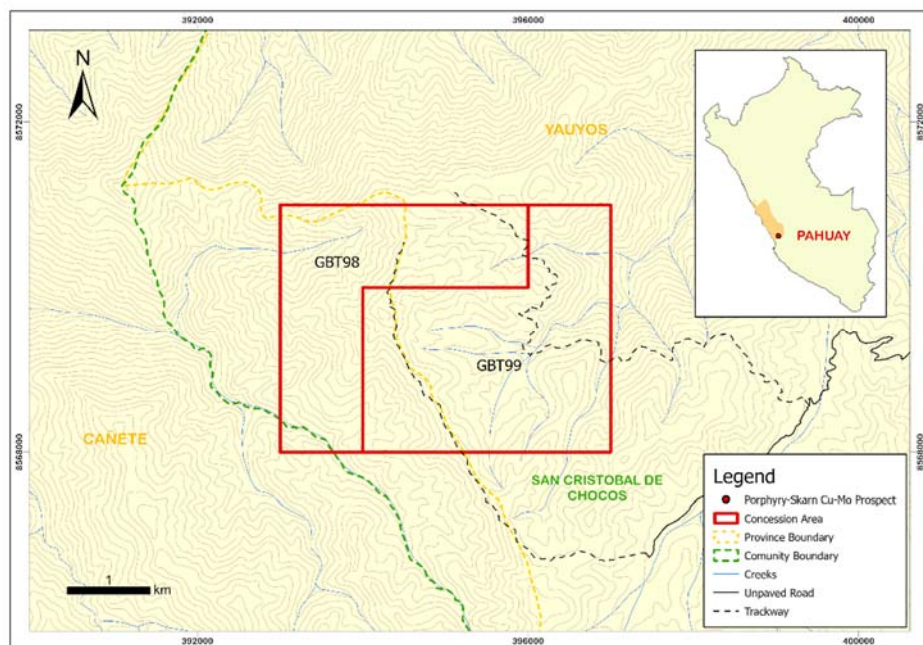


Figure 13: Pahuay porphyry Cu-Mo skarn concession location map.

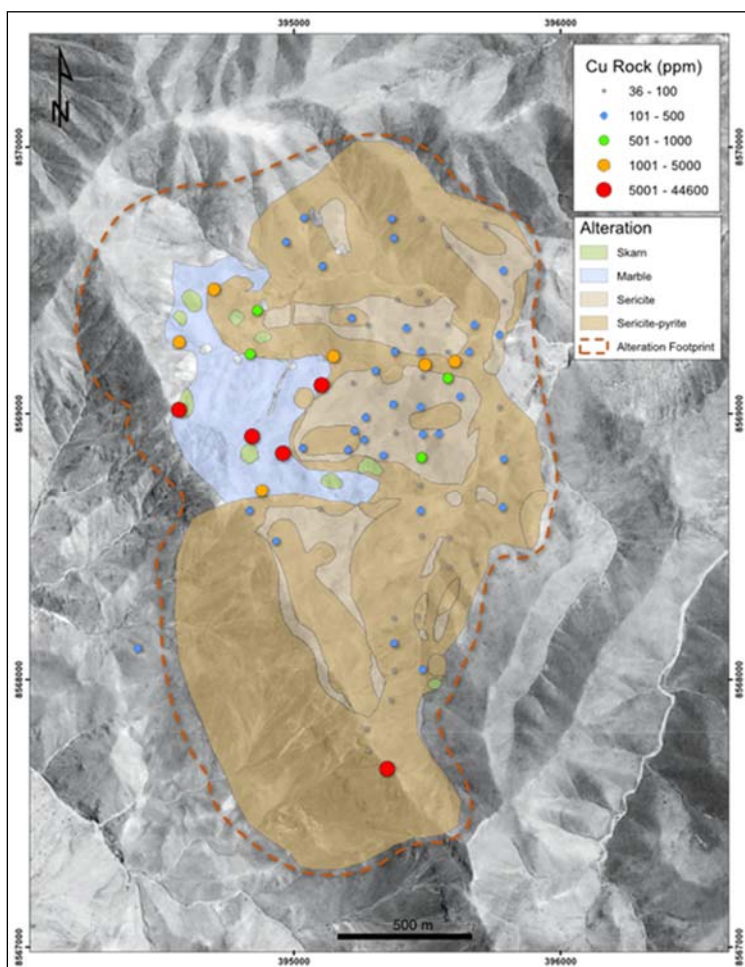


Figure 14: The Pahuay porphyry Cu-Mo skarn system showing the hydrothermal alteration footprint of a phyllic overprinting potassic altered porphyry Cu-Mo system with skarn alteration and anomalous Cu-Mo rock geochemistry in outcrop samples.

## PAKA PORPHYRY COPPER PROJECT

The Paka copper project (previously referred to as the Muñaorjo project) consists of 1,000 ha concession and 1600 ha claims and is 100% owned by Element 29 (Figure 15), subject to a 2% net smelter return royalty with Globetrotters. The project is located approximately 200 km northeast of Arequipa, Peru within the probable northwest continuation of the Paleocene Southern Peru Copper Belt, which is host to several very large porphyry Cu deposits including the Cerro Verde mine (Freeport-McMoRan) and the Toquepala mine (Southern Copper) (Figure 12). The property is centered on a large, 1000 x 800 km hydrothermal alteration zone and covers a limestone sequence intruded by diorite and granodioritic rock units. Hydrothermal recrystallization in the limestone is extensive on the property and includes a central area containing skarn, quartz-limonite stockwork, hydrothermal brecciation, and associated strong Cu mineralization exposed within a 480 x 280 m area. Rock sample results for this area (58 rock samples) are highly anomalous and returned assay results up to 4% Cu. The skarn is open to the west-northeast where it is covered by thin post mineralization Miocene tuff. The porphyry-related alteration continues to the northeast for another 1.5 km.

The Company completed an environmental baseline study in Q4 2024 as part of the DIA application and is currently fulfilling the remaining requirements for submission to MINEM by the end of this quarter. Additionally, as part of the ongoing Drill Permit application, the Company plans to submit a Collective Impacts Report this quarter 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.

Based on the results, the Company has staked an additional 1600 ha of claims contiguous with the western and northern boundary of the existing concession, with title still pending. Further geological mapping, outcrop sampling, and magnetometer and IP geophysical surveys are planned for 2025 (Figure 16).

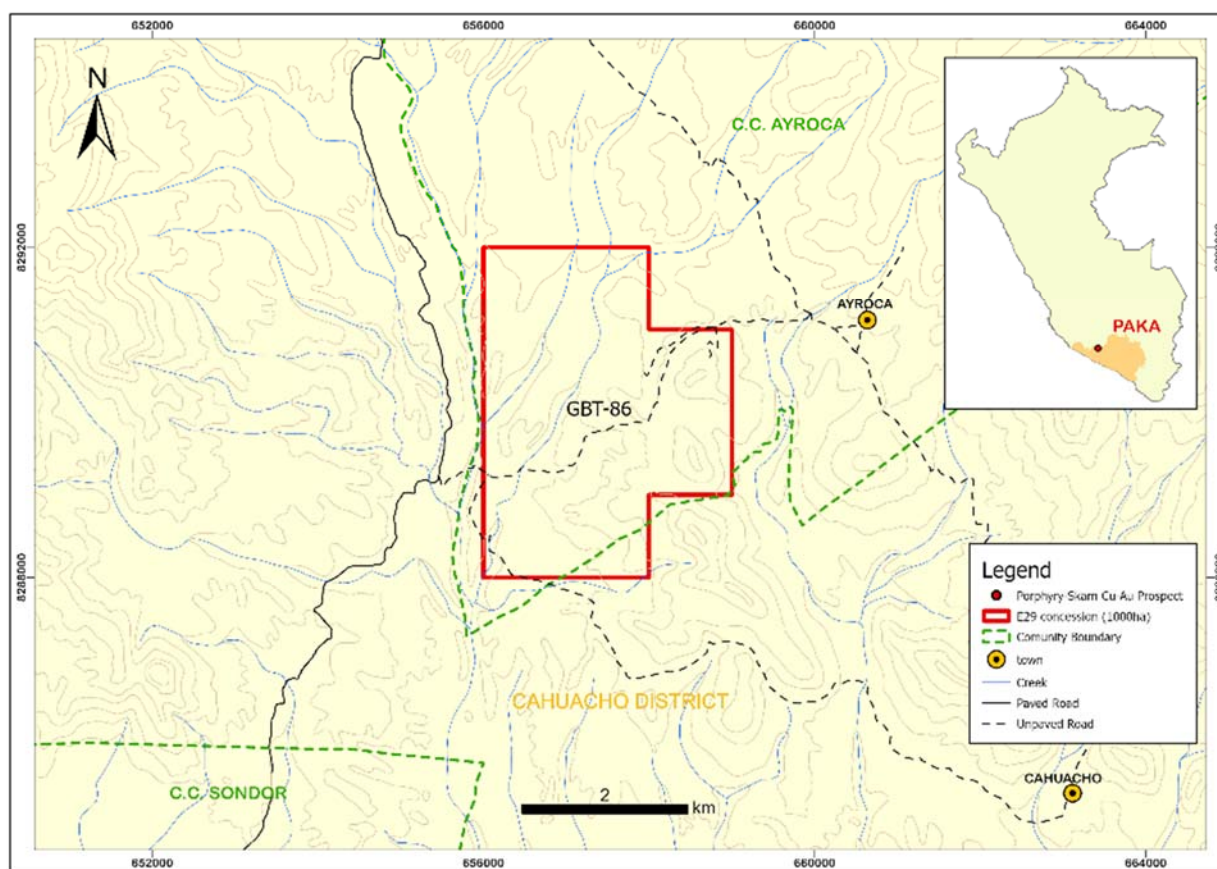


Figure 15: The Paka porphyry Cu-Au skarn project concession location map.



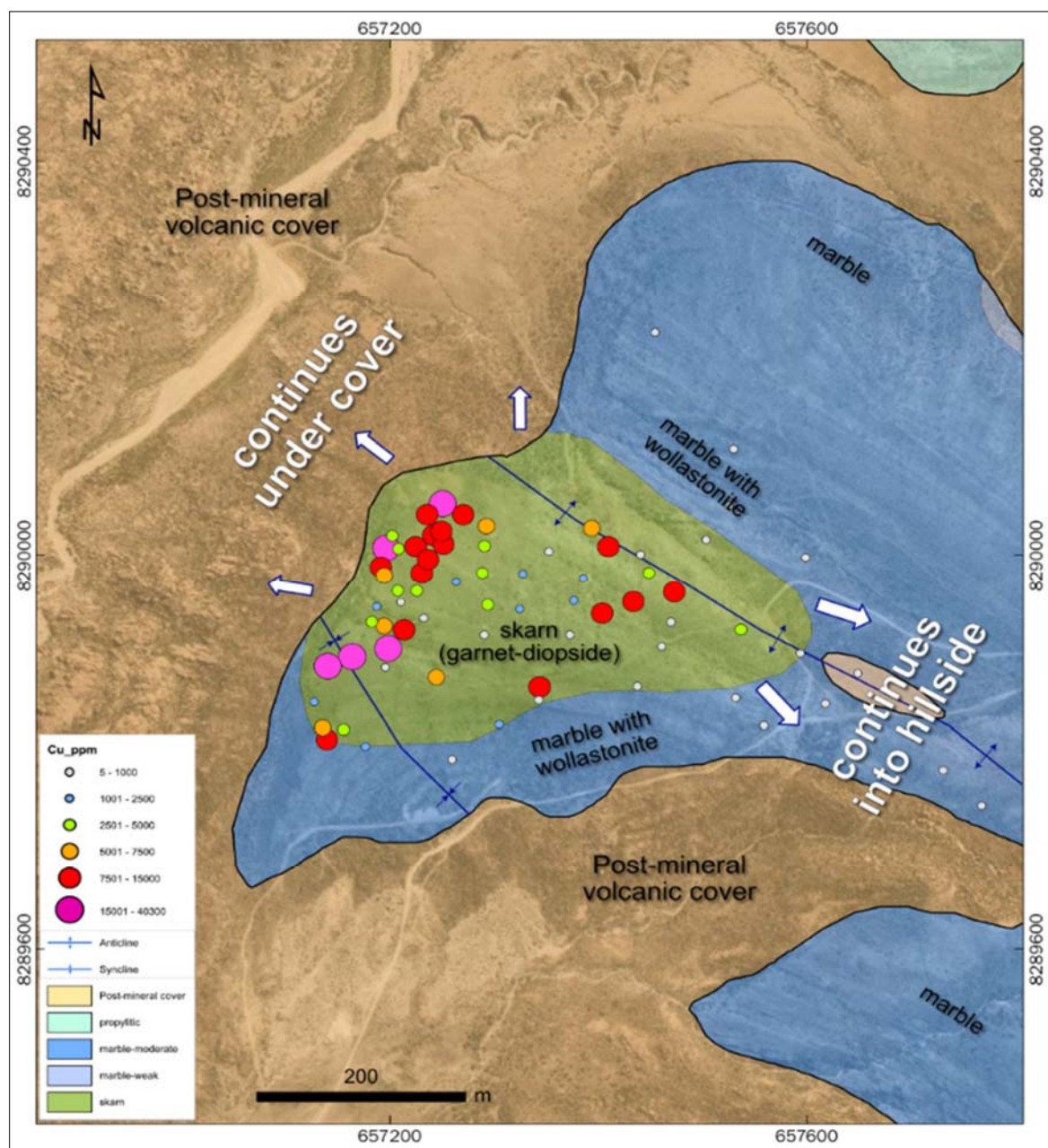


Figure 16: The Paka porphyry Cu-Au skarn project showing the outline of the porphyry Cu-Au skarn related hydrothermal alteration and highly anomalous Cu rock geochemistry in outcrop samples.

## FINANCIAL INFORMATION

### EXPLORATION AND EVALUATION ASSET EXPENDITURES

Expenditures for the three month period ended March 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	-	126	-	126
Geological and mapping	-	32,715	9,444	42,159
Geophysics and geochemistry	-	12,260	2,191	14,451
Permitting, concessions and taxes	-	92,569	22,122	114,691
Community, health, safety and environment	-	4,959	3,665	8,624
Geology salaries	-	31,981	1,040	33,021
Property maintenance and administration	-	159,132	10,753	169,885
Total additions for the period	-	333,742	49,215	382,957
Balance at March 31, 2025	\$ 1	\$ 12,242,935	\$ 49,216	\$ 12,292,152

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
	(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% NSR to Globetrotters. The property is located in Peru.

Expenditures were related to administration and support costs for the current exploration 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 claims”), 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 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 three month periods ended March 31, 2025 and 2024 were:

	2025	2024
General and administrative expenses		
Administration and office	\$ 10,683	\$ 14,016
Corporate development	34,434	25,290
Investor relations	152,840	37,494
Personnel costs	115,945	167,443
Professional fees	3,540	61,356
Filing fees	20,047	9,899
Foreign exchange gain	(172,976)	(19,608)
Share-based compensation	532,151	8,335
Depreciation	20,036	7,471
Other	5,065	2,237
Operating loss	721,765	313,933
Interest income	(15)	(7,594)
Loss and comprehensive loss for the period	\$ 721,750	\$ 306,339

Administration and office expenses in Q1 2025 were comparable to the same period in fiscal 2024

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

Investor relations expenses in Q1 2025 were higher than in Q1 2024 due to increased marketing initiatives to increase the Company’s exposure in the capital markets.

Personnel costs in Q1 2025 were lower than in Q1 2024 due to the resignation of two executives in 2024.

Professional fees in Q1 2025 were lower than in Q1 2024 due to timing of audit fees accrual and fewer legal services used.

Filing fees in Q1 2025 were higher than in Q1 2024 due to timing of invoices.

Share-based compensation expenses in Q1 2025 were higher compared to Q1 2024 due to grants of equity-based compensation in 2025.

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

### **Quarterly Financial Data**

	Q1 25	Q4 24	Q3 24	Q2 24
Administration and office	\$ 10,683	\$ 102,429	\$ 10,298	\$ 8,367
Corporate development	34,434	34,560	33,742	33,578
Investor relations	152,840	128,484	214,102	55,149
Personnel costs	115,945	117,621	74,970	102,333
Professional fees	3,540	5,207	10,574	18,290
Filing fees	20,047	20,075	25,397	20,268
Foreign exchange (gain) loss	(172,976)	(3,255)	41,511	(3,052)
Share-based compensation	532,151	131,137	472,757	-
Depreciation	20,036	11,168	10,976	29,327
Other	5,065	2,001	2,434	1,924
Operating loss	\$ 721,765	\$ 549,427	\$ 896,761	\$ 266,184

	Q1 24	Q4 23	Q3 23	Q2 23
Administration and office	\$ 14,016	\$ 17,291	\$ 32,379	\$ 26,776
Corporate development	25,290	44,797	56,362	11,138
Investor relations	37,494	209,717	46,676	68,132
Personnel costs	167,443	192,439	208,802	197,310
Professional fees	61,356	6,052	68,948	20,000
Filing fees	9,899	26,402	35,197	29,988
Foreign exchange (gain) loss	(19,608)	5,624	51,036	(37,289)
Share-based compensation	8,335	17,061	17,061	16,876
Depreciation	7,471	9,347	13,138	7,059
Other	2,237	5,107	1,603	1,233
Operating loss	\$ 313,933	\$ 533,837	\$ 531,202	\$ 341,223

Overall costs, excluding share-based compensation, have been consistent since Q2 2023.

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 trending lower due to reduction in headcount.

Professional fees were 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**

	Three months ended March 31	
	2025	2024
Cash flows used in operating activities before working capital movements	\$ (175,504)	\$ (288,579)
(Increase) decrease in receivables and prepaid expenses	(16,642)	19,623
(Decrease) increase in accounts payable and accrued liabilities	(279,356)	71,017
Decrease in deposits	19,966	-
Cash flows used in operating activities after working capital movements	(451,536)	(197,939)
Cash flows used in investing activities	(256,969)	(196,925)
Cash flows from (used in) financing activities	812,880	(8,188)
Increase (decrease) in cash and cash equivalents	104,375	(430,052)
Cash and cash equivalents - beginning of the period	1,189,987	1,228,429
Cash and cash equivalents - end of the period	\$ 1,294,362	\$ 825,377

Cash outflows after changes in non-cash working capital items was higher in Q1 2025 compared to the same period in 2024 due to decreased payables relating to exploration activities.

Cash outflows used in investing activities in Q1 2025 was higher compared to Q1 2024 due to the start of the drilling program at Elida, including exploration and drill activities.

Cash flows from financing activities in Q1 2025 was due to funds received from warrant exercises in 2025.

**Contractual Obligations**

As at March 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	\$ 5,580	\$ 5,580	\$ -	\$ -	\$ -

**SHAREHOLDERS' EQUITY**

The Company's authorized share capital consists of unlimited common shares without par value. At March 31, 2025, the Company had 124,155,099 (December 31, 2024 – 121,407,598) shares issued and outstanding and nil common shares held in escrow (December 31, 2023 – nil). At the date of this MD&A, the Company had 124,195,099 shares issued and outstanding.

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").

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

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

As at the date of this MD&A, the Company had 11,040,000 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
100,000	100,000	0.30	May 19, 2025
350,000	350,000	0.30	June 25, 2025
150,000	150,000	0.50	November 9, 2025
1,100,000	1,100,000	0.45	February 3, 2026
1,220,000	1,220,000	0.57	March 1, 2027
5,250,000	2,625,000	0.255	September 24, 2029
100,000	50,000	0.255	October 1, 2029
2,370,000	1,185,000	0.49	February 10, 2030
400,000	200,000	0.52	May 21, 2030
11,040,000	6,980,000		

### Share Purchase Warrants

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
18,445,252	0.25	September 13, 2025
13,058,985	0.50	August 29, 2027
31,504,237		

### Deferred Share Units (“DSU”)

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

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

On the grant date of DSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the DSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever



the counterparty asks for cash settlement. If no such obligation exists, DSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the DSU's are considered equity settled.

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

	Number of DSUs
Outstanding – December 31, 2024	375,000
Granted	150,000
Outstanding	525,000

### Restricted Share Units (“RSU”)

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

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

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

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

	Number of RSUs
Outstanding – December 31, 2024	280,000
Granted	161,000
Outstanding	441,000

## 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, former Vice President Exploration, and Corporate Secretary.

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

	2025	2024
Salaries and benefits – personnel costs	\$ -	\$ 63,333
Consulting fees – personnel costs / investor relations / exploration and evaluation assets	158,309	59,265
Directors' fees – personnel costs	24,000	19,024
Share-based compensation	427,607	7,145
	\$ 609,916	\$ 148,767

As at March 31, 2025, included in accounts payable and accrued liabilities was an amount of \$94,875 (December 31, 2024 - \$47,085) due to the Company's related parties.

### Financial instruments

#### a) Fair value classification of financial instruments

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

The Company's financial instruments consist of cash 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.

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

	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
<b>Financial assets</b>				
Cash and cash equivalents	\$ -	\$ 1,294,362	\$ -	\$ 1,294,362
Receivables	-	40,920	-	40,920
Deposit	-	5,519	-	5,519
Total financial assets	\$ -	\$ 1,340,801	\$ -	\$ 1,340,801
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 288,014	\$ 288,014
Lease liability	-	-	4,674	4,674
Total financial liabilities	\$ -	\$ -	\$ 292,688	\$ 292,688

## CRITICAL ACCOUNTING ESTIMATES AND POLICIES

### Use of Estimates and Judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the condensed

consolidated interim financial statements and accompanying notes. Actual results could differ materially from those estimates.

Measurement of the Company's assets and liabilities is subject to risks and uncertainties, including those related to reserve and resource estimates; title to mineral properties; future commodity prices; costs of future production; future costs of restoration provisions; changes in government legislation and regulations; future income tax amounts; the availability of financing; and various operational factors. The Company's estimates identified as being critical are substantially unchanged from those disclosed in the MD&A for the year ended December 31, 2024.

E29 is a mineral exploration 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. The material risks and uncertainties affecting E29, their potential impact, and the Company's principal risk-management strategies are substantially unchanged from those disclosed in its MD&A for the year ended December 31, 2024.

## 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. No change in the Company's internal control over financial reporting occurred during the period beginning on January 1, 2025 and ended on March 31, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## 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.

## **SCIENTIFIC AND TECHNICAL INFORMATION**

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

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

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

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

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

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

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