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Element 29 Provides Update for Flor de Cobre Copper Project, Peru

Vancouver, Canada (February 25, 2021) – Element 29 Resources Inc. (“**Element 29**” or “**E29**” or the “**Company**”) (TSX-V: ECU) today provides an update and summary of its Flor de Cobre copper project (“**Flor de Cobre**”) located in Southern Peru. Flor de Cobre has two main porphyry copper centres, Candelaria and Atravezado, which are located in the prolific Paleocene Southern Peru Copper Belt, known to host several of the world’s tier-1 porphyry copper deposits including Cerro Verde, Cuajone, Quellaveco, and Toquepala.

Flor de Cobre Highlights

- Historical supergene copper resource estimate of 57.4 million tonnes of 0.67% Cu.¹
- Historical drilling intersected 272 metres (“m”) of 0.92% Cu starting at 78 m including 116 m of 1.4% Cu as secondary enrichment followed by an additional 156 m of 0.58% Cu as primary sulfides from drill hole K-008.²
- 2021 exploration plan is to verify historical drill hole results to complete a resource estimate later in the year that meets CIM best practice guidelines while continuing to test the extension of the enrichment blanket to the northwest as well as test the hypogene copper potential at depth.
- Strategically located in a well-established mining district.

Brian Booth, President & CEO of Element 29 comments, “We are excited to introduce our Flor de Cobre project to the public markets. Flor de Cobre comprises two highly prospective porphyry centres including Candelaria which was drilled in the 1990’s and outlined a historical copper resource estimate associated with a supergene enrichment blanket. Flor de Cobre is strategically located in a well-known copper mining district with excellent infrastructure for mine development. In 2021, we plan to work toward a resource estimate that would meet CIM best practice guidelines while continuing to explore the hypogene copper potential of this porphyry system that is open at depth and to the northwest.”

Element 29 has an option to acquire 100% interest in Candelaria from the current owners. Candelaria is a well-known copper prospect identified in the 1930’s and the site of an historical small-scale copper mining operation located six (6) kilometres (“km”) northwest from the Nexa Resources’ Chapi mine and 26 km southeast from the Cerro Verde mine. Rio Amarillo Mining Ltd. explored Candelaria in the mid-1990’s and reported an historical copper resource estimate of 57.4 Mt of 0.67% Cu at a 0.2% Cu cut-off¹ associated with a supergene enrichment blanket centred on a complex of mineralized quartz monzonite porphyry stocks.

The supergene enrichment blanket suggests that the porphyry stocks at Candelaria are mineralized with the potential to host a hypogene copper sulfide deposit at depth below the enrichment. This is supported

by historical drilling where Rio Amarillo Mining Ltd. previously reported that diamond drill hole K-008 intersected 272 m of 0.92% Cu starting from a depth of 78 m; including 116 m of 1.4% Cu as supergene enrichment followed by an additional 156 m of 0.58% Cu in hypogene copper sulfide mineralization below the enrichment blanket.² Drill hole K-008 is located in the central thickest part of the enrichment blanket and is reported to have ended in hypogene copper sulfide mineralization at a depth of 350 m (**Figure 1**).

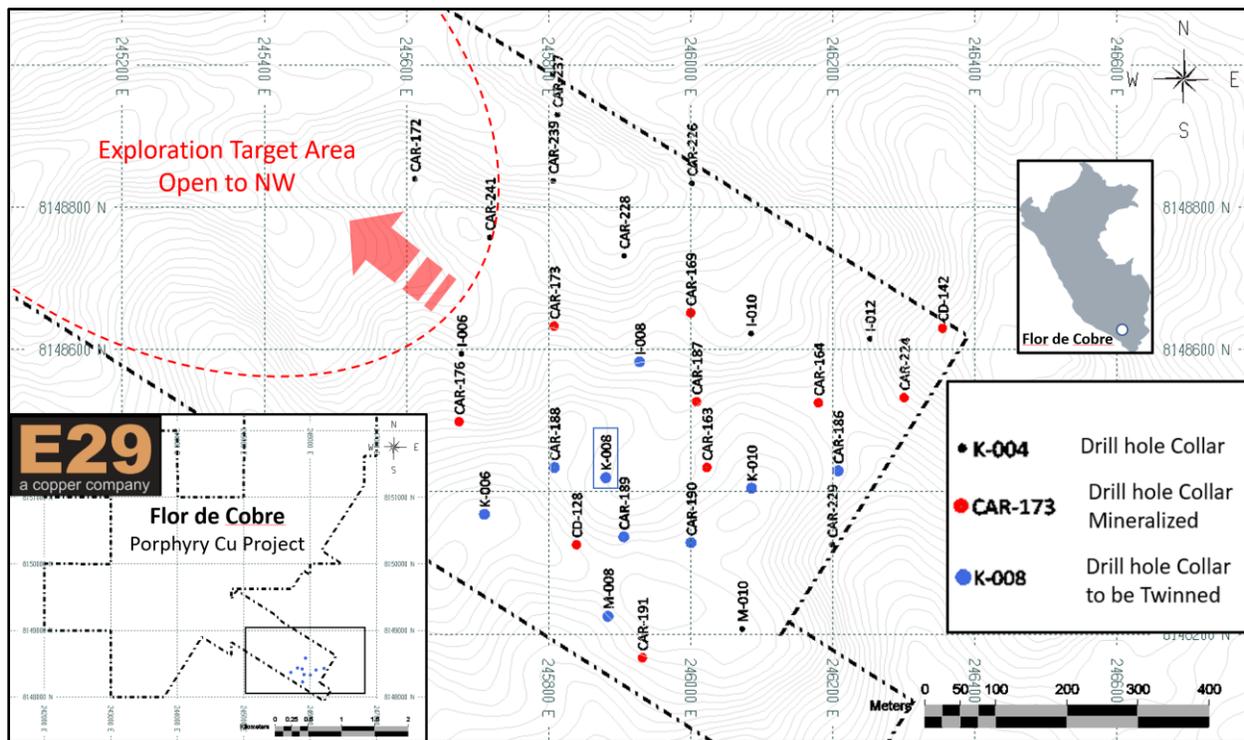


Figure 1. Historical drill hole locations at Candelaria with the nine (9) drill holes proposed for twinning outlined in blue as well as a target area to the northwest of the current drilling which is currently untested. The location of drill hole K-008 is also highlighted toward the centre of the drill hole array.

Element 29 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, which is expected to be received by the middle of 2021. A separate permitting process will be initiated in mid-2021 for Atravezado, which is located in a different jurisdiction from the Candelaria area.

2021 Drill Program

Upon receipt of the necessary permits, the Company plans to initiate a drill program consisting of approximately 3,700 m of diamond drilling in the area of previous drilling shown in **Figure 1**. A total of 2,183 m have been allocated to twin nine (9) legacy drill holes to verify the accuracy of the existing historical geochemical assay and drill logs database which were obtained by Element 29 as part of the option agreement for Candelaria. Based on Element 29's assessment, the geochemical assay results from these nine (9) drill holes outlined in **Table 1** 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.³

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
<i>including</i>	<i>78.1</i>	<i>325.4</i>	<i>247.3</i>	<i>0.996</i>			
K-010	114.8	148.3	33.5	0.513	Core	Rio Amarillo	1994
<i>including</i>	<i>114.8</i>	<i>130.4</i>	<i>15.6</i>	<i>0.726</i>			
M-008	73.1	207.0	133.9	0.353	Core	Rio Amarillo	1994
<i>including</i>	<i>75.4</i>	<i>117.2</i>	<i>41.8</i>	<i>0.497</i>			
CAR-186	66.0	168.0	102.0	0.323	RC	Phelps Dodge	1995
<i>including</i>	<i>68.0</i>	<i>102.0</i>	<i>34.0</i>	<i>0.494</i>			
CAR-188	66.0	256.0	190.0	0.675	RC	Phelps Dodge	1995
<i>including</i>	<i>68.0</i>	<i>256.0</i>	<i>188.0</i>	<i>0.678</i>			
CAR-189	76.0	208.0	132.0	0.390	RC	Phelps Dodge	1995
<i>including</i>	<i>76.0</i>	<i>106.0</i>	<i>30.0</i>	<i>0.864</i>			
CAR-190	10.0	230.0	220.0	0.464	RC	Phelps Dodge	1995
<i>including</i>	<i>12.0</i>	<i>114.0</i>	<i>102.0</i>	<i>0.565</i>			
<i>and including</i>	<i>132.0</i>	<i>158.0</i>	<i>26.0</i>	<i>0.484</i>			

Table 1: This table provides historical total copper (CuT) assay intervals from 9 legacy drill holes selected by Element 29 for twinning as part of the 2021 drill program at Candelaria to potentially verify the accuracy of these results.³

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 host rocks have been potassic altered with associated A-type quartz veins and later 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 m wide x 1,000 m long, ranges in thickness from 5 m up to 126 m and located less than 200 m from surface along the base of a haematitic leach capping zone. Metallurgical test work will also be carried out on the drill core from the 2021 program to determine if the supergene copper resource is amenable to low-cost leaching and SXEW processing.

Previous exploration by Rio Amarillo during the 1990's 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 m of 0.58% Cu as hypogene copper sulfide mineralization from a depth of 194 m to the end of the hole at 350 m.² 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 remaining 1,517 m allocated to the 2021 drill program will be used to test the hypogene copper sulfide potential below the supergene enrichment blanket to depths of more than 500 m as well as to test the extension of this mineralization along strike to the northwest of the existing drill hole array as outlined in **Figure 1**. The Company will also continue to progress the drill permitting for Atravezado in preparation for initial drill-testing of a priority coincident surface geochemical and geophysical target.

References for Historical Data

1. The source of the historical resource estimate is a press release issued by Rio Amarillo Mining Ltd. dated November 15, 1996 (Rio Amarillo Mining Ltd., November 15th, 1996: Aija Property Drill Results). This historical resource is relevant to Flor de Cobre 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 resource categories described in CIM Definition Standards for Mineral Resources and Mineral Reserves (2014). It is also unclear what portion of this historical resource estimate is within the current Flor de Cobre property configuration. A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource, and it is unclear what work might be required to confirm the resource. For these reasons, the historical resource should not be relied upon. The Company is not treating the historical estimate as a current mineral resource.
2. The original source of the historical mineralized intervals in diamond drill hole K-008 is a press release issued by Rio Amarillo Mining Ltd. dated March 1, 1994 (Rio Amarillo Mining Ltd., March 1st, 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 no longer 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.
3. 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 1990's were used to calculate copper assay intervals for the select drill holes provided in **Table 1** of this press release. 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 are currently available 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.

Qualified Person and NI 43-101 Disclosure

Richard Osmond, P.Geo., Chairman of the Board of Directors for Element 29 Resources, is the Qualified Person as defined by National Instrument 43-101 responsible for the accuracy of technical information contained in this news release.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

About Element 29 Resources Inc.

Element 29 Resources Inc. is a new exploration and development company focused on advancing its portfolio of Peruvian copper projects towards development in one of the lowest-risk mining jurisdictions in the world. Element 29's growth strategy is led by our strong board and management who have a proven track record of discovery and delivering significant value to our shareholders.

The Company's principal objective is to explore and develop its flagship Flor de Cobre porphyry Cu-Mo project located in southern Peru, just 26 kms southeast from Freeport-McMoRan's Cerro Verde Cu-Mo mine. At the same time, the Company intends to build on its potential copper inventory with continued exploration on its Flor de Cobre project as well as its remaining 22,000 ha of mining concessions in Peru including the recently discovered Elida porphyry Cu-Mo-Ag system located in central Peru, just 85 km from the coast. Both projects are well located for future mine development and will benefit from nearby infrastructure including roads, powerlines, ports, water and a skilled workforce.

More information is available at www.e29copper.com.

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Forward Looking Statements

This press release contains certain forward-looking information and forward-looking statements within the meaning of applicable Canadian securities legislation (collectively, "**Forward-looking Statements**"). All statements, other than statements of historical fact, constitute Forward-looking Statements. Words such as "will", "intends", "proposed" and "expects" or similar expressions are intended to identify Forward-looking Statements. Forward looking Statements in this press release include statements related to the listing of the Company's common shares on the TSX Venture Exchange, the exercise of the Over-Allotment Option, the Company's resource properties, and the Company's plans, focus and objectives.

Forward-looking Statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties

related to fluctuations in copper and other commodity prices, uncertainties inherent in the exploration of mineral properties, the impact and progression of the COVID-19 pandemic and other risk factors set forth in the Company's preliminary prospectus under the heading "Risk Factors". The Company undertakes no obligation to update or revise any Forward-looking Statements, whether as a result of new information, future events or otherwise, except as may be required by law. New factors emerge from time to time, and it is not possible for E29 to predict all of them, or assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any Forward-looking Statement. Any Forward-looking Statements contained in this press release are expressly qualified in their entirety by this cautionary statement.