Management's Discussion and Analysis
Third Quarter Ended September 30, 2021

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

November 9, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements for the period ended September 30, 2021 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, 2020, 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. Information is also available on the Company's website at www.e29copper.com. Information on risks associated with investing in the Company's securities is contained in this MD&A. Technical and scientific information under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") concerning the Company's material properties are located in their respective technical reports: technical and scientific information regarding the Flor de Cobre Project (the "Flor de Cobre Project") is contained in the technical report titled "NI 43-101 Technical Report Flor de Cobre Property Arequipa and Moquegua Regions, Peru" with an effective date of March 15, 2020, prepared for the Company by Derrick Strickland (P.Geo.) (the "Flor de Cobre Technical Report") and a table of historical drilling results prepared for the Company by Christopher Keech (P.Geo); and technical and scientific information regarding the Elida Porphyry Copper Project ("Elida" or the "Elida Project") is contained in the technical report titled "NI 43-101 Technical Report Elida Property, Peru" with an effective date of February 15, 2020 prepared for the Company by Derrick Strickland (P.Geo.) (the "Elida Technical Report") and a table of historical drilling results prepared for the Company by Christopher Keech (P.Geo.). The disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Paul Johnston (P.Geo.), the Vice President of Exploration of the Company and Brian R. Booth (P.Geo.), the President and Chief Executive Officer of the Company. Each of Mr. Strickland, Mr. Keech, Mr. Johnston, and Mr. Booth 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 commercial development or production stage. The Company's objective is to confirm, delineate, and develop the copper mineralization at its Flor de Cobre property ("Candelaria"). At the Elida Project, the Company plans to explore and expand on the copper, molybdenum, and silver mineralization intersected in Target 1 (see Elida Copper Project) and drill test the four other porphyry targets located on the project.

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

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

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

Element 29 is led by a seasoned 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.

Q3 2021 HIGHLIGHTS

The Company's strategy is to further explore the copper mineralization, and transition through to advanced exploration and engineering studies towards becoming a mining company.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

On October 19, 2021, the Company announced results from the first two drill holes of a six-hole, 4,000 metre drilling program in progress at its Elida Copper Project located in central Perú.

Elida Highlights

- Drill hole ELID019 intersected 383.75 metres ("m") of 0.54% copper ("Cu"), 0.035% molybdenum ("Mo"), and 4.2 g/t silver ("Ag") for 0.71% copper equivalent ("CuEq"). The vertical hole was collared to test the vertical continuity of strong Cu-Mo mineralization intersected by ELID012, which was drilled in 2015.
- Drill hole ELID020 intersected 308 m of 0.43% Cu, 0.028% Mo, 3.9g/t Ag (0.56% CuEq). This hole was drilled to test the southward continuation of mineralization intersected by ELID015.
- Low arsenic ("As") grades (e.g., <50 ppm) were encountered in both holes in association with higher copper mineralization. This suggests arsenic levels within a copper concentrate should be well within smelter acceptable limits.
- Sulfide mineralization extends to the bedrock surface, situated beneath 30-100 m of unconsolidated colluvial gravel.

Corporate Highlights

- Q3 2021 operating loss was $0.7 million compared to an operating loss of $0.3 million in Q3 2020.
- Q3 2021 operating cash outflow before working capital was $0.4 million compared to cash outflow before working capital of $0.3 million in Q3 2020.
- As of September 30, 2021, the cash balance was $3.5 million and the working capital balance was $3.2 million.

2021 OUTLOOK

Flor de Cobre

In September 2021, the Company received an Environmental Evaluation (the "FTA") approval for the Flor de Cobre Property from the Ministry of Energy and Mines ("MINEM") of Peru. The FTA enables the Company to commence its drilling program at Flor de Cobre, subject to filing a notice for permit activation. The Company anticipates completing a 9-hole diamond drilling program totalling 3,700 m at Flor de Cobre to validate supergene-enriched intervals from historical drilling and to evaluate potential for additional primary sulfide resources at depth, which was intercepted by historical drilling. The Company subsequently plans to undertake a resource estimate in accordance with NI 43-101 and carry out preliminary metallurgical and engineering studies.

Elida

The Company commenced the 4,000 m drill program at Elida Target 1 to supplement data from 18 historical drill holes and to further explore the known copper mineralization. Six holes are planned to depths ranging from 450 to 1,000 m with the following program objectives:

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

The initial results of the drill program, as announced on October 18 were:

Hole	From (m)	To (m)	Length[2] (m)	Cu (%)	Mo (%)	Ag (ppm)	As (ppm)	CuEq[1] (%)
ELID019	43.15	426.9	383.75	0.54	0.035	4.2	47	0.71
includes	*43.15*	*358.0*	*314.85*	*0.60*	*0.033*	*4.7*	*32*	*0.76*
ELID020	143.00	451.00	308.00	0.43	0.028	3.9	15	0.56
includes	*249.00*	*353.00*	*104.00*	*0.54*	*0.031*	*4.6*	*12*	*0.69*
includes	*384.20*	*451.00*	*66.80*	*0.62*	*0.041*	*5.2*	*17*	*0.81*

Note: Drill Holes are referred to as ELID on the Elida Project.

ELID019 returned a continuous interval of strong mineralization (383.75 m at 0.54 % Cu, 0.035 % Mo, 4.2 g/t Ag for 0.71 % CuEq) down to a depth of 426.9 m, where the central, weakly-mineralized quartz monzonite porphyry stock ("QMP") was encountered. The hole demonstrated strong Cu-Mo mineralization intersected by ELID012 extends up to the bedrock surface, beneath 43.15 m of unconsolidated colluvial gravel. The interval in ELID019 is characterized by potassic alteration with multiple veining events that introduced copper and molybdenum with chalcopyrite as the dominant copper bearing mineral. Further drilling is required to trace the zone of strong copper mineralization to greater depths and to determine its overall horizontal width. The mineralized interval contains low concentrations of arsenic (e.g., As <50 ppm) and other deleterious elements. Drilling data does not appear to indicate a correlation between higher copper grades and elevated arsenic levels. The absence of a copper sulfide and arsenic correlation is significant because high arsenic concentrations, typically resulting from late-stage epithermal overprinting, can be detrimental to the economics of a porphyry copper deposit. Such epithermal events are not observed at Elida.

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

Both drill holes demonstrate the mineralized zone remains open at depth. The 400 m vertical interval from the bedrock surface to the depth of investigation of ELID019 and ELID020 shows no recognizable vertical zonation of alteration or mineralization, supporting an exploration hypothesis of a mineralized zone extended in the vertical dimension. Subsequent drilling programs in the Target 1 area will be designed to test the vertical extent of mineralization as well as the lateral and vertical copper grade distributions.

Based on drilling completed to date, the Company expects to meet its objective of completing the program by the middle of Q4, 2021. The two drill rigs have commenced the last two holes of the planned six-hole program. ELID023 is designed to test the southern arm of the Target 1 mineralized zone surrounding the QMP by drilling from the QMP outwards toward the southern limit of mineralization. This hole is important for understanding the extent and character of mineralization on the southern side of the QMP stock. ELID024 is collared on the west side of the QMP and angled east from the interpreted outer limit of the Target 1 mineralized zone. This hole is positioned to test the outer limits of the mineralized zone and volume of mineralization on the northwest side of Target 1. Sampling and analysis of completed holes is progressing well and results will be released when available.

PROJECT DETAILS - PERU

FLOR DE COBRE COPPER PROJECT

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

The Company can earn 100% interest in the Candelaria concessions at Flor de Cobre by making option payments to the vendor in the total amount of approximately US$5 million over five years between 2020 and 2024. An additional US$6 million payment would be due on completion of a positive detailed feasibility study for the concession area.

The Flor de Cobre Property is located in the Southern Peru Copper Belt, which hosts numerous porphyry copper deposits including the Cerro Verde copper-molybdenum mine operated by Freeport-McMoRan; the Cuajone and Toquepala copper-molybdenum mines operated by Southern Copper; and the Quellaveco copper-molybdenum project under construction by Anglo American (Figure 1). Flor de Cobre is 8 kilometres northwest of the Chapi Mine and ~30 kilometres southeast of the Cerro Verde Mine. The property contains the Candelaria historic copper resource first identified in the 1960s and was the site of a historical small-scale copper mining operation since that time.

Flor de Cobre is located 45 kilometres southeast of Arequipa at a modest elevation of ~2,650 metres with excellent infrastructure for mine development with respect to roads, power lines and port access (Figure 1 and Figure 2).

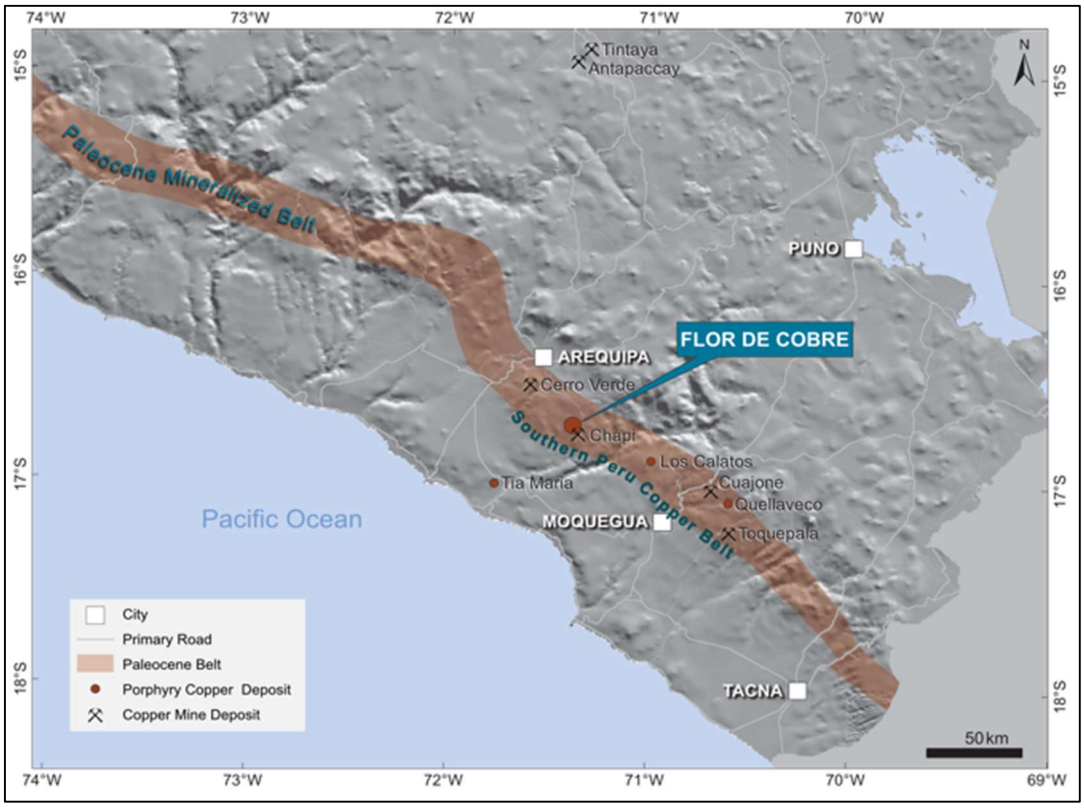

Figure 1. Flor de Cobre Project location.

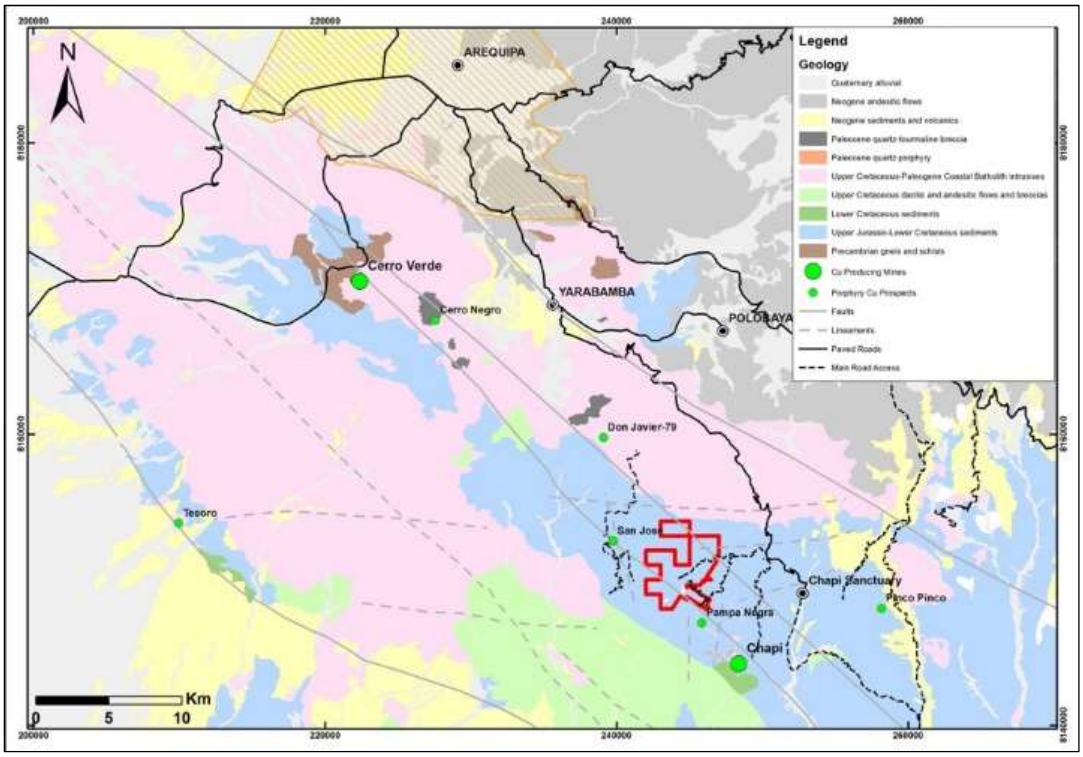

Figure 2. Regional geology and infrastructure.

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

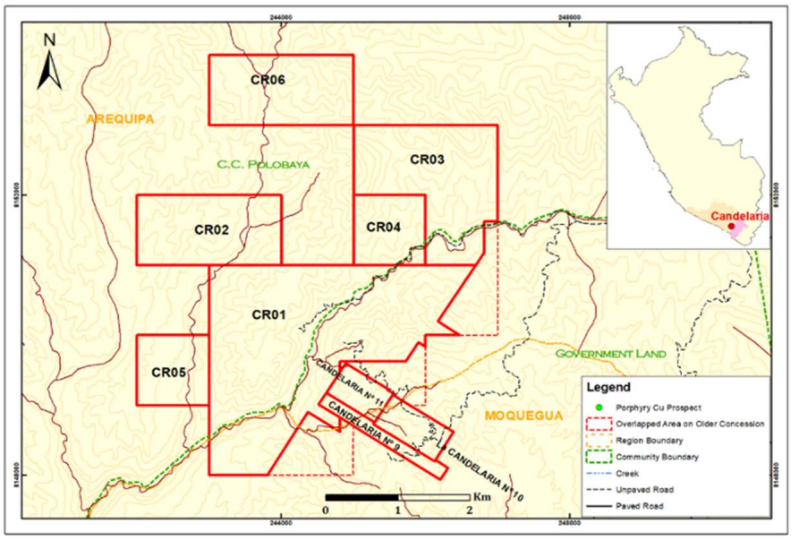

Figure 3. Flor de Cobre property concession map.

Candelaria Historic Copper Resource

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

The original source of the historical estimate is a press release issued by Rio Amarillo Mining Ltd. (Rio Amarillo Mining Ltd., November 15, 1996: Aija Property Drill Results). This historical estimate is relevant to the Flor de Cobre property as it suggests supergene-enriched mineralization of interest may be present at Candelaria. The parameters, assumptions and methods used to calculate the historical estimate are unknown. Additionally, the historical estimate does not use the resource categories as found in CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the differences to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is within the current Flor de Cobre property configuration. A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource, and it is unclear what work might be required to confirm the resource. For these reasons, the historical estimate should not be relied upon. The Company is not treating the historical estimate as a current mineral resource.

Property Geology

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

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

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

The copper mineralization outlined at Candelaria is associated with a complex of quartz monzonite porphyry stocks that have intruded into Jurassic to early Cretaceous siliciclastic sedimentary rocks. These porphyry stocks and adjacent

sedimentary rocks contain early generations of quartz veins (A-type veins) and are accompanied by potassic alteration. This early stage of veining and alteration is overprinted by an intense phyllic alteration event with associated D-type quartz veins. The exhumation and weathering of these phyllic-altered porphyries and adjacent host rocks have resulted in the leaching and redistribution of copper mostly as secondary chalcocite into a supergene enrichment blanket which is known to host the historical copper resource. The supergene enrichment blanket is 850 x 1,000 metres, ranges in thickness from 5 metres up to 126 metres and is located less than 200 metres from surface along the base of a hematitic leached cap zone.

Previous exploration by Rio Amarillo during the 1990s focused primarily on the delineation of supergene copper mineralization at Candelaria with very little interest in exploring for lower grade primary copper sulfides at depth below the supergene enrichment blanket. Several drill holes were extended beyond the supergene enrichment blanket into the mineralized porphyry stocks below including drill hole K-008, which intersected 156 metres of 0.58% copper as hypogene copper sulfide mineralization from a depth of 194 metres to the end of the hole at 350 metres. These results suggest the quartz monzonite porphyry stocks are well mineralized below the supergene enrichment blanket and have the potential to host a sizeable hypogene copper system at depth. The original source of the historical mineralized intervals in diamond drill hole K-008 is a press release issued by Rio Amarillo Mining Ltd. (Rio Amarillo Mining Ltd., March 1, 1994: Drilling Results from Candelaria Project; Cominco's Option to Lapse on Guabisay Project). These historical assay results are relevant to Flor de Cobre as they suggest supergene-enriched copper mineralization of interest may be present at Candelaria. They also suggest hypogene (primary) sulfide mineralization may be present beneath supergene mineralization. The diamond drill core from K-008 and sample reject material is not available for geochemical analysis, which prevents a qualified person from verifying these copper geochemical results. For these reasons, the historical copper geochemical assay results from diamond drill hole K-008 should not be relied upon.

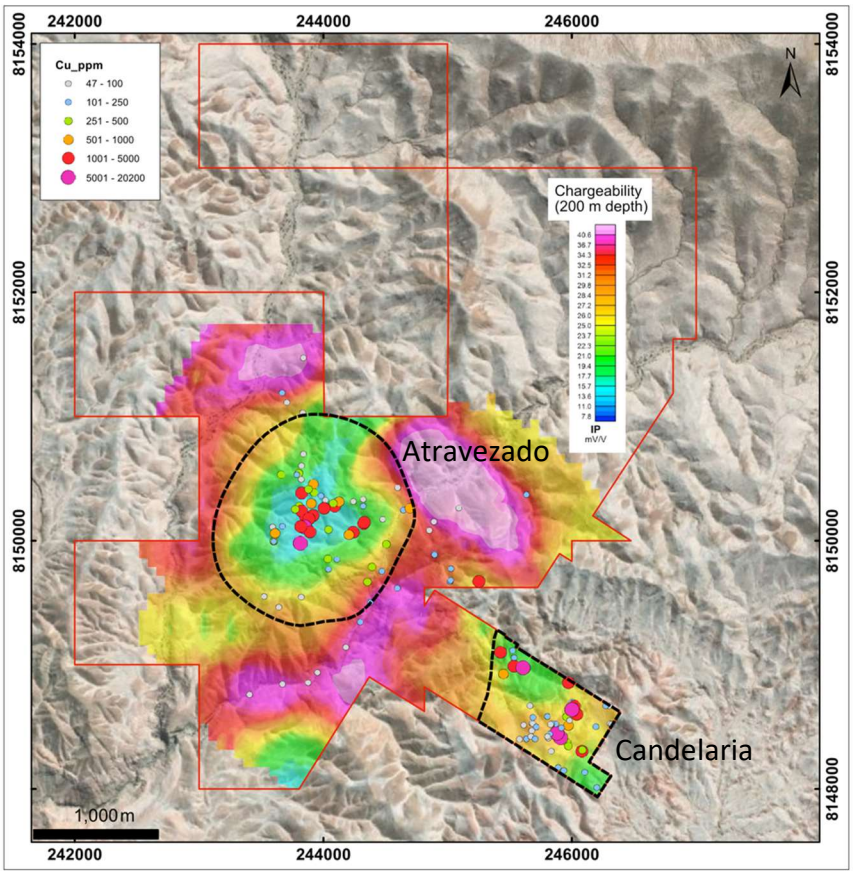

Figure 4. Chargeability response at 200 metres depth on the Flor de Cobre property with copper in outcrop geochemistry.

2022 Candelaria Exploration Program

The Company plans to initiate a drilling program (the Candelaria Program) in Q1 2022 consisting of approximately 3,700 metres of diamond drilling in 9 drill holes. A total of 2,200 metres are allocated to twin nine legacy drill holes to verify the accuracy of the existing historical geochemical assay and drill log database, which Element 29 obtained as part of the option agreement for Candelaria. Based on Element 29's assessment, the geochemical assay results from these nine drill holes outlined in Figure 5 make up approximately 70% of the total copper metal content from the historical supergene copper resource. The potential verification of these assay results would provide the level of confidence needed for the completion of a resource estimate that would meet CIM best practice guidelines. Metallurgical test work will also be carried out on the drill core from the Candelaria Program to determine if the supergene copper resource is amenable to low-cost leaching and SXEW processing.

The remaining 1,500 metres allocated to the Candelaria Program will be used to test the hypogene copper sulfide potential below the supergene enrichment blanket to depths of more than 500 metres. The Company will also continue to progress the drill permitting for Atravezado in preparation for initial drill-testing of a coincident surface geochemical and geophysical target.

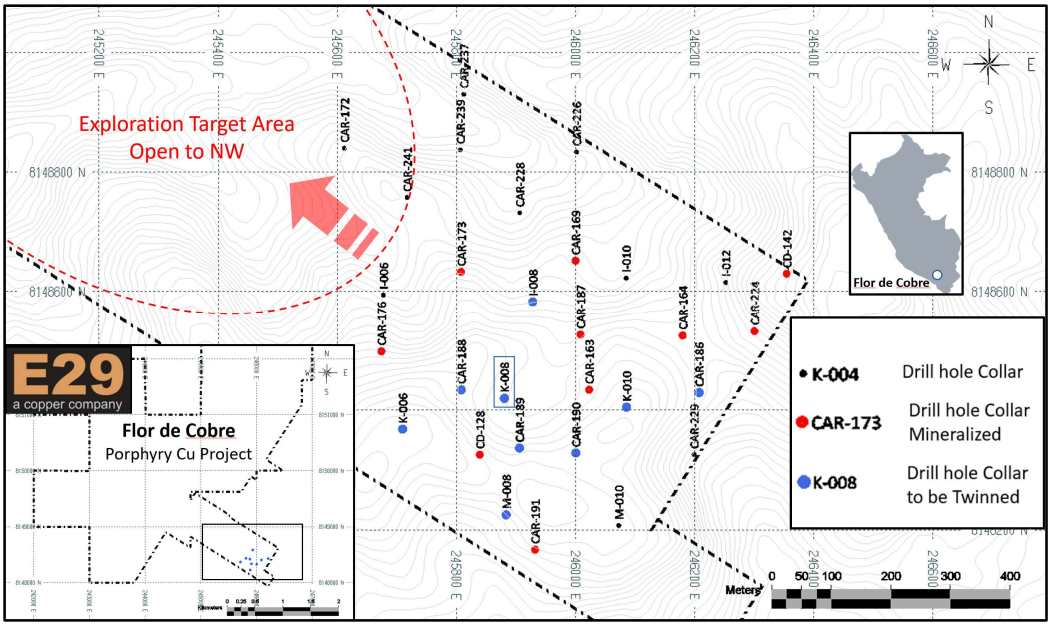

Figure 5. Historical drill hole locations at Candelaria with the nine drill holes proposed for twinning outlined in blue as well as a target area to the northwest of the current drilling which is currently untested. The location of drill hole K-008 is also highlighted toward the centre of the drill hole array.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

TABLE 1 - Intervals showing total copper (CuT) results from 9 legacy drill holes selected by Element 29 for twinning as part of the 2021 drill program

Historical total copper ("CuT") assay results and drill logs obtained by Element 29 from legacy drilling completed by Rio Amarillo Mining Ltd. and Phelps Dodge Corporation at Candelaria during the 1990s were used to calculate copper assay intervals for the select drill holes provided in Table 1. These historical assay results and drill logs are relevant to Flor de Cobre as they suggest supergene-enriched copper mineralization of interest may be present at Candelaria. Assay certificates were provided by Geochemical Lab Geolab Peru S.A. for assay results received by Phelps Dodge Corporation, but no assay certificates were obtained for the Rio Amarillo Mining Ltd. assay results. Additionally, none of the diamond drill core and sample rejects from these drill holes exist for geochemical analysis, which prevents a qualified person from verifying the copper geochemical results provided. For these reasons, the historical copper geochemical assay results from Table 1 should not be relied upon.

The objective of twinning holes is to potentially verify the accuracy of historical results. Drill hole intercepts in this table were prepared by Christopher Keech (P.Geo.), Principal Geologist for CGK Consulting Services Inc. Mr. Keech is a Qualified Person as set out in National Instrument 43-101 and is independent of Element 29 Resources.

Drill Hole ID	From (m)	To (m)	Length (m)	CuT (%)	Hole Type	Drilled By	Year
I-008	29.1	146.8	117.7	0.292	Core	Rio Amarillo	1994
K-006	92.4	131.1	38.7	0.320	Core	Rio Amarillo	1994
K-008	78.1	350.0	271.9	0.930	Core	Rio Amarillo	1994
including	*78.1*	*325.4*	*247.3*	*0.996*			
K-010	114.8	148.3	33.5	0.513	Core	Rio Amarillo	1994
including	*114.8*	*130.4*	*15.6*	*0.726*			
M-008	73.1	207.0	133.9	0.353	Core	Rio Amarillo	1994
including	*75.4*	*117.2*	*41.8*	*0.497*			
CAR-186	66.0	168.0	102.0	0.323	RC	Phelps Dodge	1995
including	*68.0*	*102.0*	*34.0*	*0.494*			
CAR-188	66.0	256.0	190.0	0.675	RC	Phelps Dodge	1995
including	*68.0*	*256.0*	*188.0*	*0.678*			
CAR-189	76.0	208.0	132.0	0.390	RC	Phelps Dodge	1995
including	*76.0*	*106.0*	*30.0*	*0.864*			
CAR-190	10.0	230.0	220.0	0.464	RC	Phelps Dodge	1995
including	*12.0*	*114.0*	*102.0*	*0.565*			
and including	*132.0*	*158.0*	*26.0*	*0.484*			

The Company is in the process of completing an Environmental Evaluation (EIA) approval for Candelaria from the Peruvian Ministry of Energy and Mines of Peru (MINEM). The EIA enables the Company to commence its drilling program at Candelaria, subject to filing a notice for permit activation and obtaining the local water permit. A separate permitting process will be initiated in mid-2021 for Atravezado, which is in a different jurisdiction from the Candelaria area, in preparation for initial drill-testing of a large exploration target evident in surface geochemistry and from geophysical response.

ELIDA COPPER PROJECT

The Elida Project is in the province of Ocros, in the district of Carhuapampa, Department of Ancash which is 170 kilometres northwest of Lima and roughly 80 kilometres from the coast. The property is accessible along paved and maintained unpaved roads that extend inland from the city of Barranca. Barranca is connected to Lima by the Pan American Highway (Figure 6).

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

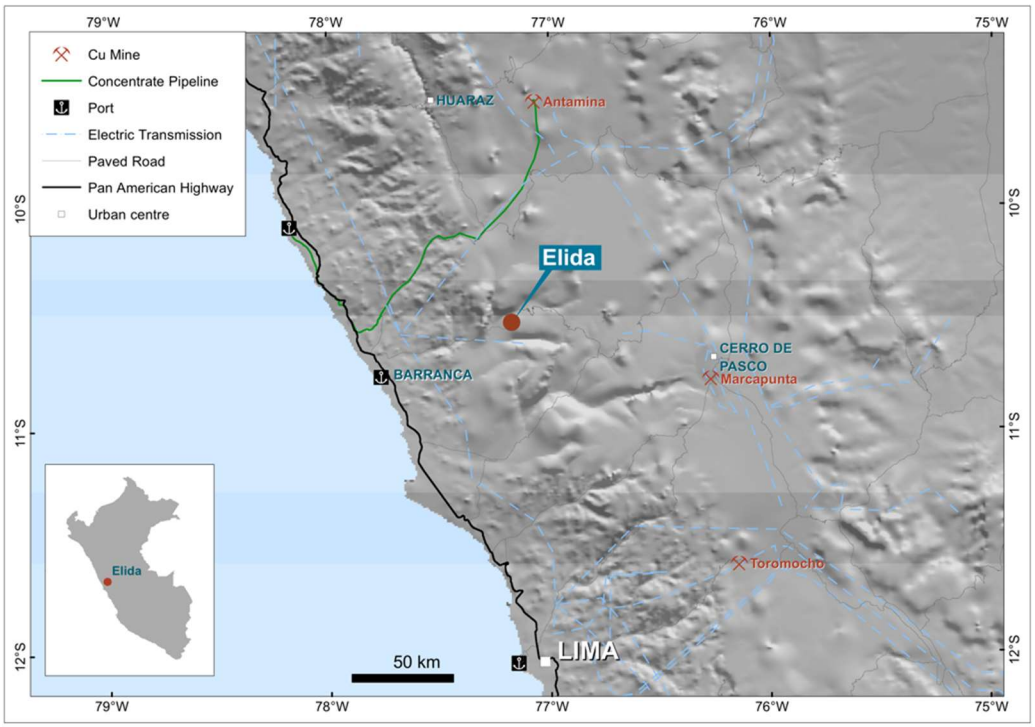

Figure 6. Elida property location map.

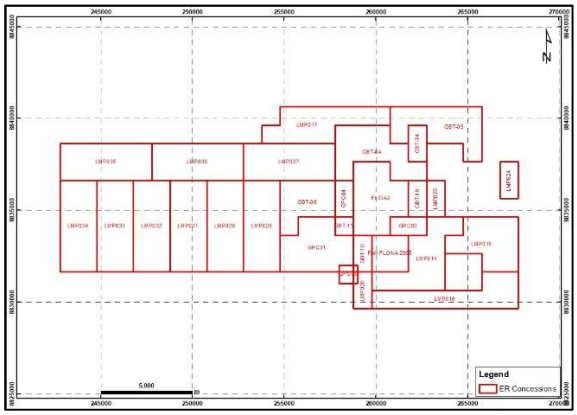

Figure 7. Elida property concession map.

The property was originally staked over a large, high-priority ASTER target situated in a new emerging porphyry belt in central Peru. The ground follow-up of this anomaly eventually led to the discovery of an untested porphyry copper-molybdenum centre that is part of a porphyry cluster enclosed by a 2 x 2 kilometre alteration zone. The porphyry system is a multiphase complex of porphyry stocks and dikes, composed of quartz monzonite intruded into Cretaceous Casma volcanic, volcaniclastic and sedimentary rocks as well as the eastern margin of the Coastal Batholith. In the central part of the system, the Casma Group is a sequence of volcanic and volcanoclastic rocks intercalated with sandstone, calcareous sandstone, siltstone, and shales.

Lundin Mining Peru SAC ("Lundin") optioned the property and undertook an exploration program on the Elida property from 2013 to 2016 which consisted of regional and detailed geological mapping, drone topographic surveying, rock geochemistry, ground magnetics, induced polarization ("IP"), and ultimately the drilling of 18 diamond drill holes ("DDH") (Figure 8).

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

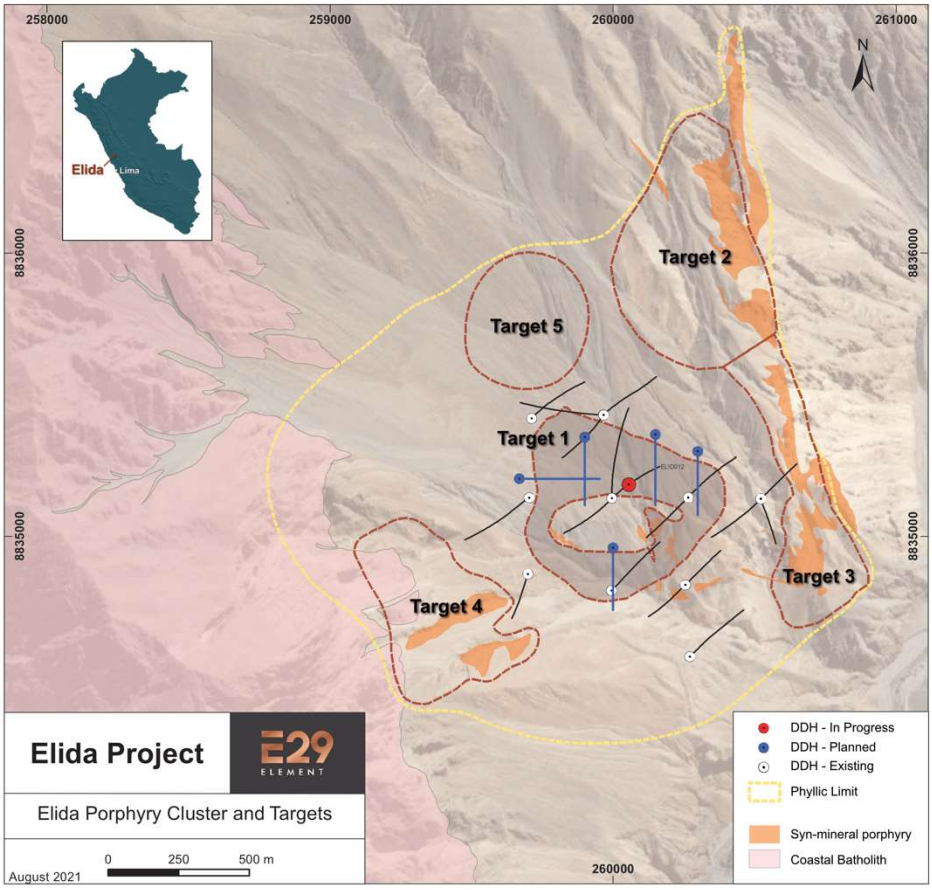

Figure 8. Five exploration target representing individual porphyry centres at Elida. The targets are within a 2 x 2 kilometre zone of phyllic alteration. Drill holes are shown in and around Target 1.

A total of 9,880 metres of diamond drilling in 18 drill holes was completed by Lundin in 2015. All holes intercepted copper-molybdenum mineralization and six of the holes intercepted significant copper-molybdenum mineralization. Diamond drill hole 15ELID012 intersected an interval of 502.9 metres of 0.420% copper, 0.046% molybdenum, 3.23 g/t silver including 393.0 metres of 0.455% copper, 0.048% molybdenum, 3.58 g/t silver (TABLE 2 -). Some mineralized intercepts begin immediately below colluvial cover, demonstrating the mineralized system sub-crops beneath the post-mineral unconsolidated cover sequence.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

TABLE 2 - Elida 2014-15 summary of drilling results

Drill hole ID	From (metres)	To (metres)	Length (metres)	CuEq[1] (%)	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)
14ELID002	46.0	613.9	567.9	0.436	0.280	0.048	0.006	2.52
including	49.7	76.0	26.3	0.541	0.432	0.025	0.006	3.91
and including	108.0	336.0	228.0	0.519	0.351	0.048	0.007	3.69
and including	382.0	448.0	66.0	0.468	0.299	0.055	0.008	1.89
14ELID004	24.0	331.0	307.0	0.388	0.304	0.023	0.005	2.12
including	42.0	67.0	25.0	0.454	0.357	0.028	0.006	1.95
and including	147.0	223.0	76.0	0.485	0.393	0.023	0.007	2.62
and	369.0	415.0	46.0	0.276	0.216	0.016	0.006	1.48
and	541.0	605.3	64.3	0.211	0.163	0.013	0.004	1.13
15ELID005	34.0	547.8	513.8	0.329	0.242	0.024	0.003	2.01
including	89.8	121.0	31.2	0.404	0.271	0.041	0.003	2.20
and including	339.0	365.0	26.0	0.506	0.395	0.029	0.003	3.37
and including	414.0	463.0	49.0	0.428	0.370	0.011	0.003	2.89
15ELID006	22.2	85.0	62.8	0.208	0.165	0.008	0.006	1.83
15ELID007	71.0	530.0	459.0	0.280	0.188	0.028	0.004	1.59
15ELID008	25.0	73.0	48.0	0.253	0.218	0.004	0.003	2.35
and	105.0	166.0	61.0	0.203	0.142	0.016	0.003	1.69
15ELID009	11.0	84.0	73.0	0.275	0.216	0.014	0.004	2.05
and	117.0	380.0	263.0	0.293	0.215	0.024	0.006	1.21
and	444.0	507.3	63.3	0.209	0.088	0.042	0.003	0.65
15ELID010	8.3	145.0	136.7	0.256	0.163	0.029	0.007	1.14
and	268.0	443.0	175.0	0.213	0.152	0.018	0.005	1.08
15ELID011	116.0	242.0	126.0	0.218	0.151	0.021	0.003	1.05
and	274.0	576.5	302.5	0.287	0.186	0.032	0.004	1.31
15ELID012	55.1	558.0	502.9	0.579	0.420	0.046	0.008	3.23
including	57.0	450.0	393.0	0.623	0.455	0.048	0.008	3.58
and including	484.0	558.0	74.0	0.466	0.346	0.035	0.007	2.17
15ELID014	70.0	532.0	462.0	0.492	0.335	0.047	0.007	2.89
including	80.0	176.0	96.0	0.582	0.433	0.037	0.012	4.33
and including	195.1	359.4	164.3	0.637	0.416	0.069	0.006	3.28
and including	435.9	477.0	41.1	0.470	0.363	0.023	0.009	4.23
15ELID015	93.6	639.2	545.6	0.480	0.329	0.042	0.008	3.60
including	199.6	306.2	106.6	0.585	0.421	0.040	0.010	5.12
and including	349.0	381.0	32.0	0.582	0.403	0.036	0.007	8.00
and including	396.0	428.0	32.0	0.586	0.419	0.048	0.008	3.51
and including	474.0	639.2	165.2	0.593	0.395	0.058	0.011	3.72
15ELID016	65.5	210.0	144.5	0.284	0.218	0.011	0.004	3.70
15ELID017	84.0	494.0	410.0	0.295	0.230	0.009	0.006	3.92
including	260.4	318.0	57.6	0.490	0.393	0.011	0.008	6.52
15ELID018	276.1	398.9	122.8	0.266	0.201	0.005	0.004	4.87
and	430.4	583.6	153.2	0.234	0.189	0.004	0.004	3.30

*[1]The calculated Copper Equivalent (CuEq. (%)) grade was used to determine the significant intervals (>0.20% CuEq. and >30 m core length, with higher grade intervals using a >0.40% CuEq. and >15 m core length). *CuEq. = Cu (%) + Mo (%) x 2.667 +Au (ppm) x 0.6320 +Ag (ppm) x 0.0097*

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

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

Drill hole intercepts in Table 2 were prepared by Christopher Keech (P.Geo.), Principal Geologist for CGK Consulting Services Inc. Mr. Keech is a Qualified Person as set out in National Instrument 43-101 and is independent of Element 29 Resources.

Core from the first 18-drill hole program, totaling 9,880 metres, was logged and sampled on site. A total of 5,612 rock samples, including core samples, were collected and analyzed by Au-AA23 and ME-ICP41 at ALS-Global Laboratories in Lima, Peru. Table 2 (above) presents a summary of the drill assay results. Spectral analysis of the rocks samples was also conducted, with a total of 5,065 readings completed at ALS Global Lab using a Terraspec™ instrument measuring VNIR and SWIR spectra. Systematic magnetic susceptibility and specific gravity measurements were also taken for every rock core sample. The remaining half core for all holes is stored at the Company's secure core storage facility located in Lima.

The Elida porphyry complex is a Cu-Mo-Ag mineralized multiphase porphyry system approximately 2 x 2 kilometres 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 copper, molybdenum, and silver mineralized porphyry system centred on an early quartz-feldspar porphyry stock herein referred to as the 'Elida Porphyry Stock'. This stock has an elliptical shape in plan with dimensions approximately 300 x 500 metres and is elongated east-west. Porphyry mineralization displays a clear zonation from a central, high temperature core containing molybdenum and minor copper outward to a concentric copper-molybdenum zone that contains the better drill hole intersections. Silver is relatively common yet minor in content throughout the mineralization. Zinc is anomalous throughout the mineralized intervals and shows a crude zonation, increasing toward the outer limits of mineralization. Most of the mineralized porphyry rocks at surface are variably replaced by sericite and accompanied by pyrite (phyllic alteration) and modified by weathering. A leached profile is preserved at higher elevations within the porphyry complex. In-situ and transported hematitic leached capping is locally abundant. Both exotic and indigenous Cu-oxide minerals are present.

2021 Elida Drill Program

The 2021 exploration program at Elida (the "2021 Elida Program") consists of 4,000 metres of in-fill drilling in and around the known copper mineralization at Target 1 (Figure 9 and Figure 10) to tighten up the drill spacing in order to complete a maiden mineral resource estimate in accordance with National Instrument 43-101 (anticipated completion by the end of 2021). In addition, preliminary metallurgical studies are planned to be completed from existing core from previous drilling.

Six holes are planned to depths from 450 to 1,000 m with the following program objectives:

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

The Company is pursuing an exploration target on the Elida Target 1 of 200 to 500 million tonnes, with grades of 0.35-0.45% copper, 0.03-0.05% molybdenum, and 3.5-4.5 g/t silver. This exploration target is based on the high-quality data from the 18 drill hole program of 9,880 metres completed by Lundin Mining Peru SAC, and surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC ("Globetrotters"). The potential quantity and grade of this exploration target is conceptual in nature; there is currently insufficient drilling data to define a mineral resource and it is uncertain if further exploration will result in this target being delineated as a mineral resource.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

The Company announced on August 4, 2020 commencement of its 4,000 metre drilling program to test mineralization at Target 1. The initial results of the drill program, as announced on October 18 were:

Hole	From (m)	To (m)	Length[2] (m)	Cu (%)	Mo (%)	Ag (ppm)	As (ppm)	CuEq[1] (%)
ELID019	43.15	426.9	383.75	0.54	0.035	4.2	47	0.71
includes	*43.15*	*358.0*	*314.85*	*0.60*	*0.033*	*4.7*	*32*	*0.76*
ELID020	143.00	451.00	308.00	0.43	0.028	3.9	15	0.56
includes	*249.00*	*353.00*	*104.00*	*0.54*	*0.031*	*4.6*	*12*	*0.69*
includes	*384.20*	*451.00*	*66.80*	*0.62*	*0.041*	*5.2*	*17*	*0.81*

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

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

ELID019 returned a continuous interval of strong mineralization (383.75 m at 0.54 % Cu, 0.035 % Mo, 4.2 g/t Ag for 0.71 % CuEq) down to a depth of 426.9 m, where the central, weakly-mineralized quartz monzonite porphyry stock ("QMP") was encountered. The hole demonstrated strong Cu-Mo mineralization intersected by ELID012 extends up to the bedrock surface, beneath 43.15 m of unconsolidated colluvial gravel. The interval in ELID019 is characterized by potassic alteration with multiple veining events that introduced copper and molybdenum with chalcopyrite as the dominant copper bearing mineral. Further drilling is required to trace the zone of strong copper mineralization to greater depths and to determine its overall horizontal width. The mineralized interval contains low concentrations of arsenic (e.g., As <50 ppm) and other deleterious elements. Drilling data to date shows no correlation between copper and arsenic, suggesting arsenic is not associated with the copper sulfide minerals. This is significant as high arsenic concentrations, typically resulting from late-stage epithermal overprinting, can be detrimental to the economics of a porphyry copper deposit. Such epithermal events are not observed at Elida.

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

Both drill holes demonstrate the mineralized zone remains open at depth. The 400 m vertical interval from the bedrock surface to the depth of investigation of ELID019 and ELID020 shows no recognizable vertical zonation of alteration or mineralization, supporting an exploration hypothesis of a mineralized zone extended in the vertical dimension. Subsequent drilling programs in the Target 1 area will be designed to test the vertical extent of mineralization as well as the lateral and vertical copper grade distributions.

Based on drilling completed to date, the Company expects to meet its objective of completing the program by the middle of Q4, 2021. The two drill rigs have commenced the last two holes of the planned six-hole program. ELID023 is designed to test the southern arm of the Target 1 mineralized zone surrounding the QMP by drilling from the QMP outwards toward the southern limit of mineralization. This hole is important for understanding the extent and character of mineralization on the southern side of the QMP stock. ELID024 is collared on the west side of the QMP and angled east from the interpreted outer limit of the Target 1 mineralized zone. This hole is positioned to test the outer limits of the mineralized zone and volume of mineralization on the northwest side of Target 1. Sampling and analysis of completed holes is progressing well and results will be released when available.

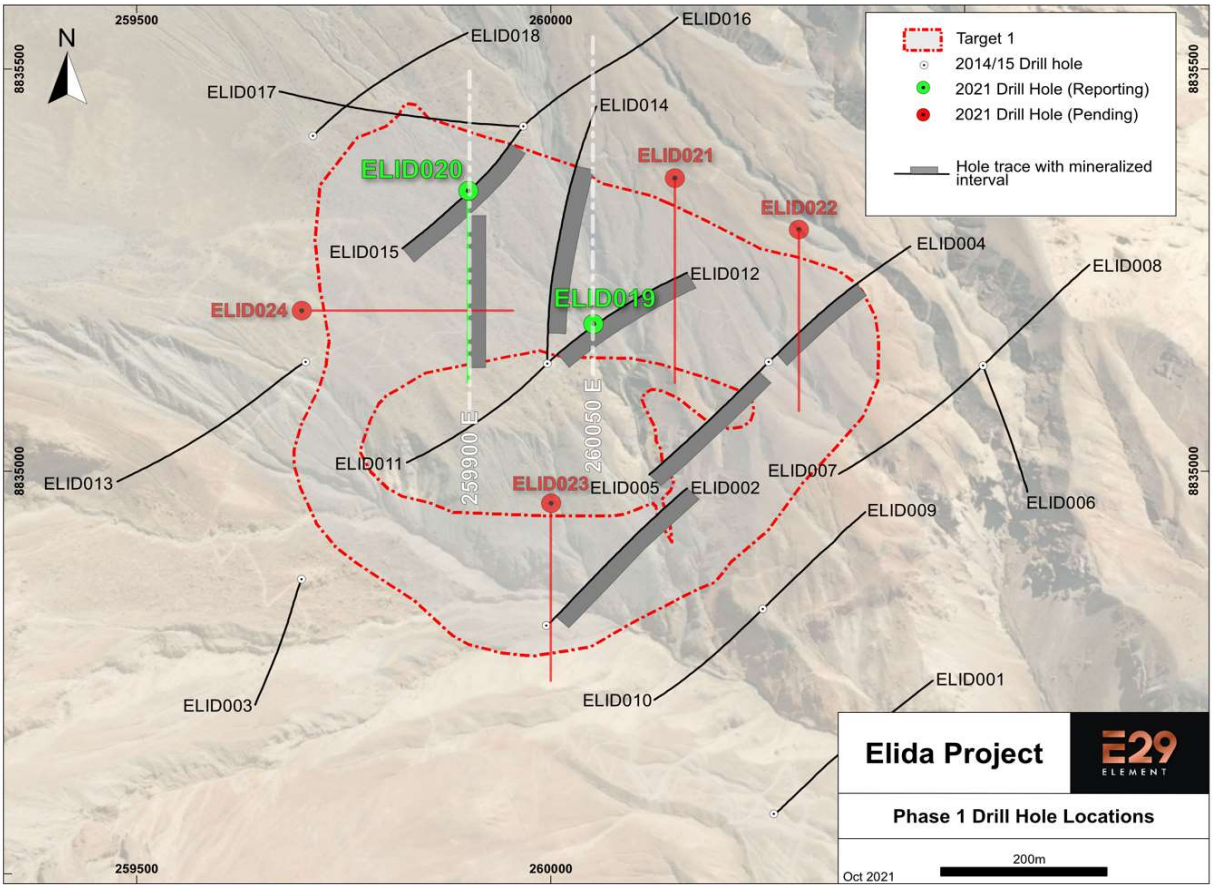

Figure 9. Plan view of Target 1 at the Elida Porphyry Cu-Mo project showing the location of the 2021 Drilling Program holes. Holes ELID001 – ELID018 were completed by Lundin Mining in 2014/15. The location of sections in Figure 11. Cross section at 260050 E showing the position of ELID019. The hole encountered strong mineralization immediately beneath 43.15 m of unconsolidated gravel (colluvium). Continuous Cu-Mo-Ag mineralization was intersected down to 426.6 m, where the contact of weakly mineralized QMP occurs. Additional drilling is required to trace the zone of strong mineralization to greater depths. Figure 11 and Figure 12 are indicated with white dashed lines.

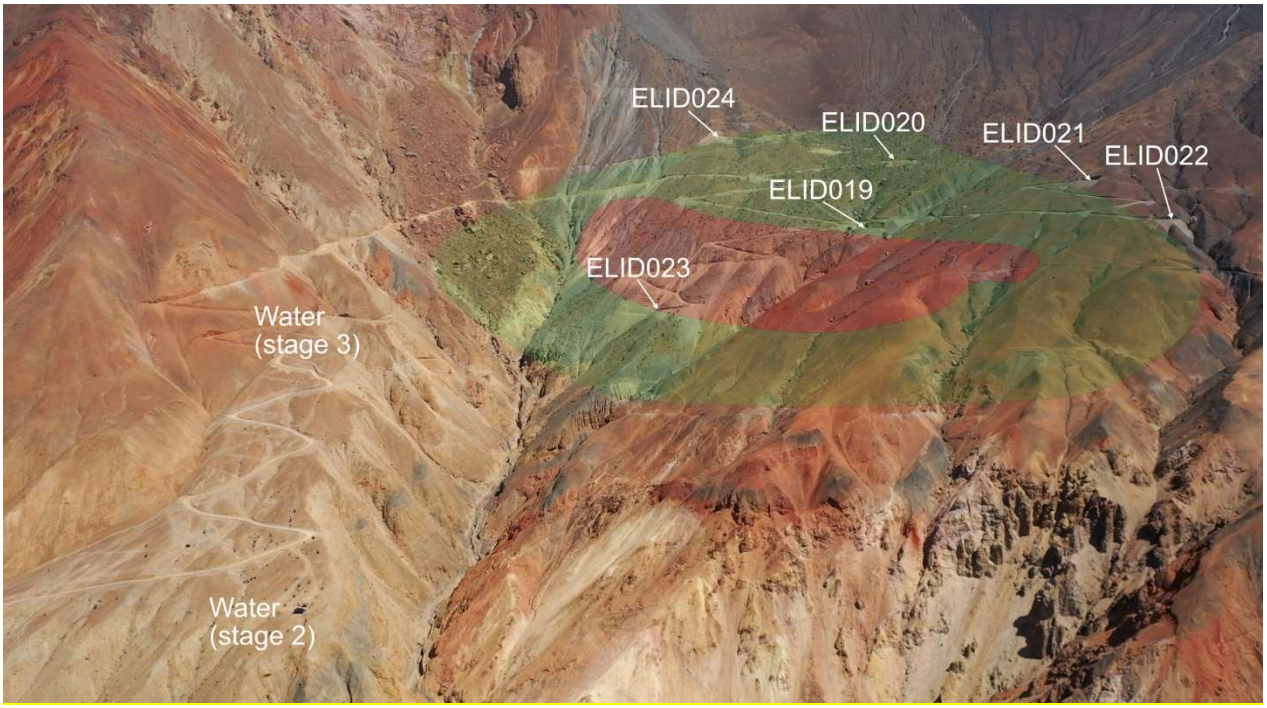

Figure 10. Northwest perspective view of Target 1 showing the locations of the 2021 drill program holes. The approximate position of mineralization is shown with a green shade and the interior low-grade quartz monzonite porphyry stock is indicated by the red shade.

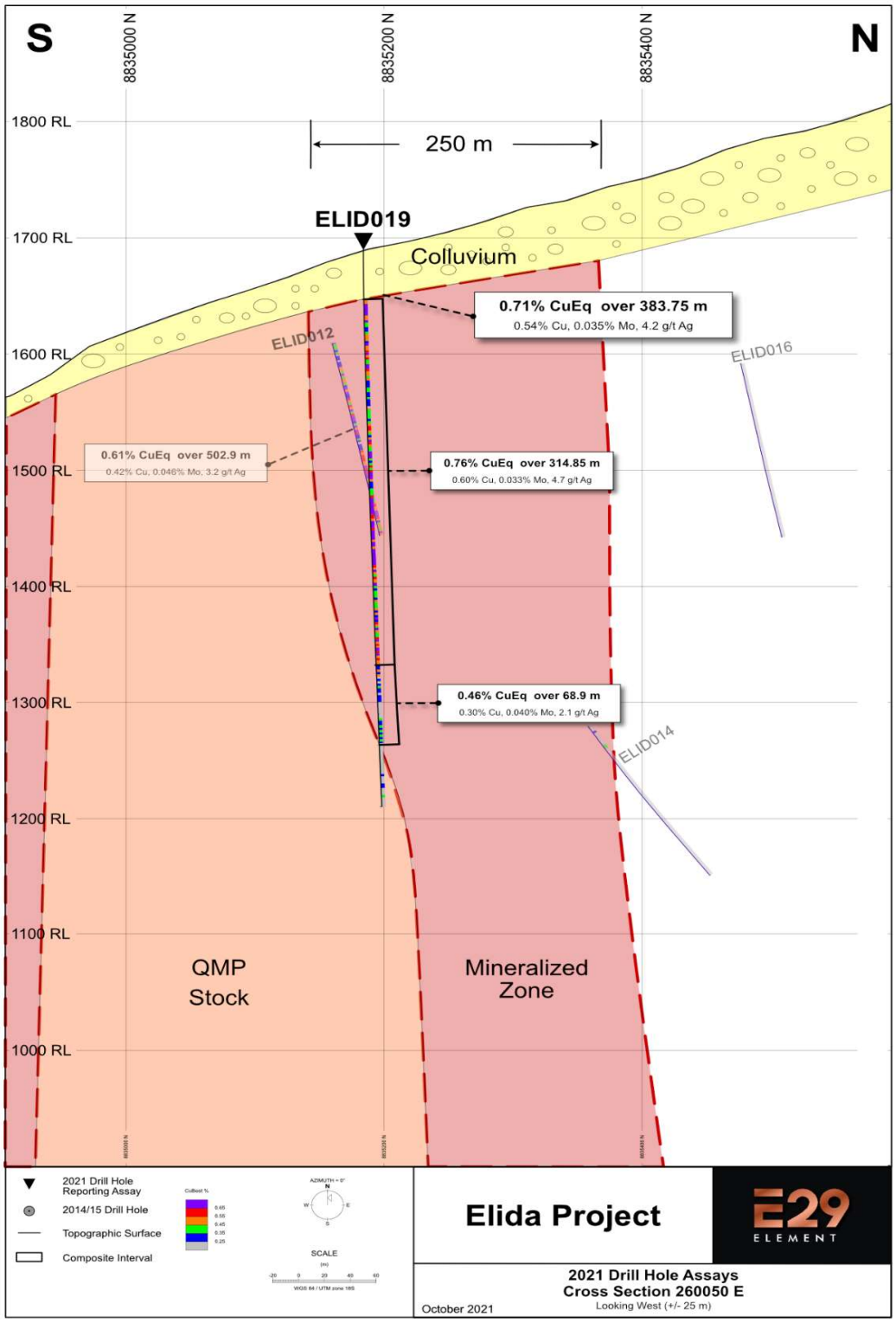

Figure 11. Cross section at 260050 E showing the position of ELID019. The hole encountered strong mineralization immediately beneath 43.15 m of unconsolidated gravel (colluvium). Continuous Cu-Mo-Ag mineralization was intersected down to 426.6 m, where the contact of weakly mineralized QMP occurs. Additional drilling is required to trace the zone of strong mineralization to greater depths.

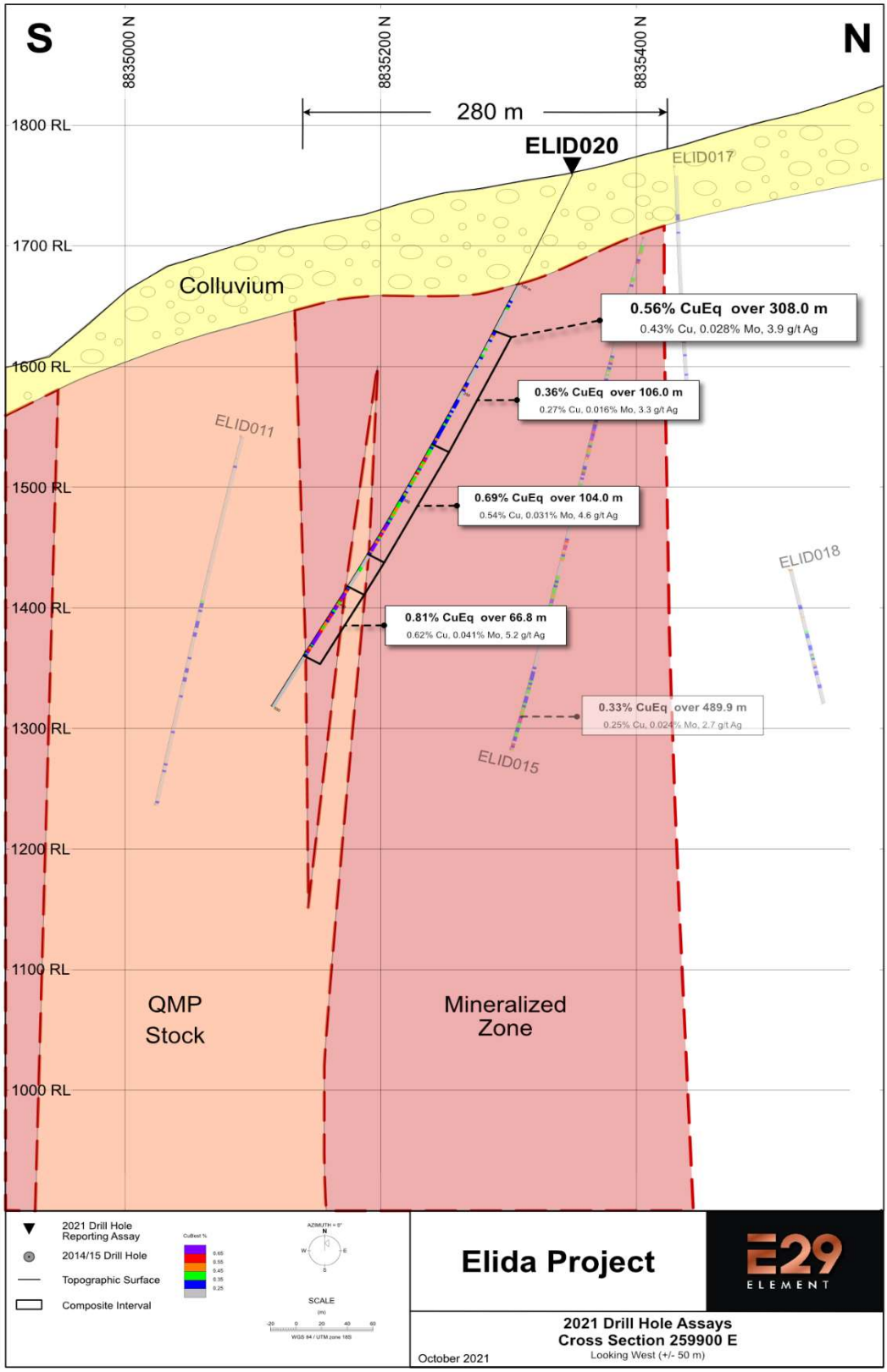

Figure 12. Cross section 259900 E showing hole ELID020. The hole entered the mineralized zone beneath approximately 90 m of unconsolidated colluvial gravel.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Table 2: Drill hole collar locations for reported drill holes.

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

Coordinates are in WGS84 zone 18S UTM

*Figure 13. ELID019, 241.15m from a sample interval reporting **0.62% Cu, 0.032% Mo, 4.4 g/t Ag**. Intense, multiple generations of A-type veins in feldspathic arenite host rock. The A-type veins contain an assemblage of pyrite-chalcopyrite-molybdenite with minor magnetite. Chalcopyrite is also introduced by green mica veinlets containing chlorite, epidote with chalcopyrite and pyrite. Core is HQ diameter (63.5 mm).*

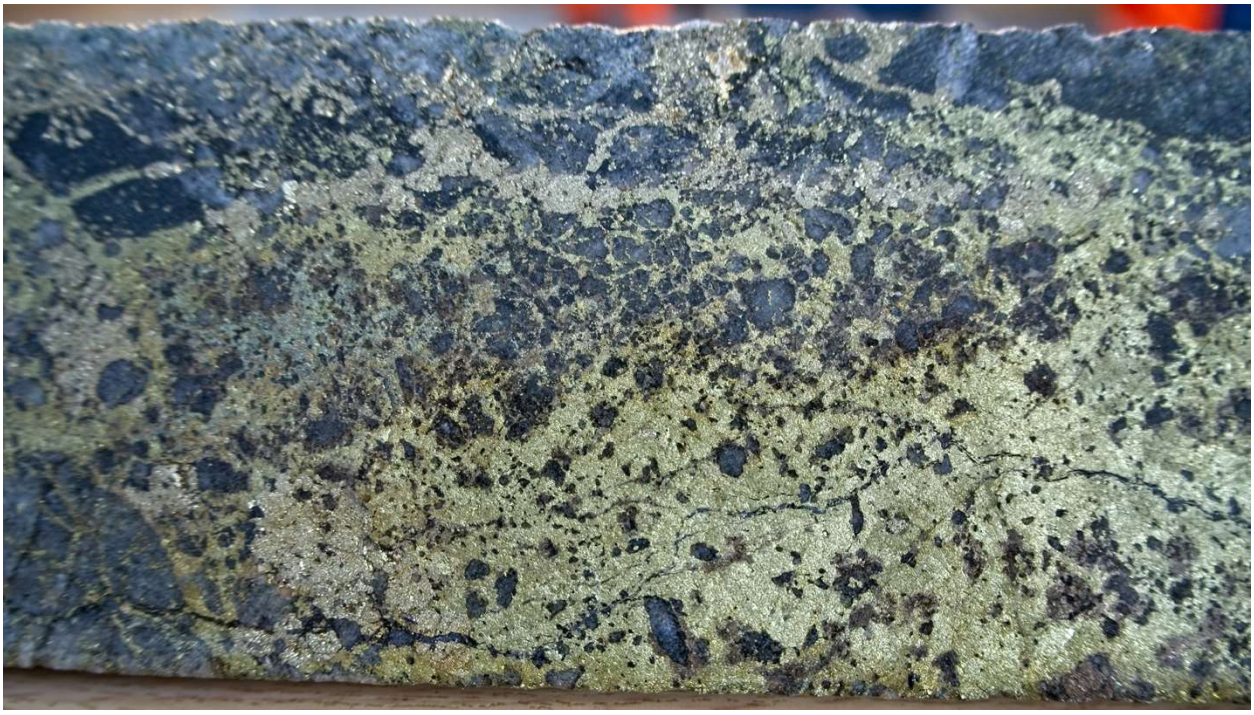

*Figure 14. ELID019, 246.2m from a sample interval reporting **2.62% Cu, 0.031% Mo, 21.8 g/t Ag**. Semi-massive chalcopyrite-pyrite associated with a 5 cm wide A-type quartz vein. Core is HQ diameter (63.5 mm).*

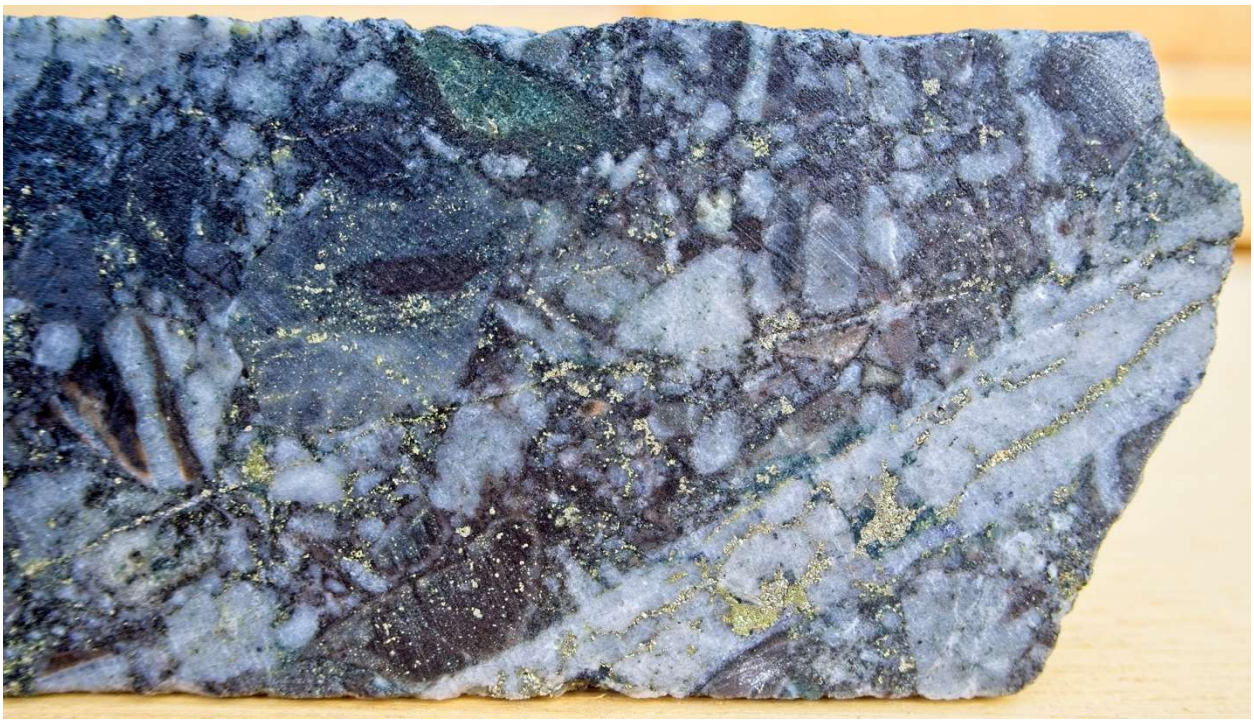

Figure 15. ELID020, 438.2 m from an interval grading 0.67% Cu, 0.029% Mo, 5.0 g/t Ag. An early-stage, mineralized hydrothermal breccia emplaced during A-type veining as demonstrated by clasts containing A-type veins and A-type veins cutting the breccia. Chalcopyrite accompanies silica and secondary biotite as cement. Matrix is rock flour. Clasts are composed of wall rock units and QMP. Core is HQ diameter (63.5 mm).

An exploratory metallurgical study initiated in April 2021 on samples from holes drilled in 2015 was used to design a preliminary metallurgical study to investigate deportment of copper, molybdenum, silver, and arsenic, recovery of economic constituents, and rock strength.

Members of the local community are employed to assist with our site preparations and on-going drilling operations. In order to protect against community spread of COVID-19, the Company has assisted community members with COVID-19 testing and transportation to vaccination centres. It is mandatory that all people entering the project receive a negative PCR COVID-19 test within 72 hours of arrival and regular antigen testing is being done on site by the Company's medical personnel. All people on site are required to wear a mask at all times and maintain a physical distance of two metres while working. Work plans involve minimizing contact between local community members and project staff. Standard hygiene practices (frequent hand washing and disinfecting surfaces) are rigorously enforced.

PAHUAY COPPER SKARN PROJECT

The Pahuay copper project consists of 700 hectares and is 100% owned by the Company, subject to a 2% net smelter royalty ("NSR") to Globetrotters. The property is located 270 kilometres south of Lima within the eastern margin of the Coastal Batholith along the probable northwest projection of the Paleocene Southern Peru Copper Belt and is approximately 15 kilometres north of the Cerro Lindo polymetallic (zinc, lead, copper, gold, and silver) mine controlled by Nexa Resources Peru SA ("Nexa"). Paleocene porphyry intrusions are emplaced into Cretaceous volcaniclastic rocks, siliciclastic sediments and limestones developing a 1.7 x 2.8 kilometre copper mineralized hydrothermal alteration zone. The mineralized area contains magnetite-garnet skarn formed in the limestones and phyllic alteration of the volcaniclastic units. Copper mineralization in the skarn consists of copper oxides, chalcopyrite and semi-massive magnetite. The central parts of the skarn system are anomalous in copper and molybdenum. Outcrop samples returned assays up to 4.4% copper and 0.05% molybdenum and the distal areas (zinc, copper and silver) returned assays up to 6.5% zinc. The project has not been drill-tested and is scheduled for preliminary geological mapping, rock sampling and geophysical surveys to help develop the drill targets (Figure 16, Figure 17).

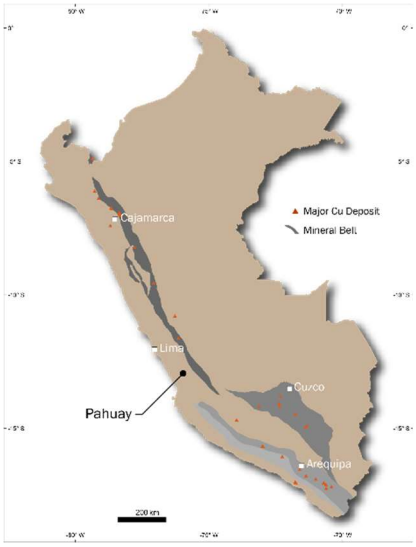

Figure 16. Location of the Pahuay property, southern Peru.

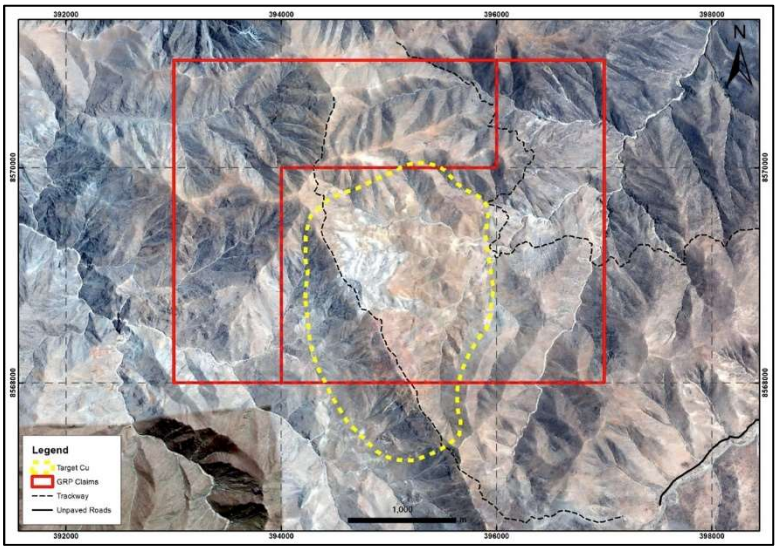

Figure 177. Pahuay concessions and copper exploration target shown as a dashed yellow outline.

MUÑAORJO COPPER-SKARN-PORPHYRY PROJECT

The Muñaorjo project consists of 1,000 hectares and is 100% owned by Element 29, subject to a 2% NSR with Globetrotters. The project is located approximately 200 kilometres northeast of Arequipa, Peru within the probable northwest continuation of the Paleocene Southern Peru Copper Belt, which is host to several very large porphyry copper deposits including the Cerro Verde mine (Freeport-McMoRan) and the Toquepala mine (Southern Copper). The property is centered on a large, 4.3 x 1.3 kilometre 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 copper mineralization exposed within a 480 x 280 metre area. Rock sample results for this area (58 rock samples) are highly anomalous and returned assay results up to 4% copper. The skarn is open to the northeast where it is covered by thin post mineralization Miocene tuff. The porphyry-related alteration continues to the northeast for another 1.5 kilometres. The work plan is to complete detailed geological mapping, outcrop sampling, and magnetometer and IP-resistivity surveys to identify diamond drill targets (Figure 18, Figure 19).

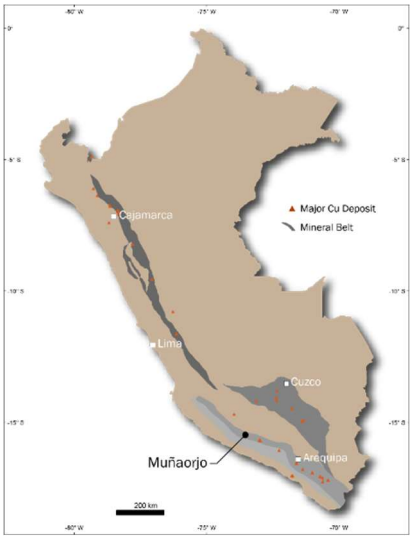

Figure 18. Location of the Muñaorja property in southern Peru.

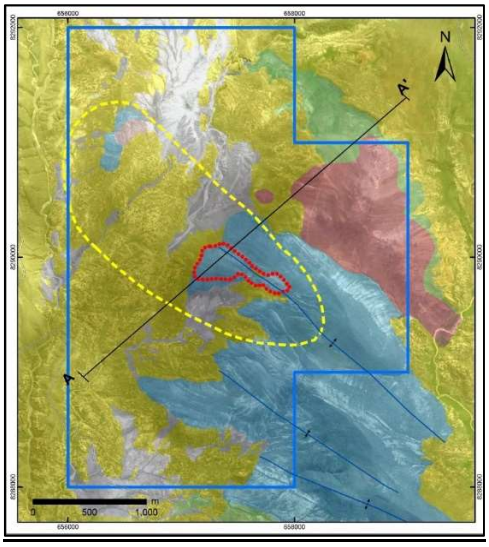

Figure 19. The Muñaorjo property showing the exploration target area as a yellow dashed line.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

FINANCIAL INFORMATION

EXPLORATION AND EVALUATION ASSET EXPENDITURES

Expenditures for the nine months ended September 30, 2021 were as follows:

	Flor de Cobre	Elida	Pahuay and Muñaorjo	Total
Balance at December 31, 2020	$ 1,449,929	$ 3,173,864	$ 1,511,778	$ 6,135,571
Additions:				
Option payments	-	-	-	-
Geological and mapping	1,312	451,874	-	453,186
Geophysics and geochemistry	5,169	299,735	-	304,904
Permitting	1,168	2,609	-	3,777
Community, health, safety and environment	17,326	127,716	-	145,042
Concessions and taxes	11,938	263,807	1,483	277,228
Technical report	905	3,115	-	4,020
Geology salaries and fees	-	132,435	-	132,435
Property maintenance and administration	55,247	103,428	13,463	172,138
Balance at September 30, 2021	$ 1,542,994	$ 4,558,583	$ 1,526,724	$ 7,628,301

Expenditures for the nine months ended September 30, 2020 were as follows:

	Flor de Cobre	Elida	Pahuay and Muñaorjo	Total
Balance at December 31, 2019	$ 1,148,499	$ 2,859,246	$ 1,504,563	$ 5,512,308
Additions:				
Option payments	82,379	-	-	82,379
Geological and mapping	341	-	-	341
Geophysics	22,346	-	-	22,346
Permitting	3,045	2,107	-	5,152
Community, health, safety and environment	21,916	41,973	-	63,889
Concessions and taxes	52,415	116,053	5,192	173,660
Technical report	13,422	8,000	-	21,422
Property maintenance and administration	68,540	56,921	7,743	133,204
Balance at September 30, 2020	$ 1,412,903	$ 3,084,300	$ 1,517,498	$ 6,014,701

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 history characteristics of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to the exploration and evaluation assets remains in good standing.

Flor de Cobre Copper Project

Expenditures during the Q3 2021 period were related to general project maintenance, administration and option payments. Activities were minimal and related to planning in anticipation of drilling later in the year.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Elida Copper Project

Expenditures during the Q3 2021 period were primarily related to concession fees, administration and project drill preparation for the Elida Project.

Pahuay and Muñaorjo Copper Projects

Expenditures during the Q3 2021 period were related to general administration. No work has been done on the projects since the acquisition in November 2019.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

Operating Results for the three and nine months ended September 30 were:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
General and administrative expenses				
Administration and office	$ 41,251	$ 23,983	$ 101,815	$ 48,792
Investor relations	187,417	21,828	526,372	56,462
Personnel costs	219,501	140,062	643,211	502,443
Professional fees	70,862	124,872	185,402	220,327
Filing fees	10,757	-	32,414	-
Foreign exchange (gain) loss	(26,230)	24,861	20,506	(33,987)
Share-based compensation	182,910	-	933,998	166,939
Other	4,981	662	7,637	1,238
Operating loss	691,449	336,268	2,451,355	962,214
Interest income	(3,232)	(3,085)	(16,354)	(4,306)
Interest expense	-	36,248	-	66,777
Accretion expense	-	15,121	-	26,665
Change in fair value of embedded derivatives	-	(14,645)	-	(29,085)
Loss and comprehensive loss for the period	$ 688,217	$ 369,907	$ 2,435,001	$ 1,022,265
Loss per common share				
Basic and fully diluted	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.02)

Administration and office expenses in Q3 2021 were higher compared to the same period in 2020 due to increased costs from becoming a publicly listed company in Q4 2020. These increased costs include insurance and general administration costs.

Investor relations expenses in Q3 2021 were higher compared to the same period in 2020 due to marketing activities to increase the Company's exposure in the capital markets since completing its IPO in Q4 2020.

Personnel costs in Q3 2021 were higher compared to the same period in 2020 due increases in the management personnel in 2021 in relation to completing the IPO and commencing the drill programs.

Professional fees in Q3 2021 were lower compared to the same period in 2020 due to professional services related to the Company's IPO in Q4 2020.

Share based compensation in Q3 2021 was related to options vesting in the quarter.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Quarterly Financial Data

	Q3 21	Q2 21	Q1 21	Q4 20
Administration and office	$ 41,251	$ 36,779	$ 23,785	$ 50,858
Investor relations	187,417	196,319	142,636	117,606
Personnel costs	219,501	243,892	179,818	362,047
Professional fees	70,862	69,516	45,024	423,732
Filing fees	10,757	6,345	15,312	-
Foreign exchange (gain) / loss	(26,230)	21,247	25,489	49,345
Share-based compensation	182,910	184,802	566,286	65,226
Other	4,981	1,464	1,192	360
Operating loss	$ 691,449	$ 760,364	$ 999,542	$ 1,069,174

	Q3 20	Q2 20	Q1 20	Q4 19
Administration and office	$ 23,983	$ 11,789	$ 12,322	$ 14,343
Investor relations	21,828	20,414	14,220	54,259
Personnel costs	140,062	177,561	185,518	174,856
Professional fees	124,872	68,694	26,761	72,054
Foreign exchange loss (gain)	24,861	47,742	(106,590)	32,754
Share-based compensation	-	166,939	-	-
Other	662	186	390	271
Operating loss	$ 336,268	$ 493,325	$ 132,621	$ 348,537

Overall, costs were higher from Q4 2020 to Q3 2021 due to an increase in operational activities since the Company became publicly listed in Q4 2020.

Higher professional fees and personnel costs in Q4 2020 were directly related to the IPO. In addition, investor relations expenses have been increasing since Q4 2020 due to marketing activities to increase the Company's exposure in the capital markets.

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

LIQUIDITY AND CAPITAL RESOURCES

	Nine months ended September 30	
	2021	2020
Cash flows used in operating activities before non-cash working capital movements	$ (1,514,709)	$ (756,982)
- Decrease (increase) in receivables and prepaid expenses	(57,746)	24,833
- Increase (decrease) in accounts payable and accrued liabilities	(12,787)	(79,518)
Cash flows used in operating activities after non-cash working capital movements	(1,585,242)	(811,667)
Cash flows used in investing activities	(1,341,718)	(538,259)
Cash flows from financing activities	159,000	1,980,819
(Decrease) increase in cash and cash equivalents	(2,767,960)	630,893
Cash and cash equivalents - beginning of period	6,219,707	424,562
Cash and cash equivalents - end of period	$ 3,451,747	$ 1,055,455

Cash outflows after changes in non-cash working capital items in 2021 increased over the 2020 period due to the completion of the IPO in the fourth quarter of 2020 and the commencement of the drill program in 2021. As a result, corporate administration costs and investor relation costs increased over the 2020 period.

Cash outflows from investing activities in 2021 were related to site and drill activity at Elida which commenced on August 4th, 2021 resulting in an increase in mineral exploration costs compared to the 2020 period.

Cash inflows from financing activities in 2021 were related to stock option exercises. The cash inflow in 2020 was related to financings prior to the IPO.

Contractual Obligations

As at September 30, 2021, the Company had no contractual obligations outstanding.

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of unlimited common shares without par value. At September 30, 2021 and at the date of this MD&A, the Company had 67,742,860 (December 31, 2020 – 66,791,368) shares issued and outstanding.

The Company's share capital transactions for the nine months ended September 30, 2021 are as follows:

- The Chief Executive Officer and President retired from the Company and 538,508 common shares, relating to a promissory note, were returned to treasury and are in the process of being cancelled (see Related Party Transactions section below); and
- The Company issued 1,490,000 common shares at prices ranging from $0.10 to $0.30 per common share through the exercise of share options.

The Company's share capital transactions for the year ended December 31, 2020 are as follows:

- In December 2020, the Company completed an IPO issuing a total of 13,310,400 units at a price of $0.50 per unit for gross proceeds of $6,655,200. Each unit comprises one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.70 per warrant for a period of 3 years. Commissions, legal fees, and corporate finance fees in the amount of $623,099 were paid in connection with the IPO. In addition, 50,000 common shares and 718,624 warrants of the Company were issued as corporate finance fee compensation.
- In December 2020, in connection with the Company's IPO, $1,500,000 of a senior secured convertible debenture and $295,000 of unsecured convertible debentures, including accrued interest payable, accretion and embedded derivative fair value adjustments, were converted into 3,895,707 units and 789,428 units, respectively. Each unit comprises one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.50 per warrant for a period of 3 years (converted senior secured convertible debenture) or 1 year (converted unsecured convertible debentures).
- In December 2020, in connection with the Company's IPO, 3,750,000 common shares of the Company were issued to Globetrotters as payment for the acquisition of Pahuay.
- The Company issued 350,000 common shares at prices ranging from $0.10 to $0.30 per common share through the exercise of share options.
- The Company cancelled 1,000,000 common shares with a value of $100,000 when the Non-Executive Chairman resigned and cancelled the related promissory note receivable.

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").

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

The Company uses the Black-Scholes option pricing model to determine the fair value of share options granted. For employees, the share-based compensation expense is amortized on a graded vesting basis over the requisite service period which approximates the vesting period. Share-based compensation expense for share options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the share options vest.

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 condensed consolidated interim statements of comprehensive loss.

On August 4th, 2021, the Chief Executive Officer and President of the Company retired and as a result, 925,000 share options were cancelled.

As at the date of this MD&A, the Company had 3,625,000 stock options outstanding.

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

Number of share options	Number of share options vested	Exercise price per share option $	Expiry date
300,000	300,000	0.30	August 23, 2024
200,000	133,333	0.30	May 19, 2025
350,000	233,333	0.30	June 25, 2025
150,000	100,000	0.30	June 29, 2025
150,000	50,000	0.50	October 28, 2025
225,000	75,000	0.50	November 9, 2025
2,100,000	1,050,000	0.45	February 3, 2026
150,000	75,000	0.445	April 7, 2026
3,625,000	2,016,666		

Share Purchase Warrants

At September 30, 2021 and at the date of this MD&A, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price per share purchase warrant $	Expiry date
394,714	0.50	December 3, 2021
6,655,200	0.70	December 3, 2023
2,666,478	0.50	December 3, 2023
9,716,392		

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

OTHER DISCLOSURES

Off-Balance Sheet Arrangements

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

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

Related Party Transactions

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

Direct remuneration paid to the Company's directors and key management personnel during the three and nine months ended September 30, 2021 and 2020 was as follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Salaries and benefits – personnel costs	$ 118,826	$ 60,856	$ 337,715	$ 206,250
Consulting fees – personnel costs	30,875	63,800	75,875	245,050
Directors' fees – personnel costs	25,500	3,750	76,685	35,250
Share-based compensation	83,206	-	655,312	166,939
	$ 258,407	$ 128,406	$ 1,145,587	$ 653,489

As at September 30, 2021, included in accounts payable and accrued liabilities was an amount of $21,075 (December 31, 2020 - $8,939) due to the Company's Financial Officer and $25,500 (December 31, 2020 - $9,639) due to the directors Company.

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

In November 2018, the former Non-Executive Chairman was issued 1,500,000 common shares of the Company in exchange for a Promissory Note of $150,000. The Non-Executive Chairman's Promissory Note bears interest at 2% per annum, matures on April 1, 2022 and is secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and are held in escrow. In January 2020, the Non-Executive Chairman repaid $51,250 of the outstanding balance. In May 2020, the Non-Executive Chairman resigned from the Company and cancelled the remaining balance of the Promissory Note. As a result, 1,000,000 common shares in relation to this Promissory Note were returned to treasury and cancelled.

In January 2019, the Chief Executive Officer and President was issued 2,000,000 common shares of the Company in exchange for a Promissory Note of $200,000. The Chief Executive Officer's Promissory Note bears interest at 2% per annum, matures on September 15, 2022 and is secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and are held in escrow. For the nine months ended September 30, 2021, the Chief Executive Officer repaid $Nil (2020 - $78,959) of the Promissory Note. On September 25, 2021, the Chief Executive Officer and President retired from the Company and the remaining balance of the Promissory Note was cancelled. As a result, 538,508 common shares in relation to this Promissory Note were returned to treasury and cancelled.

In February 2019, the Vice President of Business Development was issued 1,500,000 common shares of the Company in exchange for a Promissory Note of $150,000. The Vice President of Business Development's Promissory Note bears interest at 2% per annum, matures on September 1, 2022 and is secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and are held in escrow. In November 2020, the Vice President of Business Development resigned from the Company and repaid the remaining balance of the Promissory Note.

Q3 2021 MD&A (expressed in Canadian Dollars, except where otherwise noted)

The following is a continuity schedule of Promissory Notes:

Balance at January 1, 2020	$ 459,000
Repayments	(301,899)
Cancellation	(100,000)
Interest	355
Balance at December 31, 2020	57,456
Cancellation	(53,851)
Interest	(3,605)
Balance at September 30, 2021	$ -

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, accounts payable and accrued liabilities, and loan payable.

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 September 30, 2021:

	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	$ -	$ 3,451,747	$ -	$ 3,451,747
Receivables	-	11,780	-	11,780
Total financial assets	$ -	$ 3,463,527	$ -	$ 3,463,527
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 354,418	$ 354,418
Loan payable	-	-	40,000	40,000
Total financial liabilities	$ -	$ -	$ 394,418	$ 394,418

CRITICAL ACCOUNTING ESTIMATES, RISKS AND UNCERTAINTIES

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, 2020.

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, 2020.

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 July 1, 2021 and ended on September 30, 2021 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" within the meaning of applicable Canadian securities law and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995.

Forward-looking information includes, but is not limited to, statements with respect to corporate strategies and plans of E29; requirements for additional capital; uses of funds; the value and potential value of assets and the ability of E29 to maximize returns to shareholders; the future prices of gold and silver; the estimation of mineral reserves and resources; the realization of mineral reserve and resource estimates; capital and operating costs, and cash flows; potential size of a mineralized zone; potential expansion of mineralization; potential discovery of new mineralized zones; potential metallurgical recoveries and grades; plans for future exploration and development programs and budgets; permitting time lines; anticipated business activities; proposed acquisitions and dispositions of assets; and future financial performance.

In certain cases, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budgeted", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved". While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of E29's future performance and are based on numerous assumptions regarding present and future business strategies, local and global economic conditions, legal proceedings and negotiations, and the environment in which E29 will operate in the future, including the price of gold and silver.

Other uncertainties and factors which could cause actual results to differ materially from future results expressed or implied by forward-looking statements and information include, amongst others, unanticipated costs, expenses or liabilities; discrepancies between actual and estimated mineral reserves and resources; the size, grade and continuity of deposits not being interpreted correctly from exploration results; the results of preliminary test work not being indicative of the results of future test work; fluctuations in commodity prices and demand; changing foreign exchange rates; the availability of funding on reasonable terms; the impact of changes in interpretation to or changes in enforcement of laws, regulations and government practices, including laws, regulations and government practices with respect to mining, foreign investment, royalties and taxation; the terms and timing of obtaining necessary environmental and other government approvals, consents and permits; the availability and cost of necessary items such as power, water, skilled labour, transportation and appropriate smelting and refining arrangements; and misjudgements in the course of preparing forward-looking statements.

In addition, there are also known and unknown risk factors which may cause the actual results, performance or achievements of E29 to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements and information. Such factors include, among others, risks related to international operations, including legal and political risk; risks associated with changes in the attitudes of governments

to foreign investment; changes in project parameters as plans continue to be refined; discrepancies between actual and anticipated production, mineral reserves and resources and metallurgical recoveries; global financial conditions; inability to upgrade Inferred mineral resources to Indicated or Measured mineral resources; inability to convert mineral resources to mineral reserves; conclusions of economic evaluations; future prices of gold and silver; delays in obtaining government approvals, permits or licences or financing or in the completion of exploration activities; environmental risks; title disputes; limitations on insurance coverage; as well as those factors discussed in the section entitled "Risk and Uncertainties" in this MD&A and in the section entitled "Risk Factors" in the Prospectus. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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 statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, readers should not place undue reliance on forward-looking statements.

SCIENTIFIC AND TECHNICAL INFORMATION

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

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

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

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

The definitions of Proven and Probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three year historical 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.