

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, these securities may not be offered or sold, directly or indirectly, in the United States (as defined herein), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

PRELIMINARY PROSPECTUS

Initial Public Offering

September 10, 2020



ELEMENT 29 RESOURCES INC.

Minimum \$5,000,000 / • Units

Maximum \$10,000,000 / • Units

This prospectus (the “**Prospectus**”) qualifies an offering (the “**Offering**”) of a minimum of • and a maximum of • units (each a “**Unit**”) of Element 29 Resources Inc. (“**E29**” or the “**Company**”) at a price of \$• per Unit (the “**Offering Price**”) to the public for minimum gross proceeds of \$5,000,000 and maximum gross proceeds of \$10,000,000. Each Unit is comprised of one common share in the capital of the Company (each a “**Unit Share**”) and one half of one common share purchase warrant of the Company (each whole common share purchase warrant, a “**Warrant**”). Each Warrant is exercisable into one common share of the Company (each, a “**Warrant Share**”) at an exercise price of \$• per Warrant Share at any time prior to • (Vancouver time) on the date that is • following the closing of the Offering (the “**Warrant Expiry Date**”), subject to adjustment in certain events. The Offering is being made pursuant to the terms of an agency agreement dated •, 2020 (the “**Agency Agreement**”) between the Company and Haywood Securities Inc. (“**Haywood**” or “**Agent**”).

\$• per Unit

	Price to the Public ⁽¹⁾	Agent’s Fee ⁽²⁾⁽³⁾	Net Proceeds to the Company ⁽⁴⁾⁽⁵⁾
Per Unit	\$•	\$•	\$•
Total (Minimum Offering)	\$5,000,000	\$310,000	\$4,690,000
Total (Maximum Offering)	\$10,000,000	\$610,000	\$9,390,000

Notes:

(1) The Offering Price has been determined by negotiation between the Company and the Agent.

- (2) Pursuant to the terms and conditions of the Agency Agreement, the Agent will receive a cash fee (the “**Commission**”) equal to (i) 6% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agent’s Option (as defined below)), other than the gross proceeds raised from sales to “president’s list” purchasers in the amount of up to \$1,000,000 (such sales, the “**President’s List Sales**”), and (ii) 2% of the gross proceeds raised from the President’s List Sales, payable in cash from the proceeds of the sale of the Units. The Agent will also receive, as additional compensation, non-transferrable broker warrants (the “**Broker Warrants**”) to purchase that number of common shares in the capital of the Company (the “**Common Shares**”) that is equal to 6% of the Units sold pursuant to the Offering (including any Agent’s Option Units (as defined herein) sold pursuant to the exercise of the Agent’s Option), but excluding the Units sold pursuant to President’s List Sales. In connection with the President’s List Sales, the Agent will receive Broker Warrants to purchase that number of Shares equal to 2% of the Units sold pursuant to the President’s List Sales. Each Broker Warrant is exercisable to purchase one Common Share at a price of \$● for a period of ● months from Closing. This Prospectus also qualifies the grant of the Broker Warrants. See “*Plan of Distribution*”.
- (3) In addition, the Company shall pay the Agent a corporate finance fee of \$50,000 in cash (the “**Corporate Finance Fee**”) and \$25,000 in Common Shares (the “**Corporate Finance Fee Shares**”) at Closing.
- (4) After deducting the Commission, but before deducting the expenses of the Offering, which will be paid from the proceeds of the Offering.
- (5) The Agent has been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to two business days prior to the Closing Date (as defined herein), to purchase an additional number of Units equal to 15% of the Units sold pursuant to the Offering (the “**Agent’s Option Units**”) at a price of \$● per Agent’s Option Unit to cover the Agent’s over-allocation position, if any (the “**Agent’s Option**”). If the maximum number of Units are sold pursuant to the Offering and the Agent’s Option is exercised in full, the total “Price to the Public”, “Agent’s Fee” and “Net Proceeds to the Company” will be \$11,500,000, \$700,000 and \$10,800,000, respectively (assuming \$1,000,000 is raised from President’s List Sales). If the minimum amount of Units are sold pursuant to the Offering and the Agent’s Option is exercised in full, the total “Price to the Public”, “Agent’s Fee” and “Net Proceeds to the Company” will be \$5,750,000, \$355,000 and \$5,395,000, respectively (assuming \$1,000,000 is raised from President’s List Sales). This Prospectus qualifies the distribution of the Agent’s Option and the Agent’s Option Units. A purchaser who acquires Agent’s Option Units forming part of the Agent’s over-allotment position acquires those Agent’s Option Units under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Agent’s Option. See “*Plan of Distribution*”.

The Warrants are non-transferable and will not be listed for trading on any exchange and as a result, there is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. See “Risk Factors”.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the U.S. (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the Units is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider certain risk factors in connection with an investment in the Company. See “Statement Regarding Forward-Looking Information” and “Risk Factors”.

The following table sets out the maximum and minimum number of securities under options issuable to the Agent in connection with the Offering:

Agent’s Position	Maximum Size or Number of Securities Available	Minimum Size or Number of Securities Available	Exercise Period	Exercise Price
Agent’s Option ⁽¹⁾	● Agent’s Option Units	● Agent’s Option Units	2 days prior to the Closing Date	\$● per Agent’s Option Unit
Broker Warrants ⁽²⁾	● Common Shares	● Common Shares	● months from Closing	\$● per Common Share
Total securities under option issuable to the Agent	● Units	● Units		
Corporate Finance Fee Shares ⁽³⁾	● Common Shares	● Common Shares		

Notes:

- (1) This Prospectus also qualifies the distribution of the Agent’s Option and Agent’s Option Units. See “*Plan of Distribution*”.
- (2) This Prospectus also qualifies the distribution of the Broker Warrants. See “*Plan of Distribution*”.
- (3) This Prospectus also qualifies the distribution of the Corporate Finance Fee Shares. See “*Plan of Distribution*”.

The Offering is not underwritten or guaranteed by any person or agent. The Offering Price was determined by negotiation between the Company and the Agent. The Agent hereby conditionally offers the Units on to the public in each of the provinces of British Columbia, Alberta and Ontario on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued and sold by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal and tax matters on behalf of the Company by Blake, Cassels & Graydon LLP and legal matters on behalf of the Agent by DuMoulin Black LLP.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. It is expected that closing of the Offering (the “**Closing**”) will take place on or about ●, 2020, or such other date as the Company and the Agent may agree, but in any event, on or before the date that is not later than 90 days after the date of the receipt for this Prospectus (the date on which Closing occurs being the “**Closing Date**”).

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Units, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian company that acquires Units.

Prospective investors should rely only on the information contained in this Prospectus. Neither the Agent nor the Company have authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company’s business, financial condition, results of operations and prospects may have changed since that date.

Subject to applicable laws and in connection with the Offering, the Agent may effect transactions which stabilize or maintain the market price of the Common Shares of the Company at levels other than those which otherwise might prevail on the open market. See “*Plan of Distribution*”.

Haywood shares a director in common with GlobeTrotters, an “influential securityholder” of the Company (as such term is defined in National Instrument 33-105—*Underwriting Conflicts* (“NI 33-105”)). Consequently, the Company may be considered a “connected issuer” of Haywood (as such term is defined in NI 33-105) in connection with the Offering. See “*Plan of Distribution*”.

The Company’s head office is located at Suite 1650 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1, and its registered office is located at Suite 1900 – 1040 West Georgia Street, Vancouver, British Columbia V6E 4H3.

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GLOSSARY

In this Prospectus, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this Prospectus.

“**Agency Agreement**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Agent**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Agent’s Option**” means the over-allotment option granted to the Agent in connection with the Offering.

“**Agent’s Option Units**” means the units comprising the Agent’s Option.

“**allowable capital loss**” has the meaning ascribed to such term under “*Certain Canadian Federal Income Tax Considerations*”.

“**Annual MD&A**” means management’s discussion and analysis of the Company for the year ended December 31, 2019 and the year ended December 31, 2018.

“**Articles**” means the Articles of Incorporation of the Company.

“**Atravezado**” has the meaning ascribed to such term under “*Flor de Cobre Project*”.

“**Audit Committee**” means the Audit Committee of the Board.

“**Automatic Conversion**” means the terms under which the Indebtedness shall automatically convert into units, in connection with the Secured Convertible Debenture.

“**Award Date**” means the date on which Options are granted pursuant to the Stock Option Plan.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of the Company.

“**Booth Employment Agreement**” means the employment agreement between the Company and Brian Booth dated January 15, 2019.

“**Brokers’ Warrants**” means the non-transferable warrants the Agent will receive as compensation in connection with the Offering.

“**Bukacheva Consulting Agreement**” means the consulting agreement between the Company and Aleksandra Bukacheva dated December 1, 2019.

“**Candelaria SAC**” means the Company’s wholly owned Peruvian subsidiary Candelaria Resources S.A.C.

“**Candelaria SPA**” means the share purchase agreement between GlobeTrotters and the Company dated February 1, 2019.

“**CEO**” or “**Chief Executive Officer**” means the Chief Executive Officer of the Company.

“**CFO**” means the Chief Financial Officer of the Company.

“**Change of Control**” has the meaning ascribed to such term on page 114 of this Prospectus.

“**CIM Council**” means the council of the Canadian Institute of Mining, Metallurgy and Petroleum.

“**CIM Definition Standards**” means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101.

“**Closing**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Closing Date**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Code**” means the Code of Business Conduct and Ethics of the Company adopted by the Board on July 8, 2019.

“**Commission**” means the cash fee the Agent will receive in connection with the Offering.

“**Common Shares**” means the common shares in the capital of E29 as currently constituted.

“**Consideration Share**” has the meaning ascribed to such term under “*General Development and Business of the Company – Two-Year History – Acquisition of Pahuay Project and Muñaorjo Project*”.

“**Consultant**” means Aleksandra Bukacheva.

“**COVID-19**” means the novel coronavirus.

“**CRA**” means the Canada Revenue Agency.

“**Corporate Finance Fee**” has the meaning ascribed to such term in the notes to the cover page of this Prospectus.

“**Corporate Finance Fee Shares**” has the meaning ascribed to such term in the notes to the cover page of this Prospectus.

“**DDH**” means diamond drill holes.

“**Debentures**” means the convertible debentures of the Company issued in January 2020.

“**Debenture Liquidity Event**” has the meaning ascribed to such term on page 19 of this Prospectus.

“**Elida NSR Royalty**” means the 2% net smelter royalty granted by Elida SAC to GlobeTrotters.

“**Elida Opinion**” means the legal opinion dated January 29, 2020 by Mario Chirinos Dongo of Dentons Gallo Barrios Pickmann SCRL, in respect of the Elida Project.

“**Elida Project**” means the Company’s Elida Project located in the province of Ocos, Peru.

“**Elida SAC**” means the Company’s wholly-owned Peruvian subsidiary Elida Resources S.A.C.

“**Elida Technical Report**” means the report entitled “NI 43-101 Technical Report on the Elida Property Peru” with an effective date of February 15, 2020, prepared by Derrick Strickland, P.Geoscientist in accordance with NI 43-101.

“**Escrow Agent**” has the meaning ascribed to such term under “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”.

“**Escrow Agreement**” means the escrow agreement entered into by the Principals.

“**Escrow Securities**” means the securities subject to the Escrow Agreement.

“**Executives**” means Brian Booth and Aleksandra Bukacheva.

“**Executive Shares**” means an aggregate of 3,500,000 common shares issued by the Company to the Executives.

“**Expiry Date**” means the date on which Options granted pursuant to the Stock Option Plan expire.

“**Flor de Cobre and Elida Projects**” means each of the Flor de Cobre Project and the Elida Project as defined herein.

“**Flor de Cobre NSR Royalty**” means the 2% net smelter royalty granted by Candelaria SAC to GlobeTrotters.

“Flor de Cobre Opinion” means the legal opinion dated January 29, 2020 written by Mario Chirinos Dongo of Dentons Gallo Barrios Pickmann SCRL, in respect of the Flor de Cobre Project.

“Flor de Cobre Project” means the Company’s Flor de Cobre Project located in the Arequipa and Moquegua Regions of southern Peru.

“Flor de Cobre Technical Report” means the report entitled “NI 43-101 Technical Report on the Flor de Cobre Property Arequipa and Moquegua Regions, Peru” with an effective date of March 15, 2020, prepared by Derrick Strickland, P.Geo in accordance with NI 43-101.

“GlobeTrotters” means GlobeTrotters Resource Group Inc.

“Haywood” means Haywood Securities Inc.

“Holder” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“Holders’ Conversion Price” means \$1.00 per unit in connection with the Debentures.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

“Indebtedness” means the principal balance of the Secured Convertible Debenture including any accrued interest.

“Institutional Investors” means Commodity Discovery Fund, Kings Road Capital Corp., Northfield Capital Corporation, Pathfinder Asset Management Limited and Resource Capital Funds and **“Institutional Investor”** means any one of them.

“Interim Financing Price” means in connection with the Secured Convertible Debenture, the price at which the Indebtedness will convert into units, being a twenty percent (20%) discount to the lowest interim financing price in connection with an interim financing undertaken by the Company since April 27, 2020.

“Interim MD&A” means management’s discussion and analysis of the Company for the six-month period ended on June 30, 2020, contained in this Prospectus.

“IP” means induced polarization.

“IT” has the meaning ascribed to such term under “Risk Factors – Risks Related to the Company – E29’s Operations Depend on Information Technology Systems”.

“Kaman” means Kaman Capital Corp.

“Kaman Services Agreement” means the services agreement between the Company and Kaman dated January 20, 2019.

“Liquidity Conversion Price” means the price at which the Debentures will convert upon a Debenture Liquidity Event, being a 20% discount to the applicable Debenture Liquidity Event price per security issued under a Debenture Liquidity Event.

“Liquidity Event Price” means the price at which the Indebtedness shall automatically convert into units prior to the occurrence of a Secured Convertible Debenture Liquidity Event, in connection with the Secured Convertible Debenture.

“Lundin” means Lundin Mining Peru SAC.

“Maturity” means the maturity date of the Debentures.

“MD&A” means collectively, the Annual MD&A and the Interim MD&A of the Company contained in this Prospectus.

“Muñaorjo Project” means the Company’s Muñaorjo Copper Skarn Porphyry Project located approximately 200 km northeast of Arequipa, Peru within the Paleocene Southern Copper belt.

“**NEO**” or “**Named Executive Officer**” has the meaning ascribed to such term under “*Director and Executive Compensation*”

“**NGOs**” has the meaning ascribed to such term under “Risk Factors – Risks Related to the Company – Social and environmental activism can negatively impact exploration, development and mining activities”.

“**NI 33-105**” means National Instrument 33-105 – *Underwriting Conflicts*.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NI 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance*.

“**Non-Resident Holders**” has the meaning ascribed to such term under “*Certain Canadian Federal Income Tax Considerations*”.

“**Offering**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Offering Price**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Option**” means an option to purchase a Common Share issued pursuant to the Stock Option Plan.

“**Option Holder**” has the meaning ascribed to such term under “*Options to Purchase Securities – Stock Option Plan*”.

“**Order**” has the meaning ascribed to such term under “Directors and Executive Officers – Cease Trade Orders, Bankruptcies.

“**Pahuay Project**” means the Company’s Pahuay Copper Skarn Project located 270 km south of Lima within the eastern margin of the coastal batholith, Paleocene Copper belt of Southern Peru.

“**Pahuay SAC**” means the Company’s wholly-owned Peruvian subsidiary Pahuay Resources S.A.C.

“**Pahuay SPA**” means the share purchase agreement between the Company and GlobeTrotters dated November 27, 2019, as amended.

“**Principals**” means collectively, Brian Booth, Aleksandra Bukacheva, Richard Osmond and Patrick Elliot.

“**Qualifying Jurisdictions**” means each of the provinces of British Columbia, Alberta and Ontario.

“**Qualified Person**” or “**QP**” means a “qualified person” as defined in NI 43-101.

“**RDSP**” means a “registered disability savings plan”, as defined in the Tax Act.

“**Registered Plan**” means a TFSA, RRSP, RRIF, RDSP or RESP.

“**Regulations**” means the regulations promulgated under the Tax Act.

“**Resident Holder**” has the meaning ascribed to such term under “*Certain Canadian Federal Income Tax Considerations*”.

“**RESP**” means a “registered education savings plan” as defined in the Tax Act.

“**RRIF**” means a “registered retirement income fund” as defined in the Tax Act.

“**RRSP**” means a “registered retirement savings plan” as defined in the Tax Act.

“**San Jose Property**” means the Company’s three mineral claims located to the north east of the Flor de Cobre Project.

“Secured Convertible Debenture” means the senior secured convertible debenture of the Company in the aggregate principal amount of CAD\$1,500,000.

“Secured Convertible Debenture Liquidity Event” has the meaning ascribed to such term on page 18 of this Prospectus.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Shares” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“Stock Option Plan” means the amended and restated stock option plan of the Company as approved by the Company’s shareholders on June 29, 2020, as amended from time to time.

“taxable capital gain” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“Tax Act” means the *Income Tax Act* (Canada), as amended from time to time.

“Tax Proposals” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“TFSA” means a “tax-free savings account” as defined in the Tax Act.

“Treaty” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“TSXV” means the TSX Venture Exchange.

“Unit” has the meaning ascribed to such term on the cover page of this Prospectus.

“Unit Shares” has the meaning ascribed to such term on the cover page of this Prospectus.

“United States or U.S.” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“U.S. Holder” has the meaning ascribed to such term under *“Certain Canadian Federal Income Tax Considerations”*.

“U.S. Securities Act” has the meaning ascribed to such term on the cover page of this Prospectus.

“Warrant” has the meaning ascribed to such term on the cover page of this Prospectus.

“Warrant Expiry Date” has the meaning ascribed to such term on the cover page of this Prospectus.

“Warrant Shares” means the Common Shares issuable on exercise of the Warrants.

ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not, and the Agent has not, authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or any sale of the Units. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The Company and the Agent are not offering to sell the Units in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside the Qualifying Jurisdictions or the United States, none of the Company or the Agent have done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the Qualifying Jurisdictions or the United States. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

The information contained on the Company's website is not intended to be included in or incorporated by reference into this Prospectus and investors should not rely on such information when deciding whether or not to invest in the Units.

Any graphs, tables or other information demonstrating the historical performance or current or historical attributes of the Company or any other entity contained in this Prospectus are intended only to illustrate historical performance or current or historical attributes of the Company or such entities and are not necessarily indicative of future performance of the Company or such entities.

This Prospectus includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, "E29" or the "Company" refers to Element 29 Resources Inc. as constituted on the date of this Prospectus. Where the context requires, all references in this Prospectus to the "Offering" include the Agent's Option and all references in this Prospectus to "Units" include the additional Units that may be issued pursuant to the exercise of the Agent's Option.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

- the timing and closing of the Offering, including the receipt for this Prospectus, in a timely manner, and receipt of regulatory and other required approvals;
- the listing of the Unit Shares on the TSXV, including the Company fulfilling all applicable listing requirements;
- the size of the Offering and the terms and conditions of the Offering;

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

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

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

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

- the Company may fail to find a commercially viable deposit at any of its mineral properties;
- there are no resources or mineral reserves on any of the properties in which the Company has an interest;
- the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties;
- mineral exploration and development are inherently risky;

- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- fluctuations in the demand for copper;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- risks associated with political instability and changes to the regulations governing the Company's business operations.
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- the Company's future profitability may depend upon the world market prices of copper;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Common Shares and an active and liquid one may never develop, which could impact the liquidity of the Unit Shares;
- the Common Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Common Shares;
- the Company may not use the funds available to it in the manner described in this Prospectus;
- Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's operations depend on information technology systems;
- the Company's projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change; and
- other factors discussed under "Risk Factors".

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

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

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

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Flor de Cobre Project contained in this 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 this 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 this 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 this 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.

THIRD PARTY INFORMATION

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, none of the Company or the Agent has independently verified any of the data from third party sources referred to in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Company and the Agent do not make any representation as to the accuracy or completeness of such information.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agent in connection with the Offering will be incorporated by reference into the (final) prospectus to which this Prospectus relates. However, any such “template version” of “marketing materials” will not form part of the (final) prospectus to the extent that the contents of the “template version” of “marketing materials” are modified or superseded by a statement contained in the (final) prospectus. Any “template version” of “marketing materials” filed under the Company’s profile on SEDAR after the date of the (final) prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any “template version” of any “marketing materials”) will be deemed to be incorporated into the (final) prospectus.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act and the Regulations, provided that (i) the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSX-V) at the relevant time and (ii) in the case of the Warrants, the Company is not a “connected person” under the Registered Plans or “designated profit sharing plans”, the Unit Shares, Warrants and Warrant Shares will be “qualified investments” under the Tax Act and the Regulations for a trust governed by a RRSP, RRIF, TFSA, RESP, “deferred profit sharing plan” or RDSP. A “connected person” under a Registered Plan or “designated profit sharing plan” is defined in the Regulations as a person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan or “designated profit sharing plan” and any person who does not deal at arm’s length with that person.

Notwithstanding the foregoing, if the Unit Shares, Warrant Shares or Warrants are a “prohibited investment” for an Registered Plan for the purposes of the Tax Act, the annuitant, subscriber or holder, as the case may be, of the Registered Plan will be subject to a penalty tax as set out in the Tax Act. Provided that, for purposes of the Tax Act, the annuitant, subscriber, or the holder, as the case may be, deals at arm’s length with the Company and does not have a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company, the Unit Shares, Warrant Shares and Warrants will

not be a “prohibited investment” for such Registered Plan under the Tax Act on the date hereof. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are “excluded property” as defined in the Tax Act, for a Registered Plan. **Prospective purchasers of Units who intend to hold such Units in a Registered Plan should consult their own tax advisors to ensure the Unit Shares, Warrant Shares and Warrants would not be a prohibited investment in their circumstances.**

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its financial statements in Canadian dollars. The financial statements of the Company as at December 31, 2018 and December 31, 2019 and for the periods then ended have been prepared in accordance with IFRS, and the financial statements of the Company as at June 30, 2020 for the six-month period then ended have been prepared in accordance with IAS No. 34, Interim Financial Reporting of IFRS. Certain financial information set out in this Prospectus is derived from such financial statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information, financial statements and MD&A contained elsewhere in this Prospectus. This summary does not contain all of the information a potential investor should consider before investing in the Units. Please refer to the “Glossary” for a list of defined terms used herein.

The Company

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on its two material copper properties located in Peru. The Flor de Cobre copper project is located in the southern Peru copper belt between Chapi and Cerro Verde. The Elida copper Project is located near the city of Barranca, Peru on the north side of the Pativilca River valley. The Company’s principal objective is to explore and develop the Flor de Cobre and Elida Projects, and to identify other properties worthy of investment and exploration. For the purpose of NI 43-101, the Flor de Cobre and Elida Projects are the Company’s only material properties. The Flor de Cobre project is the Company’s qualifying property for the purposes of its application to list the Common Shares on the TSXV.

Flor de Cobre Project

The Flor de Cobre Project is comprised of four concessions and two concession applications, comprising 1,927 hectares of land located on the boundary of the Arequipa and Moquegua Regions of Southern Peru. The Flor de Cobre Project is owned by the Company’s subsidiary Candelaria Resources S.A.C. The Company acquired 100% of the issued and outstanding shares in the capital of Candelaria Resources S.A.C. from GlobeTrotters in March 2019.

See “Flor de Cobre Project”.

Elida Project

The Elida Project is comprised of 28 mining concessions, comprising 19,210 hectares of land located in the province of Ocos, in the district of Carhuapampa, Department of Ancash, which is 170 km northwest of Lima and roughly 80 km from the coast. The Elida Project is owned by the Company’s subsidiary Elida Resources S.A.C. The Company acquired 100% of the issued and outstanding shares in the capital of Elida Resources S.A.C. from GlobeTrotters in March 2019.

See “Elida Project”.

Other Mineral Properties

Pahuay Project

The Pahuay Copper Skarn Project (the “**Pahuay Project**”) is a copper project comprising 700 hectares located 270 km south of Lima within the eastern margin of the coastal batholith, Paleocene Copper belt of Southern Peru. The Pahuay Project is owned by the Company’s subsidiary Pahuay Resources S.A.C., subject to a 2% net smelter royalty to GlobeTrotters. The Company acquired 100% of the issued and outstanding shares in the capital of Pahuay Resources S.A.C. from GlobeTrotters in November 2019.

Muñaoarjo Project

The Muñaoarjo Copper Skarn Porphyry Project (the “**Muñaoarjo Project**”) is a copper project comprising of 1,000 hectares located approximately 200 km northeast of Arequipa, Peru within the Paleocene Southern Copper belt. The Muñaoarjo Project is owned by the Company’s subsidiary Pahuay Resources S.A.C., subject to a 2% net smelter royalty to GlobeTrotters. The Company acquired 100% of the issued and outstanding shares in the capital of Pahuay Resources S.A.C. from GlobeTrotters in November 2019.

See “Other Mineral Properties”.

The Offering

Issuer: Element 29 Resources Inc.

Offering: E29 is offering for sale a minimum of ● and a maximum of ● Units at a price of \$● per Unit for minimum gross proceeds of \$5,000,000 and maximum gross proceeds of \$10,000,000. The Units are being offered on a “commercially reasonable” basis pursuant to the Agency Agreement dated ●, 2020, between the Company and the Agent. Each Unit is comprised of one Unit Share and one half of one Warrant. Each Warrant is exercisable into a Warrant Share at an exercise price of \$● per Warrant Share at any time prior to the Warrant Expiry Date, subject to adjustment in certain events.

If subscriptions for a minimum of ● Units have not been received within 90 days after the issuance of a receipt for this Prospectus, this Offering may not continue and subscription proceeds will be returned to subscribers, without interest or deduction. The latest date that the Units may be taken up by the Agent is 90 days from the date that a receipt is obtained with respect to this Prospectus.

See “*Plan of Distribution*”.

Agent’s Commission: Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed pay the Agent the Commission, equal to (i) 6% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agent’s Option), other than the gross proceeds raised from the President’s List Sales payable in cash from the proceeds of the sale of the Units and (ii) 2% of the gross proceeds raised from the President’s List Sales, payable in cash from the proceeds of the sale of the Units. The Agent will also receive, as additional compensation, Broker Warrants to purchase that number of Common Shares that is equal to 6% of the Units sold pursuant to the Offering (including any Agent’s Option Units sold pursuant to the exercise of the Agent’s Option), but excluding the Units sold pursuant to President’s List Sales. In connection with the President’s List Sales, the Agent will receive Broker Warrants to purchase that number of Common Shares that is equal to 2% of the Units sold pursuant to the President’s List Sales. Each Broker Warrant is exercisable to purchase one Common Share at a price of \$● for a period of ● months from the Closing Date. In addition, the Company shall pay the Agent the Corporate Finance Fee and the Corporate Finance Fee Shares at Closing. This Prospectus also qualifies the grant of the Broker Warrants and the Corporate Finance Fee Shares. See “*Plan of Distribution*”.

Agent’s Option: Pursuant to the terms and conditions of the Agency Agreement, the Company granted the Agent an option to purchase that number of Units as is equal to 15% of the Units sold pursuant to the Offering. The Agent’s Option is exercisable at any time up to two business days prior to the closing of the Offering at a price of \$● per Unit. This Prospectus qualifies the grant of the Agent’s Option and the distribution of any Agent’s Option Units issued pursuant to the exercise of the Agent’s Option. See “*Plan of Distribution*”

Use of Proceeds: Assuming the Agent’s Option is not exercised, the Company estimates receiving minimum net proceeds of \$4,340,000 and maximum net proceeds of \$9,040,000 after deduction of the Commission (assuming \$1,000,000 is raised from President’s List Sales), estimated expenses of the Offering of \$350,000 and the Corporate Finance Fee.

If the Agent exercise the Agent’s Option in full, the net proceeds to the Company from the Offering will be a minimum of \$5,045,000 and a maximum of \$10,450,000 after deduction of the Commission, estimated expenses of the Offering of \$350,000 and the Corporate Finance Fee.

The Company held \$1,600,000 in cash as of July 30, 2020 and the working capital deficit of the Company on the last day of the month before filing the Prospectus was \$201,994⁽¹⁾. In the event the Offering is completed, the Company estimates it will have \$1,313,585 in adjusted working capital, and total available funds of \$5,653,585 if the minimum Offering is completed, and total available funds of \$10,353,585 if the maximum Offering is completed. The Company intends to

use the funds available to it following completion of the Offering as indicated in the following table:

Principal Purpose	Minimum Offering Estimated Amount to be Expended (CAD \$)⁽²⁾⁽⁴⁾	Maximum Offering Estimated Amount to be Expended (CAD \$)⁽³⁾⁽⁴⁾
Proposed budget recommended pursuant to the Flor de Cobre Technical Report		
Compile data, relog, re-evaluate potential	67,500	67,500
Minimum estimated amount includes: historic resource validation drilling (3,700m, 9 diamond drill holes 300 m depth for holes); Maximum estimated amount includes other targets outside of known porphyries, (3,000m, 10 diamond drill holes, 300m depth for holes). Both estimates include salaries, core drilling, assays, camp costs, mob-demob, roads and pads.	1,498,500	1,498,500
Geophysics follow-up IP – north east part of property	135,000	135,000
Geochem/geology/vein density mapping	135,000	135,000
Metallurgical analysis	40,500	40,500
Generation of a resources model	-	-
Property payment, property holdings costs (taxes) and community	877,500	877,500
Subtotal	2,754,000	2,754,000
Contingency 10%	275,400	275,400
Total	3,029,400	3,029,400
Proposed budget recommended pursuant to the Elida Technical Report		
Infill and expansion drilling of the main zone (4,000m, 6 diamond drill holes, ~700m depth of holes); includes core drilling, assays, camp costs, mob-demob, road drill pads, permitting; all in costs of USD\$350 per meter	-	1,890,000
Reporting of drill results, mineral inventory analysis	-	67,500
Metallurgical analysis	-	-
Property holding costs (taxes) and community	-	270,000
Subtotal	-	2,227,500
Contingency (10%)	-	222,750
Total	-	2,450,250
General and administrative expenses		
Rent	48,000	48,000
General	943,000	943,000
Travel expenses	200,000	200,000
Filing, accounting and audit costs	89,000	89,000
Legal costs	60,000	60,000

Property holding costs	120,000	-
Community costs	100,000	-
Subtotal	1,560,000	1,340,000
Unallocated working capital	1,064,185	3,533,935 ⁽⁵⁾
Total⁽⁶⁾	5,653,585	10,353,585

Notes:

(1) The working capital deficit includes the Senior Secured Convertible Debenture, the Debentures, embedded derivatives and interest payable as liabilities in the amount of \$1,515,579.

(2) The minimum estimated amounts correspond to the phase 1 programs proposed in the Flor de Cobre Technical Report.

(3) The maximum estimated amounts encompasses both phase 1 programs proposed in the Flor de Cobre Technical Report and Elida Technical Report.

(4) The Flor de Cobre Technical Report and the Elida Technical Report reflect expenditures in U.S. dollars.

(5) The unallocated working capital from the proceeds raised under the maximum amount of the Offering will be allocated to all or a portion of the phase 2 program proposed in the Flor de Cobre Technical Report (\$3,950,100) or the Elida Technical Report (\$2,561,625), depending on the results of the phase I program at each property.

(6) Total amount assumes the Agent's Option is not exercised.

While the Company intends to spend the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See *"Use of Proceeds"*.

Risk Factors:

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: the Company's current status as an exploration stage company; the Company's lack of mineral resources or mineral reserves; reliability of historical information; mineral exploration and development; competition and mineral exploration; additional funding; acquisition of additional mineral properties; government or regulatory approvals; permits and government regulation; the Company's limited operating history; title; laws and regulation; uninsured and underinsured risks; public health crises such as the COVID-19 pandemic; the global economy; the environment; social and environmental activism; political instability and changes to the regulations governing the Company's business operations; dependence on management and key personnel; claims and legal proceedings; conflicts of interest; copper and metal prices; negative cash flow from operating activities; going concern risk; uncertainty of use of available funds; the Company's status as a reporting issuer; risks associated with acquisitions; force majeure; infrastructure; climate change; E29's operations depend on information technology systems; internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation; the possible lack of established market for the Common Shares; the speculative nature of an investment in the Company; price of the Common Shares may not represent the Company's performance or intrinsic fair value; securities or industry analysts; price volatility of publicly traded securities; dilution; dividends; and the expected listing of the Common Shares on the TSXV. See *"Risk Factors"*.

Selected Financial Information

The following table sets out certain selected financial information of the Company for the periods and as at the dates indicated. This information has been derived from the audited and unaudited financial statements and related notes thereto included in this Prospectus. The Company prepares its financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A.

	For the six months ended June 30, 2020 (unaudited) (\$)	For the year ended December 31, 2019 (audited) (\$)	For the year ended December 31, 2018 (audited) (\$)
Total revenues	Nil	Nil	Nil
Exploration and evaluation expenditures	5,821,092	5,512,308	-
Share-based compensation	166,939	90,790	-
Total net loss and comprehensive loss for the period	652,358	1,132,631	78,489
Total assets	7,698,128	6,459,097	423,511
Current liabilities	1,610,961	1,650,427	50,000

Financial Statements and Management's Discussion and Analysis

The following financial statements and MD&A of the Company are included as schedules to this Prospectus:

- Schedule "A":** Audited consolidated financial statements for the year ended December 31, 2019 and the year ended December 31, 2018
- Schedule "B":** Management's discussion and analysis for the year ended December 31, 2019 and for the year ended December 31, 2018
- Schedule "C":** Unaudited Condensed interim consolidated financial statements for the six months ended June 30, 2020 and 2019
- Schedule "D":** Management's discussion and analysis for the six months ended June 30, 2020

The financial statements listed above have been prepared in accordance with IFRS.

Certain information included in the Company's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Statement Regarding Forward-Looking Information*".

CORPORATE STRUCTURE

E29 was incorporated under the BCBCA on August 30, 2017. The Company's head office is located at Suite 1650 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. The Company holds 100% of the issued and outstanding shares of Candelaria Resource S.A.C. (“**Candelaria SAC**”), Elida Resource S.A.C. (“**Elida SAC**”) and Pahuay Resources S.A.C. (“**Pahuay SAC**”) each incorporated under the laws of the Republic of Peru.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview of the Company

General

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on its two copper properties located in Peru. The Flor de Cobre copper project is located in the southern Peru copper belt between Chapi and Cerro Verde. The Elida copper Project is located near the city of Barranca, Peru on the north side of the Pativilca River valley. The Company's principal objective is to explore and develop the Flor de Cobre and Elida Projects, and to identify other properties worthy of investment and exploration. For the purpose of NI 43-101, the Flor de Cobre and Elida Projects are the Company's only material properties. The Flor de Cobre project is the Company's qualifying property for the purposes of its application to list the Common Shares on the TSXV. At present, the Flor de Cobre and Elida Projects do not have any known mineral resources or reserves.

Figure 1: Flor de Cobre and Elida Property Locations (Source: E29, 2020)



Image approved by Brian Booth, P.Geo, 2020

Since incorporation, the Company has taken the following steps in developing its business: (i) identified and acquired mineral properties with sufficient merit to warrant exploration; (ii) raised funds to progress the Company's exploration activities on its mineral properties, as described herein; (iii) completed the Flor de Cobre Technical Report and the Elida Technical Report; and (iv) retained directors, officers and employees with the skills required to successfully operate a public mineral exploration company.

The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The Company has applied to list its Common Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Business of the Company

Principal Operations

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on copper properties located in Peru.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties. As a result of this competition, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. The Company may also encounter competition from other mining companies in efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary funding or acquire suitable properties or prospects for mineral exploration in the future. See "*Risk Factors – Competition and Mineral Exploration*".

Specialized Skills and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, expertise related to mineral exploration, geology, drilling, permitting, metallurgy, logistical planning, and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business. See "*Risk Factors – Dependence on Management and Key Personnel*".

Cycles

The Company's mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, heavy downpours, flash flooding, landslides, lightning activity or other weather-related factors. In addition, the mining and mineral exploration business is subject to global economic cycles effecting, among other things, the marketability and price of copper products in the global marketplace.

Employees

As of the date hereof, the Company has one employee. The Company relies exclusively on consultants and contractors to carry on its business activities and, in particular, to supervise and carry-out mineral exploration on its Flor de Cobre and Elida Projects.

Environmental Protection

The Company is currently engaged in exploration activities on its Flor de Cobre and Elida Projects and such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and earnings of the Company. A breach of such legislation may result in imposition of fines and penalties. Management believes all of the Company's activities are in material compliance with all applicable environmental legislation. See "*Risk Factors – Environmental Risks*".

Social or Environmental Policies

The Company is committed to conducting its operations in accordance with sound social and environmental practices. At present, the scale of operations has not required the adoption of formal policies. The Company will reevaluate this position if and when necessary.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Two-year History

Acquisitions, Financings and Issuances of the Company's Securities

April 2020 Convertible Debenture Financing

On April 27, 2020 the Company completed the offering and sale of a senior secured convertible debenture (the “**Secured Convertible Debenture**”), in the aggregate principal amount of CAD\$1,500,000 issued to an Institutional Investor. The Secured Convertible Debenture is convertible into units with each unit comprising of one (1) Common Share and one half (1/2) warrant. Each whole warrant entitles the holder to acquire one (1) additional Common Share for a period of three (3) years following the date of grant of the warrant, at an applicable exercise price equal to the deemed issue price of the units upon an Automatic Conversion or Election Conversion (as hereinafter defined). The Secured Convertible Debenture matures one (1) year from the closing date of the offering, and subject to certain conditions, may be extended. The Secured Convertible Debenture bears interest at a rate equal to eight percent (8%) per annum of the value of the Secured Convertible Debenture outstanding, with such interest accruing quarterly and added to the principal balance of the Secured Convertible Debenture (the “**Indebtedness**”). If, immediately prior to the occurrence of a Secured Convertible Debenture Liquidity Event (as hereinafter defined), all or any of the Indebtedness at that time remains unpaid, then such Indebtedness shall automatically convert into units of the Company at a twenty percent (20%) discount to the price of the Common Shares issued in connection with the Secured Convertible Debenture Liquidity Event (the “**Liquidity Event Price**”) (“**Automatic Conversion**”). At any time prior to the maturity date or the occurrence of an Automatic Conversion, the holder of the Secured Convertible Debenture may, at its option, elect to convert all or any part of the Indebtedness into units at a twenty percent (20%) discount to the lowest interim financing price (“**Interim Financing Price**”) in connection with an interim financing undertaken by the Company since the April 27, 2020 (“**Election Conversion**”). The Company shall pay in cash on the maturity date of the Secured Convertible Debenture all outstanding Indebtedness owing to the holder in full, in the manner as directed by the holder. The Secured Convertible Debenture is secured by a first ranking perfected pledge over all shares or equity interest held by the Company in each of Elida Resources S.A.C. and Candelaria Resources S.A.C.

For the purposes of the Secured Convertible Debenture, a “Secured Convertible Debenture Liquidity Event” means (i) the listing of the Common Shares on a recognized stock exchange acceptable to the holder of the Secured Convertible Debenture, together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000 (five million dollars); (ii) the sale of substantially all of the issued and outstanding Common Shares or assets of the Company, pursuant to a take-over, amalgamation, merger, arrangement, reverse takeover or any other corporate transaction, pursuant to which the shareholders of the Company or the Company receive consideration in the form of cash proceeds or securities of the resulting issuer or another entity listed on a recognized stock exchange acceptable to the holder of the Secured Convertible Debenture, together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000.

January 2020 Convertible Debenture Financing

In January 2020, the Company completed a convertible debenture (the “**Debentures**”) financing for gross proceeds of \$295,000, offered to investors including certain of the Institutional Investors. Commissions in the amount of \$13,140 were paid in connection with the Debentures. The Debentures are convertible into units consisting of one (1) Common Share and one half (0.5) of one common share purchase warrant. Interest equal to 8.0% of the par value of a Debenture outstanding per year will be accrued quarterly and added to the principal (with interest deemed to be satisfied) and will be payable in Common Shares on Maturity (as hereinafter defined) or on a Debenture Liquidity Event (as hereinafter defined). The Debentures are convertible at any time until Maturity at the holder’s option into units at \$1.00 per unit (the “**Holders’ Conversion Price**”). Upon a Debenture Liquidity Event (as hereinafter defined), the Debentures will automatically convert at a 20% discount to the applicable Debenture Liquidity Event price per security issued under the Debenture Liquidity Event (the “**Liquidity Conversion Price**”). Each whole warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Conversion Price, whichever is lower, for a period of one year following the Debenture Liquidity Event closing date. The Debentures mature in two (2) years from the Closing Date (“**Maturity**”). The Debentures, including accrued and

unpaid interest owing, automatically convert into units at the Liquidity Conversion Price upon a Debenture Liquidity Event or on Maturity at the Holders 'Conversion Price.

For the purposes of the Debentures, a "Debenture Liquidity Event" means (i) the listing of the Common Shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding common shares of the Company or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange.

Acquisition of Pahuay Project and Muñaorjo Project

In November 2019, the Company entered into a share purchase agreement with GlobeTrotters, pursuant to which the Company acquired 100% of the issued and outstanding shares of Pahuay SAC, which holds the Pahuay Project and the Muñaorjo Project (the "**Pahuay SPA**"). Pursuant to the terms of the Pahuay SPA and an amending agreement dated June 25, 2020, the consideration to be paid for the acquisition of Pahuay SAC is \$1,500,000 in Common Shares (the "**Consideration Shares**"). The price per share for each Consideration Share shall be equal to the price per Common Share which is established for the purposes of an initial public offering, reverse merger or other transaction whereby the Company's securities are listed for trading on a recognized stock exchange, less a discount of twenty percent (20%). In connection with the closing of the Offering,

- Common Shares will be issued to GlobeTrotters as the Consideration Shares. GlobeTrotters also retained a 2% NSR on the Pahuay Project and the Muñaorjo Project.

San Jose Property

In September 2019, through a government auction process, the Company acquired an additional three claims located to the north east of Flor de Cobre (the "**San Jose Property**").

March - September 2019 Private Placement

Between March and September 2019, the Company completed a private placement with investors, including certain of the Institutional Investors, of 7,046,331 Common Shares at a price of \$0.30 per Common Share for gross proceeds of \$2,113,899. Commissions in the amount of \$44,849 were also paid in connection with this private placement ("**March – September Private Placement**").

Acquisition of Flor de Cobre and Elida Projects

In April 2019, pursuant to a share purchase agreement between the Company and GlobeTrotters dated February 1, 2019 (the "**Candelaria SPA**"), the Company acquired 100% of the issued and outstanding shares of Candelaria SAC and Elida SAC, which hold the Flor de Cobre and Elida Projects, respectively, for \$2,811,250, which was paid by the issuance of 28,112,501 Common Shares. GlobeTrotters retained a 2% net smelter royalty on the Flor de Cobre and Elida Projects. The Company owns 100% of the Flor de Cobre and Elida Projects, with the exception of certain claims at Flor de Cobre, where it has an option to earn a 100% interest.

February 2019 Private Placement

In February 2019, the Company completed a private placement of 2,467,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$246,700.

Common Share Issuances to Executives and a Director

In exchange for cash consideration, the Company issued 1,500,000 Common Shares and 2,000,000 Common Shares (the "**Executive Shares**") at a price of \$0.10 per Common Share in February 2019, to the EVP Corporate Development and CEO of the Company (the "**Executives**") respectively. In connection with the cash consideration, the Company received two promissory notes which bear interest at 2% per annum, pursuant to which the Executive Shares are held in escrow and only

released in pre-determined numbers to each Executive, upon the Executive repaying an equivalent portion of the principal amount outstanding under their promissory note on certain pre-designated dates, provided the Executive remains engaged by the Company on such pre-designated dates. The promissory notes have a maturity date of June 1, 2022 and June 15, 2022 respectively, and were secured pursuant to a securities pledge agreement between the Company and each Executive. In November 2018, the Company issued 1,500,000 Common Shares at a price of \$0.10 per Common Share to a director of the Company in return for cash consideration and subject to a promissory note on substantially similar terms. However, only 500,000 of those Common Shares issued to the director remain outstanding as of the date hereof as the Company repurchased 1,000,000 Common Shares in June 2020, pursuant to the terms of the promissory note.

June 2018 Private Placement

In June 2018, the Company issued 3,020,000 Common Shares at a price of 0.10 per Common Share for gross proceeds of \$302,000.

Management and Board

On January 15, 2019, Brian Booth was appointed Chief Executive Officer and President of the Company, and as a director on March 7, 2019. At the Company's annual meeting of shareholders, held June 29, 2020, Brian Booth, Richard Osmond, Patrick Elliott and Peter Espig were each elected to the board of directors of the Company until the next annual general meeting or until their successors are duly elected and appointed.

FLOR DE COBRE PROJECT

The scientific and technical information in this section relating to the Flor de Cobre Project 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. The Flor de Cobre Technical Report was prepared for the Company by Derrick Strickland, P.Geo, a Qualified Person and independent of the Company, as defined in NI 43-101. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Flor de Cobre Technical Report. 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.

Figure 2: Southern Peru (Source : E29, 2020)

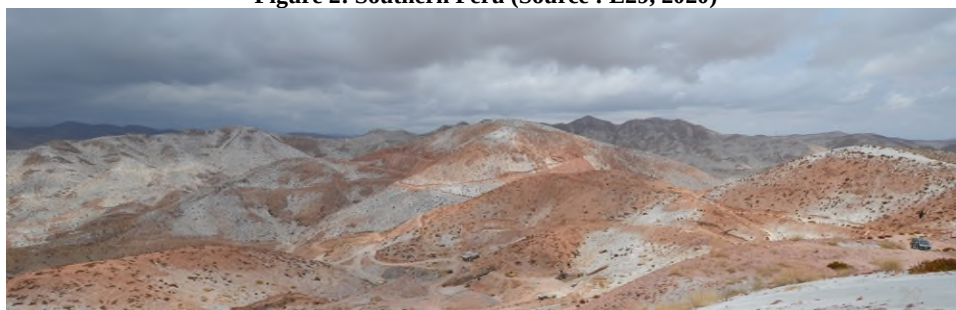


Image approved by Brian Booth, P.Geo, 2020

Summary

E29 owns 100% of four concessions and has two concession applications totaling 1,800 ha through a wholly owned subsidiary Candelaria Resources SAC, and can acquire 100% of the three mining concessions totaling 127 ha from Compania Minera La Candelaria S.A. The property is located on the boundary of the Arequipa and Moquegua regions of southern Peru. Geographic coordinates of the property are longitude 71° 22' 59" west, and latitude 16° 44' 1". The city of Arequipa, the largest population centre in the region (~1,000,000 people), is approximately 45 km northwest of the property. The QP visited the Flor de Cobre property on January 15, 2018, and again on December 2, 2019.

The Flor de Cobre property is located in the southern Peru copper belt where multiple operating mines and deposits of greater than 10 million tonnes (Mt) of contained Cu are found, including: Cerro Verde, Chapi, Cuajone, Quellaveco, and Toquepala. The Flor de Cobre property is located approximately 30 km southeast of the Cerro Verde mine and approximately 7 km

northwest of the Chapi mine. The QP has been unable to verify the above information, and notes that these proximal deposits are not necessarily indicative of the mineralization on the Flor de Cobre property. The Flor de Cobre property includes Candelaria, a well-known copper prospect identified in the 1930's and the site of a historical small-scale mining operation.

Figure 3: Entrance into historical mine in Candelaria area (Source: E29, 2020)



Image approved by Brian Booth, P.Geo, 2020

The Company issued 28,112,501 shares to GlobeTrotters to acquire all properties held in Candelaria Resources SAC, as well as properties held in Elida Resources SAC.

The Flor de Cobre area is interpreted as host to a porphyry copper-molybdenum (Cu-Mo) system called the “Candelaria Porphyry”, with characteristics similar to other porphyry deposits in the southern Peru copper belt. Mineralization is found in two distinct forms as:

- (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 of 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.

Originally explored as a supergene deposit, the Candelaria Porphyry had little attention given to its hypogene deposit potential. The Flor de Cobre property was acquired on the premise that a sizeable hypogene resource might be outlined, and this exploration work might be funded by exploiting the relatively small supergene mineralization. cursory work completed on the property supports the hypothesis that a large porphyry copper system exists beneath the supergene mineralization targeting grades similar to the Cerro Verde system. Drill-testing this hypogene component of the Flor de Cobre system should be part of the exploration strategy.

The Candelaria Porphyry mineralization itself was outlined by two drilling campaigns in the 1990s and includes a supergene enriched zone with dimensions of 850 x 1,000 m elongated in a northeast direction. This zone has an average thickness of 20 m and reaches a maximum thickness of 126 m. The drilling also intercepted a mineralized hypogene zone underneath to a depth of 350 m, where a drill hole ended in mineralization. The supergene zone is centred on a small cluster of quartz monzonite porphyry stocks mapped on the southeast end of the property. At the time Rio Amarillo Mining Ltd. calculated a historical copper resource estimate of 57.4 Mt of 0.67% Copper, at a 0.2% Copper cut-off.

The original source of the historical resource estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical resource estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. The parameters, assumptions and methods used to calculate the historical estimate are unknown. Additionally, the historical resource estimate does not use the resource categories as found in CIM 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The QP has not done sufficient work to classify the historical resource estimate as a current mineral resource, and it is unclear what work might be required to confirm the historical resource estimate. For these reasons, the historical resource estimate should not be relied upon. The Company is not treating the historical resource estimate as a current mineral resource.

In 2019, a 28.9 kilometre IP geophysical survey was completed over the property to evaluate the Candelaria supergene copper zone and Atravezado copper porphyry target at depth. Strong IP anomalies were detected associated over the two target areas.

Geological mapping of the Atravezado area illustrates the existence of a Cu-Mo porphyry system, with an area of approximate 1.2 x 1.0 km, coinciding with strong Cu and Mo geochemical anomalies and a significant IP geophysical response. A geophysical resistivity signature at 400 m depth is similar to other porphyries in the belt and is an interesting target for testing.

In order to further evaluate the potential of the Flor de Cobre property, the Flor de Cobre Technical Report recommends a two phase exploration program where phase one is contingent on phase two. Phase one is expected to compile all known data into a digital database; conduct alteration mapping; complete surveying and sampling of the surficial historical workings; and the completion of a 3,700 metre drilling program to delineate the extent of mineralized zones in the Candelaria Porphyry. The estimated cost of this program is US\$2,244,000. Phase two is expected to consist of the generation of a resource model if warranted from the results of phase one, a 3,000 metre drilling program to test other targets outside of known porphyry centres, and continued follow-up exploration. Phase two is estimated to cost US\$2,962,000.

Property Description and Location

Location and Access

The Flor de Cobre Project is located on the boundary between the Arequipa and Moquegua Regions of Peru. The majority of the property area falls within the Arequipa Region, with a small area in the southeast extending into the Moquegua Region. Geographic coordinates at the Flor de Cobre property are longitude 71° 22' 59" West and latitude 16° 44' 1" South, with elevations of 2,000-2,700 m above sea level. The city of Arequipa, the largest population centre is approximately 45 km northwest of the Flor de Cobre Project. Arequipa itself is approximately 800 km southeast of Lima, the national capital. The Flor de Cobre property is accessible by paved road from Arequipa to the area of Chapi and then by a dirt road to the access the main property area.

Cerro Verde, operated by Freeport McMoran; Cuajone and Toquepala, operated by Southern Copper; and Quellaveco, under construction by Anglo American are shown in Figure 4 (below). The Flor de Cobre property is 8 kilometres northeast of the Chapi mine and approximately 30 kilometres southeast of the Cerro Verde copper mine with excellent infrastructure for mine development with respect to roads, power lines and port access as reflected in the regional geology shown in Figure 11 (below).

The Flor de Cobre property is made up of seven mining concessions and two concession applications totaling 1,927 ha. Individual concessions are shown in Figure 5 (below) and concession details are listed in Table 1. The Candelaria SAC claims reflected in Table 1 do not have an expiry date, subject to annual property payments. The CR claims reflected below in Table 1 must be converted to mining claims no later than 2047.

Table 1: Mineral Concessions (Source: E29, Flor de Cobre Technical Report, 2020)

Claims	Owner	Code	Staked	Area (Ha)	Paid in 2019	Penalty Paid 2019
CANDELARIA N° 9	Compañía Minera La Candelaria S.A.	01003051X01	1969-10-20	37.12	\$ 111.36	\$ 922.46
LA CANDELARIA N° 10	Compañía Minera La Candelaria S.A.	01002481X01	1966-11-23	50.00	\$ 149.99	\$ 1,242.41
CANDELARIA N° 11	Compañía Minera La Candelaria S.A.	01003052X01	1969-10-20	39.42	\$ 118.26	\$ 979.58
CR01	Candelaria Resources S.A.C.	010118617	2017-01-02	900.00	\$ 2,700.00	
CR02	Candelaria Resources S.A.C.	010118517	2017-01-02	200.00	\$ 600.00	
CR03	Candelaria Resources S.A.C.	010118417	2017-01-02	300.00		
CR04	Candelaria Resources S.A.C.	010118517A	2017-01-02	100.00	\$ 300.00	
CR05	Candelaria Resources S.A.C.	010118517B	2017-01-02	100.00	\$ 300.00	
CR06	Candelaria Resources S.A.C.	010118417A	2017-01-02	200.00		
TOTAL				1926.54	\$ 4,279.61	\$ 3,144.44

Figure 4: Regional Location Map (Source: E29, Flor de Cobre Technical Report, 2020)

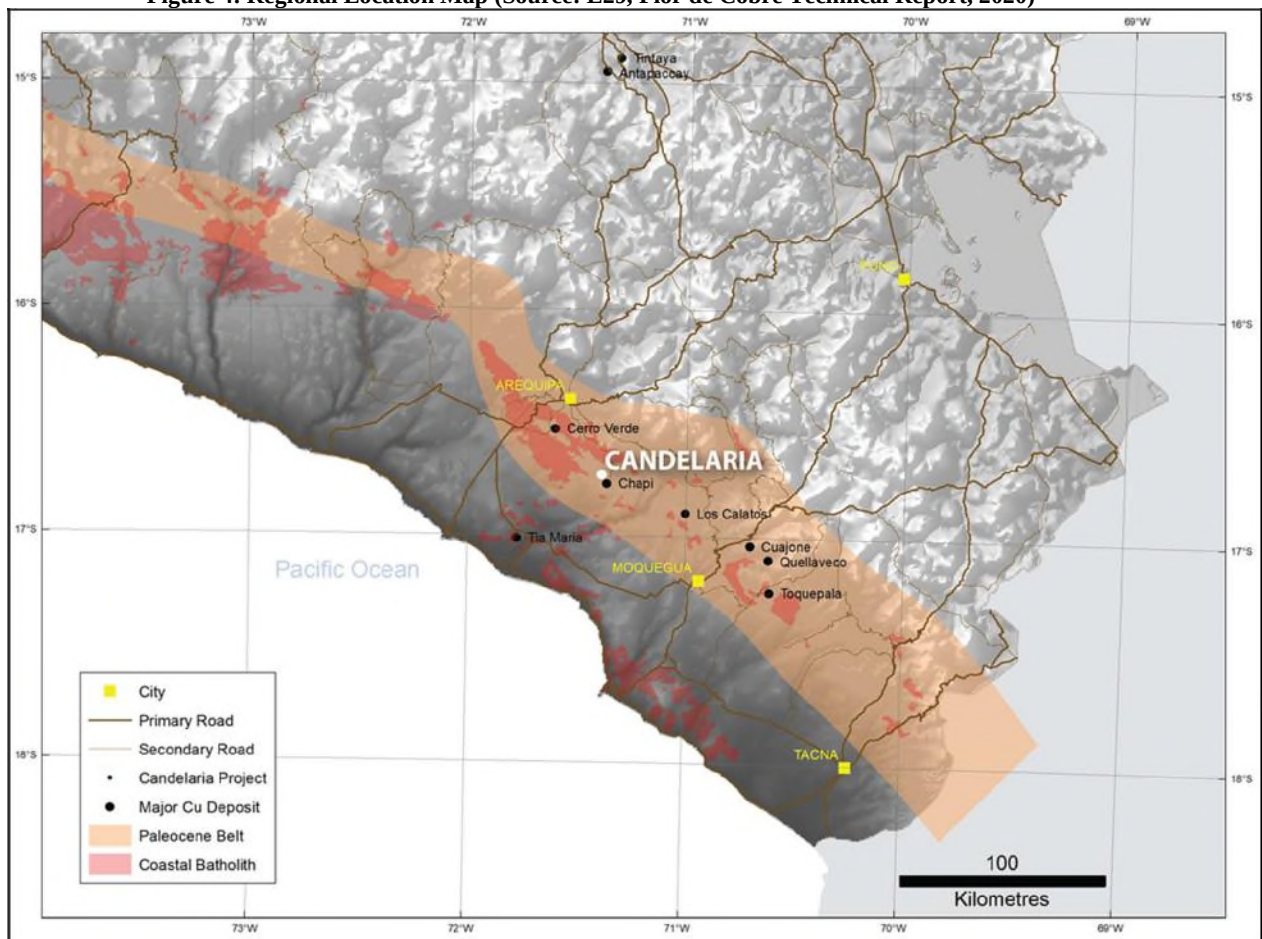


Figure 5: Flor de Cobre Property Concession Map (Source : E29, Flor de Cobre Technical Report, 2020)

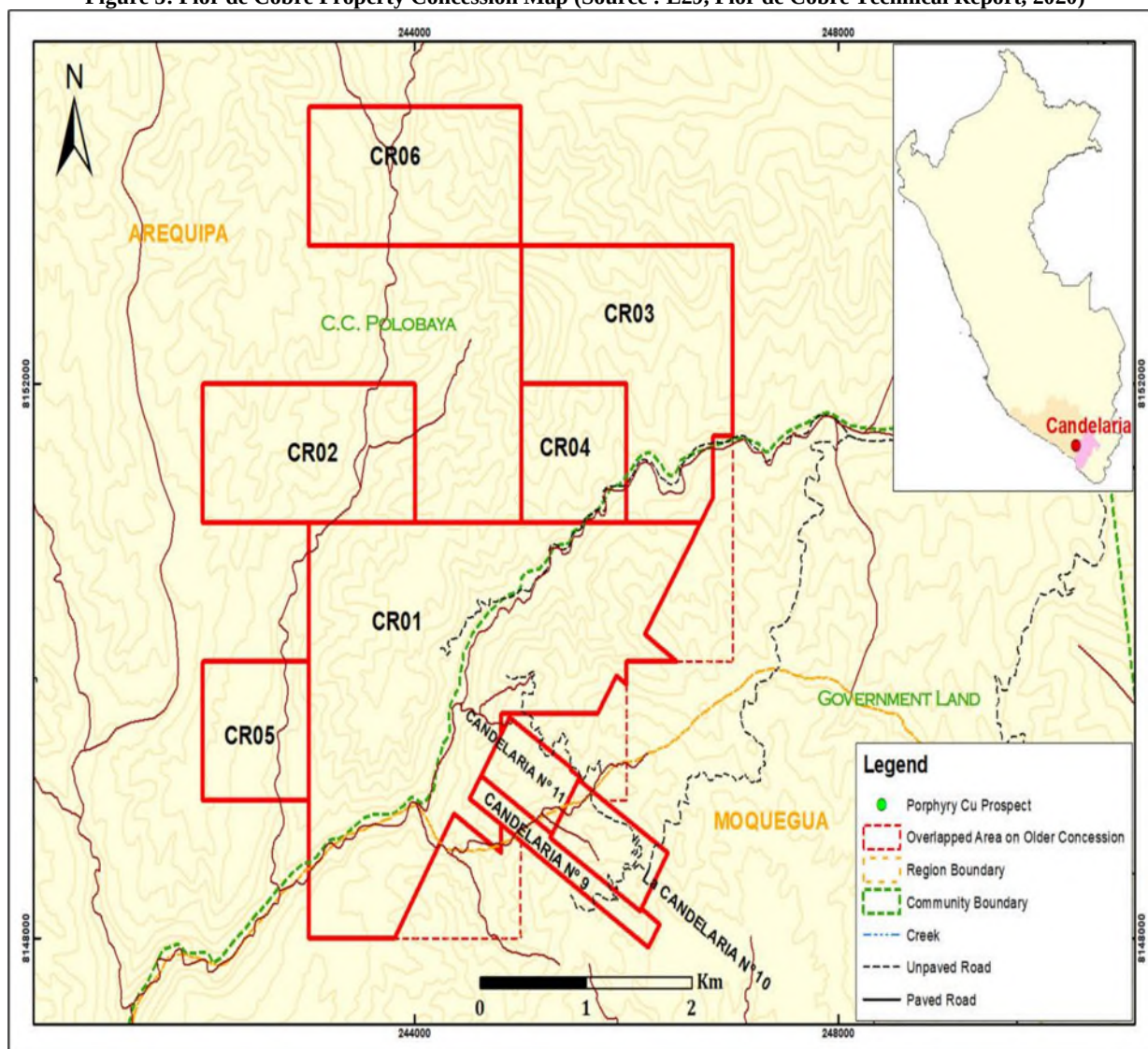


Figure 6: Power Grid Coverage in the Flor de Cobre area (Source: E29, 2020)



Image approved by Brian Booth, P.Geo, 2020

Title, Royalties and Encumbrances

Title

The QP has relied on a legal opinion regarding the Company's interest in the Flor de Cobre property dated January 29, 2020 by Mario Chirinos Dongo of Dentons Gallo Barrios Pickmann SCRL (the "**Flor de Cobre Opinion**"). The Flor de Cobre Opinion covers mining claims/concessions: CR01, CR02, CR03, CR04, CR05, CR06, Candelaria N09, Candelaria N0 10, and Candelaria N0 11.

The Flor de Cobre Opinion states that mining concessions CR03 and CR06 have not been officially issued by the Peruvian Government. The current status of mining concessions CR03 and CR06 is unclear. Through its subsidiary, Candelaria Resources SAC that holds the Flor de Cobre claims/concessions, E29 has applied for registration of these claims as concessions with Ingemmet in 2019, and the registration is expected to be completed in due course. The reader is cautioned that there is no guarantee that these two concessions will be issued.

The Flor de Cobre Opinion states that Compañía Minera La Candelaria SA, an entity unrelated to E29, is the exclusive titleholder of Candelaria concessions No. 9, No. 10, No. 11. The Flor de Cobre Opinion also states that Candelaria Resources SAC, a subsidiary of E29, has a right to mining activities with respect to Candelaria claims No. 9, No. 10, No. 11, with a 2% NSR Royalty to GlobeTrotters (the "**Flor de Cobre NSR Royalty**"). An option agreement was executed between Candelaria Resources SAC, a subsidiary of E29, and "Compañía Minera La Candelaria SA" (the owner of Candelaria N° 9, La Candelaria N° 10, and Candelaria N° 11 in 2016). Pursuant to the terms of the option agreement, Compañía Minera La Candelaria SA (the vendor) granted Candelaria Resources SAC the sole and exclusive option to acquire 100% of its rights and interests in the property over five years, and gave its express and exclusive authorization for exploration activities by Candelaria Resources SAC on these claims during the term of the option.

In addition, the legal opinion states that Candelaria SAC is a 100% owned Peruvian subsidiary of E29.

Titles over mineral claims are controlled by Instituto Geológico Minero y Metalúrgico (INGEMMET). The same mining concession is valid for both exploration and mining activities. There is no discrimination between local and foreign ownership of the concessions. Mining titles (or mining concessions) are granted using WGS84 Universal Transverse Mercator (UTM) coordinates to define areas in hectares. New mining concessions shall be at least of 100 ha in size (1 km²) and must be oriented in a north-south or east-west direction. Pre-existing concessions, based on the old system (known as "Punto de Partida" or the

starting point system), may be located in any orientation. The new official coordinates system is related to Datum WGS84 according to Law No. 30428.

Mining rights that were granted using PSAD56 UTM coordinates will be recognized according to these coordinates for all legal purposes, notwithstanding that they have their equivalent coordinates in WGS 84. The mining rights that are granted using WGS84 system coordinates will have their equivalent coordinates in the PSAD56 system assigned by INGEMMET.

The Mining Grid System corresponds to the 1:100,000 scale National Chart grid drawn up by the National Geographic Institute in the system WGS84, and defines areas whose vertices are located with UTM coordinates expressed in whole kilometres, based on a grid of one kilometre on each side, equivalent to 100 hectares, as a minimum extension of the claim or concession.

For concessions granted prior to the 1992 framework, changes are irrevocable. To retain a concession under this pre-1992 framework, a concession titleholder must pay annual good standing fees called validity fees of US\$3.00 per hectare. Small scale producers and artisanal miners benefit from lower rates of US\$1.00 and US\$0.50 per hectare respectively.

All holders are required to move into production in due time and meet the thresholds for Minimum Annual Production (“MAP”) or investment levels. If MAP or required investment are not made after year 10, the holder would have to pay a penalty equivalent to 2% of the minimum production, currently estimated at approximately US\$26.00 per hectare. MAP is defined as a single tax unit (Unidad Impositiva Tributaria, “UIT”), equivalent to approximately US\$1,300.00. These rates apply to large and medium scale producers, while small scale and artisanal miners benefit from lower thresholds (i.e. 5-10% of the UIT for small-scale producers and 5% for artisanal miners).

If the threshold for minimum production is not reached after 10th year, the penalty increases up to 5% of the MAP (approx. ~US\$65.00 per hectare) required per year from the 15th year and to 10% of MAP (approx. US\$130.00 per hectare) from the 20th year. However, if the property investment exceeds assessed penalty by a factor of 10, the penalties are waived. If the MAP is not reached by the 30th year following grant of the concession title, the mining concession lapses.

According to these rules, there is no term limit for reaching production at “Candelaria” claims containing historic resource (Candelaria 9-11), as those were obtained prior to 1992 and are irrevocable. With respect to the remainder of the Flor de Cobre property (claims/concessions CR01-CR06), production from these claims must be reached no later than 2027 or, should the minimum required investment be made, or penalties paid, 2047 before the oldest concession is cancelled.

Royalties and Encumbrances

A royalty agreement dated October 15, 2018 with Candelaria Resources SAC assigns a 2% net smelter royalty to GlobeTrotters for \$1,500 USD. The net smelter royalty applies to the CR01 to CR06 mineral concessions.

A second royalty agreement also dated October 15, 2018 Candelaria Resources SAC assigns a 2% net smelter royalty to GlobeTrotters for \$12,000 USD. This net smelter royalty applies to the Candelaria N° 9, La Candelaria N° 10, and Candelaria N° 11 mineral concessions.

Peru established a sliding scale of mining royalties in 2004, which were modified in 2011. The modified mining royalties are the greater of 1% of sales or 1-12% applied to operating income.

The following is a summary of the main taxes that apply to miners in Peru (in addition to the annual holding fees of US\$0.5 - US\$3/Ha):

- Corporate tax rate is 29.5%;
- Dividend withholding tax is 5%;
- Special mining tax of 2% to 8.4% applied to operating mining income;
- Special mining burden of 4% to 13.12% applied to operating income (only applies to mining companies with tax stabilization agreements prior to 2011); and
- 8% of net profit paid to employees

Foreign investors and local enterprises may apply for particular tax, currency and other stability agreements with the government of Peru, provided that specific requirements and minimum investments are met. The agreements guarantee stability for a term of ten years concerning: (i) the income tax regime; (ii) the currency exchange regime, including the free availability of foreign currency and free remittance of capital and profits abroad (only for foreign investors); and (iii) non-discrimination.

An option agreement was executed between Candelaria Resources SAC, a subsidiary of E29, and “Compañía Minera La Candelaria SA” (the owner of Candelaria N° 9, La Candelaria N° 10, and Candelaria N° 11 in 2016). “Compañía Minera La Candelaria SA” (the vendor) granted Candelaria Resources SAC the sole and exclusive option to acquire 100% of its rights and interests in the property over five years. Also, “Compañía Minera La Candelaria SA” gave its express and exclusive authorization for exploration activities by Candelaria Resources SAC on these claims during the term of the option.

In order to acquire 100% interest in the property, Candelaria Resources SAC agreed to:

- make annual payments of US\$1,000,000 per annum for a total of US\$5,000,000 over five years between 2020 and 2024, and
- make an additional payment of US\$6,000,000 on obtaining a positive feasibility study or the lapsing of a 10-year term from the date of the exercise of the option by way of execution of the public deed of the “Mining Concessions Transfer Agreement”.

Pre-payments of US\$1,117,017 were recognized as credits towards the first two annual option payments, reducing cumulative outstanding five-year payments from US\$5,000,000 to US\$3,882,982. The first net US\$250,578 annual payment is currently expected to be made in September 2020. There is no reported net smelter royalty associated with this agreement for Compañía Minera La Candelaria SA. The reader is cautioned that this does not constitute a specific legal opinion on the mineral titles with respect to the agreements apparently in place as the QP has relied on the Company for this information.

The option agreement between Candelaria Resources SAC and “Compañía Minera La Candelaria SA” is in Spanish; however, Element 29 provided a summary memo of the agreement dated January 10, 2020, titled the “Candelaria Option Agreement”. This memo is from a lawyer at Oscar Benavides Rodrigo Elia & Medrano Lawyers. Candelaria is reported to be required to pay Compañía Minera La Candelaria SA as per below:

Table 2: Compañía Minera La Candelaria S.A (Source : E29, Flor de Cobre Technical Report, 2020)

Installment	Amount (US\$)	Date of payment	Status	Comment
1	70,000	Upon fulfillment of certain contractual conditions, which the parties originally agreed to trigger the initiation of the term of the Option.	Completed	----
2	930,000	Upon Candelaria Resources SAC obtaining all the permits required for exploring the concessions.	Partially made; US\$250,578 are pending.	US\$311,824 were previously paid, while US\$367,596 were invested and the parties contractually agreed to apply them to partially “pay” this installment.
3	1 million	12 months following payment of the second installment	Partially made; US\$632,403 are pending.	No actual payment has been made. The parties contractually agreed to apply US\$367,596 that were actually invested, to partially “pay” this installment.
4	1 million	12 months following payment of the third installment	Pending	----
5	1 million	12 months following payment of the fourth installment	Pending	----
6	1 million	At the time of execution of the “Mining Concessions’ Transfer Agreements” public deed	Pending	----

For any exploration work to be conducted (including drilling) on the Flor de Cobre property, an “Environmental Impact Assessment/EIA” must be made for a Category II permit that allows for over 20 drill holes on the Flor de Cobre property. A Category II Exploration Permit has been applied for in 2019 and the issue date is currently unknown due to the COVID-19 pandemic. The reader is cautioned that the current Category II Exploration Permit application only covers mineral concessions

Candelaria N° 9, La Candelaria N° 10, Candelaria N° 11 and a small portion of CR01, which covers the Candelaria Porphyry, the main exploration target on the property.

There appears to have been small-scale artisanal historical production on the Flor de Cobre property that may have resulted in some environmental liabilities. During its environmental impact assessment in 2019, Element 29 reports that remediation will be limited to filling-in and fencing of the small historical adit/tunnel mine openings.

Environmental and Permitting Liabilities

The General Mining Law, administered by the Ministry of Energy and Mines (“MEM”), may require a mining company to prepare an Environmental Evaluation (“EA”), an Environmental Impact Assessment (“EIA”), a Program for Environmental Management and Adjustment (“PAMA”), and a Closure Plan prior to mining construction and operation.

The Supreme Decree N° 020-2004-EM classifies the environmental requirements for mining and exploration programs as follows:

- Category I: This category includes mining projects involving small-scale drilling programs up to and including a maximum 20 drill pads, a disturbed area of fewer than 10 hectares considering drilling platforms, trenches, auxiliary facilities and access means or the construction of tunnels with a total maximum length of 50 metres. These projects require the preparation of an Environmental Impact Declaration (“Declaración de Impacto Ambiental” or DIA). Category I permits require, before their submittal to the Ministry of Energy and Mines, water-use permits from the Ministry of Agriculture, if required, and land use agreements with the surface rights owners in the form of a registered agreement resulting from town-hall meetings in the local community(s).
- Category II: This category includes mining projects involving more than 20 drill pads, a disturbed area of more than 10 hectares considering drilling platforms, trenches, auxiliary facilities and access, or the construction of tunnels over a total length of 50 metres, require an authorisation called an Environmental Impact Study-semi detailed (“Estudio de Impacto Ambiental-semi detallado” or “EIA-sd”) and is approved by the Ministry of Energy and Mines. Category II permits, which include mining projects involving more than just drilling, must include, before their submittal to the Ministry of Energy and Mines, water-use permits from the Ministry of Agriculture, land-use agreements with the surface rights owners and evidence of having held town-hall meetings in all nearby communities. Additionally, the EIA-sd must include a detailed reclamation program once the drilling phase ends.

No permit is required for general exploration such as surface mapping, sampling or geophysics. Permission of the surface rights owner is required for access to the property and for any surface disturbance such as trenching or the construction of trails.

Surface Rights Mining companies must negotiate agreements with surface landholders or establish easements. In the case of surface lands owned by native communities, it is necessary to obtain approval of a qualified majority of the community. For the purchase of surface lands owned by the government, an acquisition process with the Peruvian state must be followed through the Superintendency of National Properties. Expropriation procedures have been considered for cases in which landowners are reluctant to allow mining companies to have access to a mineral deposit. Once a decision has been made by the Government, the administrative decision can only be judicially appealed by the original landowner as to the amount of compensation to be paid.

Water Rights are governed by Law 29338, the Law on Water Resources, and are administered by the National Water Authority (“ANA”), which is part of the Ministry of Agriculture. There are three types of water rights:

1. License: this right is granted in order to use the water for a specific purpose in a specific place. The license is valid until the activity for which it was granted terminates, for example, a beneficiary concession.
2. Permission: this temporary right is granted during periods of surplus water availability.
3. Authorization: this right is granted for a specified quantity of water and for a specific purpose. The grant period is two years, which may be extended for an additional year, for example for drilling.

In order to maintain valid water rights, the grantee must: (a) make all required payments including water tariffs, and (b) abide by the conditions of the water right in that water is only used for the purpose granted. Water rights cannot be transferred or mortgaged.

However, in the case of a change of the title holder of a mining concession or the owner of the surface land who is also the beneficiary of a water right, the new title holder or owner can obtain the corresponding water right.

Supreme Decree No. 042-2017-EM came into force March 25, 2018 in which the new Environmental Protection Regulation for Mining Exploration Activities was approved. This now allows for a permit to be issued using a Ficha Técnica Ambiental (FTA) or Environmental Technical File. The FTA has the following conditions: (a) Less than 20 drill pads, (b) less than 10 ha of disturbance, and (c) no effect on people's health, environment, natural resources, protected areas, biodiversity, communities, or archeological sites.

Finally, regarding the exploration project the average estimated duration of the FTA is 12 months with the ability to support up to a maximum of 24 months depending on the particular circumstances of the project.

History

The Flor de Cobre property in its current configuration has 31 diamond drill holes and 29 reverse circulation holes completed for a total of 5,960 metres of drilling (Table 3 below). Much of the drilling was focused on the known Candelaria Porphyry area.

Several copper-bearing structures were artisanally mined by Compañía Minera La Candelaria ("CMC") since the 1960's in the area covered by three original Flor de Cobre concessions. The CMC company is owned by members of the Dueñas family who inherited the property from their father. Activities continued until 1993, when an option agreement with Rio Amarillo Mining Ltd. was signed. Limited artisanal production was re-initiated in 1997 after the Rio Amarillo agreement terminated and continued until 2014. In 2016, Candelaria Resources SAC, a subsidiary of GlobeTrotters entered into an Option Agreement with CMC to acquire 100% interest in the licenses.

Compañía Minera Candelaria SA (1969-1993, 1997-2014)

From 1969-1993, and again from 1997-2014 several copper-bearing structures were artisanally mined by CMC covering the three original Flor de Cobre concessions (Candelaria No 9, No 10 and No 11).

The Dueñas family reported extraction of approximately 500-1,000 tonnes of mineralized material per month from underground artisanal workings along zones containing high concentrations of secondary copper minerals. The material was hand-sorted and processed by a combination of sulphuric acid leaching and copper precipitation using scrap iron to produce copper cement. The family reports the average grade of oxide copper material processed was ~3% Cu. Yearly output was estimated at 15-20 tonnes of copper 'cement' containing 80-85% Cu. The actual timeframe for mining activities continued until 1993, when an option agreement with Rio Amarillo Mining Ltd. was signed. Limited production was re-started in 1997 after the Rio Amarillo Mining Ltd. agreement terminated and continued until 2014.

The reader is cautioned the production information above has not been verified. There are no available records of this information for the QP to independently verify. The information does not indicate that further mineralization will be identified on the property that is the subject of this report. While the information above is unverified, it is presented as a part of the rationale for why the property remains of interest.

Rio Amarillo Mining Ltd. (1993-1994)

Rio Amarillo Mining Ltd. ("Rio Amarillo") entered into option to purchase agreement with CMC in 1993. The terms of the agreement required Rio Amarillo to make an initial payment of US\$150,000, subsequent monthly payments of US\$10,000 for the first 12 months, US\$15,000 for the remaining 12 months, and a final payment of US\$6,550,000. A 1% net smelter royalty to a maximum of US\$15,000,000 was granted to CMC.

Geological mapping, rock geochemical sampling, induced-polarization survey (Arce, 1994) and drilling were completed by Rio Amarillo (Alvarez, 1994). Rio Amarillo drilled 18 core holes totaling 3,746.4 m in the area surrounding the Candelaria area of the property with the objective of delineating a supergene enrichment zone. Arce (1994) reported that Hole K-008 was the best hole, returning 124 m at 1.37% Cu (enriched) and 148 m at 0.54% Cu primary (Figure 7 below). Finally, Rio Amarillo Mining Ltd. undertook 307 specific gravity (SG) measurements proving an average SG 2.60 for the porphyry material.

An induced polarization (“IP”) survey consisting of 76 stations at 200 m intervals along lines with 200 m spacing was completed by Rio Amarillo in 1994 (Arce, 1994). The IP survey used a Wenner symmetrical electrode configuration (Figure 8 below). The higher chargeability response roughly coincides with the subsurface position of the enrichment zone.

In addition, preliminary metallurgical test work was completed on two samples to investigate recovery by leaching and flotation (Plenge, 1994). The reported recovery of copper was 89.5%. Each sample weighed 20 kg with the source rock unknown. One sample was sent for leach testing and the second sample was sent for concentration for flotation analysis. Based on the size sample submitted and the lack of location any resulting analyses are spurious at best. In an effort to understand the nature of metallurgy for Flor de Cobre property, a more in-depth analysis is required.

Minera Phelps Dodge del Peru SA 1995

Minera Phelps Dodge del Peru SA (“Phelps Dodge”) entered into a conditional assignment agreement with Rio Amarillo in 1995 to acquire 100% of the Candelaria property. Phelps Dodge could acquire 100% of Rio Amarillo's underlying option for the Candelaria mining rights in southern Peru. The terms of the agreement were as follows:

- A purchase price of US \$5,000,000 was payable to Rio in stages to December 31 1997.
- A 1.5% net smelter royalty (“NSR”) payable to Rio Amarillo on production from the Candelaria mining rights until the underlying royalty to Candelaria (1.5% NSR capped at US\$15 million) has been paid, at which point the Rio Amarillo royalty would be adjusted to 2.5% NSR royalty paid from the remaining production on the Candelaria mining rights.

Minera Phelps Dodge Del Peru SA made a second payment of US\$1,250,000 on December 29, 1995 to Rio Amarillo on the Candelaria copper concession.

Property scale mapping of the primary lithologies and leach capping was completed by Phelps Dodge, followed by a drilling program of 36 holes totaling 5,881.7 m, including 1,527.7 m of core holes and 4,354 m in 29 RC holes. Drill hole CD-128 returned the best intercept, with 40 m at 1.0% Cu (See Table 3 below for GPS locations).

Geological mapping of the original three CMC concessions was undertaken by Phelps Dodge while they had the project under option (Alvarez, 1995). Mapping was completed at a nominal scale of 1:5,000. Lithology, hydrothermal alteration, limonite abundance and type, and veining were documented. The coincidence of porphyritic intrusions, abundant limonite, and intense veining was evident. Sericite alteration extended approximately 500 metres beyond exposures of porphyry. The QP of this technical report was not provided the original data from this program, but instead provided a summary map generated by GlobeTrotters.

Rio Amarillo Mining Ltd. (1996-1997)

Rio Amarillo Mining Ltd. announced on November 15, 1996 that it received notice from Minera Phelps Dodge del Peru SA that effective November 18, 1996 Phelps Dodge was to terminate the conditional assignment agreement on the Candelaria Porphyry project in southern Peru.

After the agreement with Phelps Dodge terminated, Rio Amarillo Mining Ltd. produced an initial resource estimation based on all drilling on the property. The drilling was very limited in scope and covered an area equal to approximately 488 ha. A total of reported of 40 diamond drill holes had been drilled (the majority of which is on the Flor de Cobre property) with a calculated ‘geologic resource’, with a 0.20% Cu cut-off grade, of 57.4 million tonnes grading 0.67% Cu, including 21.3 million tonnes grading 1.04% Cu. An estimate of mineralization that would be possible to extract as a contiguous unit with a block cut-off grade of 0.30% Cu and an estimated stripping ratio of less than 1.5:1 is 43.8 million tonnes grading 0.69% Cu, including 16.6 million tonnes grading 1.07% Cu (Figure 7 below). The property also covers a second porphyry copper target (“**Atravezado**”) that is located 1.5 kilometres northeast of Candelaria.

The original source of the historical resource estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical resource estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. The parameters, assumptions and methods used to calculate the historical estimate are unknown. Additionally, the historical resource estimate does not use the resource categories as defined in CIM 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The QP has not done sufficient work to

classify the historical resource estimate as a current mineral resource, and it is unclear what work might be required to confirm the historical resource estimate. For these reasons, the historical resource estimate should not be relied upon. The Company is not treating the historical estimate as a current mineral resource.

Table 3: Historical Drill Locations on the Flor de Cobre Property (Source: E29, Flor de Cobre Technical Report, 2020)

Hole	WGS84E	WGS84	Elevation	Depth m	Dip	Type	Company
CAR-163	246023	8148434	2764	166	-90	RC	Minera Phelps Dodge del Peru SA
CAR-164	246180	8148525	2748	181	-90	RC	Minera Phelps Dodge del Peru SA
CAR-169	246000	8148652	2713	114	-90	RC	Minera Phelps Dodge del Peru SA
CAR-172	245612	8148840	2692	149	-90	RC	Minera Phelps Dodge del Peru SA
CAR-173	245808	8148633	2732	150	-90	RC	Minera Phelps Dodge del Peru SA
CAR-176	245674	8148499	2755	214	-90	RC	Minera Phelps Dodge del Peru SA
CAR-186	246207	8148430	2750	211	-90	RC	Minera Phelps Dodge del Peru SA
CAR-187	246008	8148527	2746	170	-90	RC	Minera Phelps Dodge del Peru SA
CAR-188	245808	8148434	2771	256	-90	RC	Minera Phelps Dodge del Peru SA
CAR-189	245906	8148337	2768	208	-90	RC	Minera Phelps Dodge del Peru SA
CAR-190	246000	8148328	2781	230	-90	RC	Minera Phelps Dodge del Peru SA
CAR-191	245932	8148167	2774	168	-90	RC	Minera Phelps Dodge del Peru SA
CAR-224	246301	8148533	2773	184	-90	DDH	Minera Phelps Dodge del Peru SA
CAR-226	246002	8148834	2688	70	-90	RC	Minera Phelps Dodge del Peru SA
CAR-228	245906	8148732	2678	79	-90	RC	Minera Phelps Dodge del Peru SA
CAR-229	246199	8148326	2717	170	-90	RC	Minera Phelps Dodge del Peru SA
CAR-237	245813	8148931	2664	79	-90	RC	Minera Phelps Dodge del Peru SA
CAR-239	245807	8148837	2663	74	-90	RC	Minera Phelps Dodge del Peru SA
CAR-241	245717	8148758	2709	134	-90	RC	Minera Phelps Dodge del Peru SA
CD-128	245839	8148326	2790	342	-90	DDH	Minera Phelps Dodge del Peru SA
CD-142	246355	8148630	2813	283	-90	DDH	Minera Phelps Dodge del Peru SA
I-006	245677	8148594	2717	216	-90	DDH	Rio Amarillo Limited
I-008	245928	8148583	2727	147	-90	DDH	Rio Amarillo Limited
I-010	246085	8148623	2710	226	-90	DDH	Rio Amarillo Limited
I-012	246252	8148615	2772	246	-90	DDH	Rio Amarillo Limited
K-004	245548	8148395	2748	91	-90	DDH	Rio Amarillo Limited
K-006	245710	8148368	2800	231	-90	DDH	Rio Amarillo Limited
K-008	245880	8148420	2758	350	-90	DDH	Rio Amarillo Limited
K-010	246086	8148405	2780	257	-90	DDH	Rio Amarillo Limited
M-008	245884	8148225	2772	294	-90	DDH	Rio Amarillo Limited
M-010	246073	8148207	2784	272	-90	DDH	Rio Amarillo Limited
DDH= Diamond Drill Hole, RC= Reverse Circulation Drilling							

Figure 7: Historical Drill Hole Locations Map (Source: E29, Flor de Cobre Technical Report, 2020)

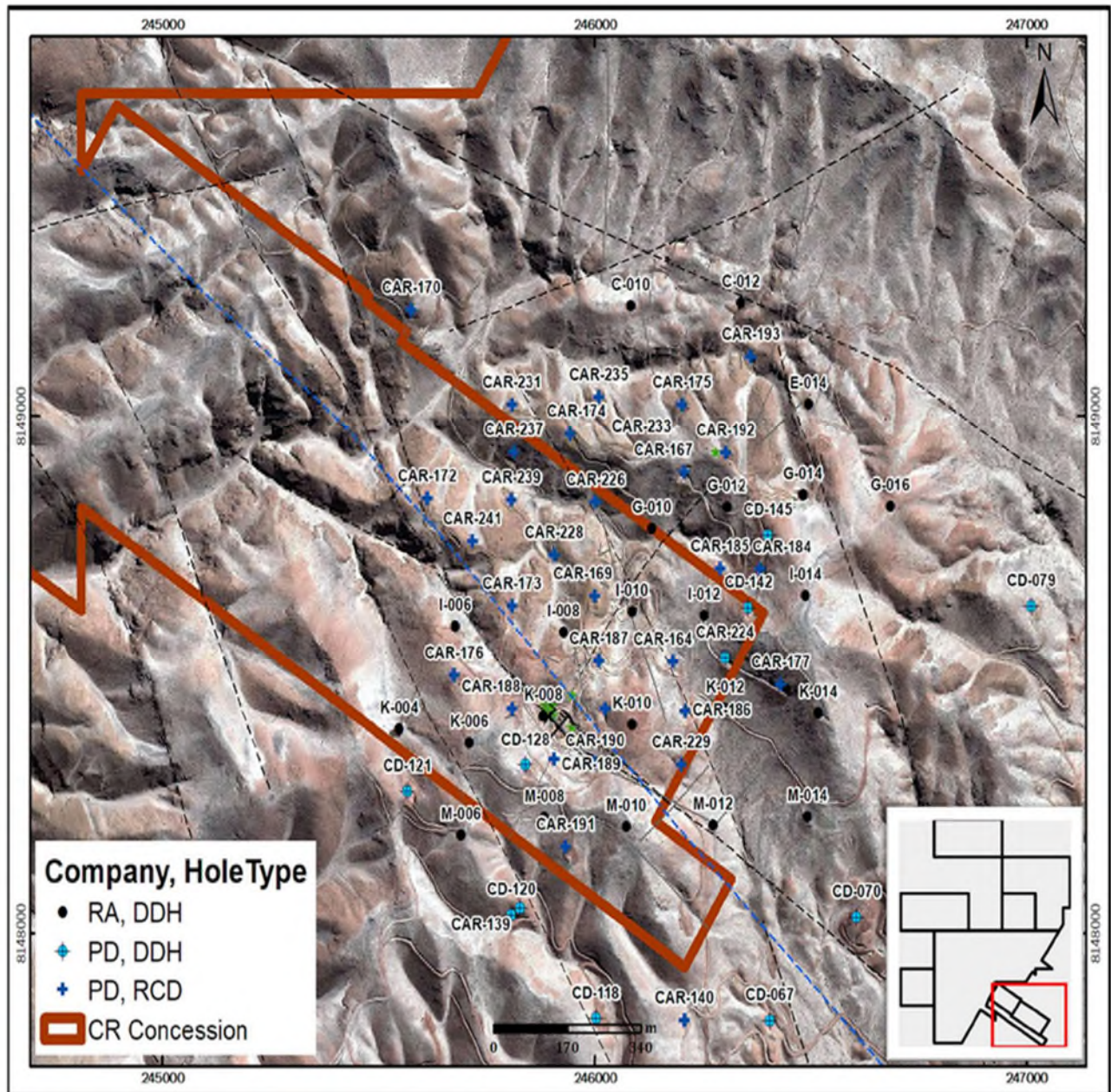
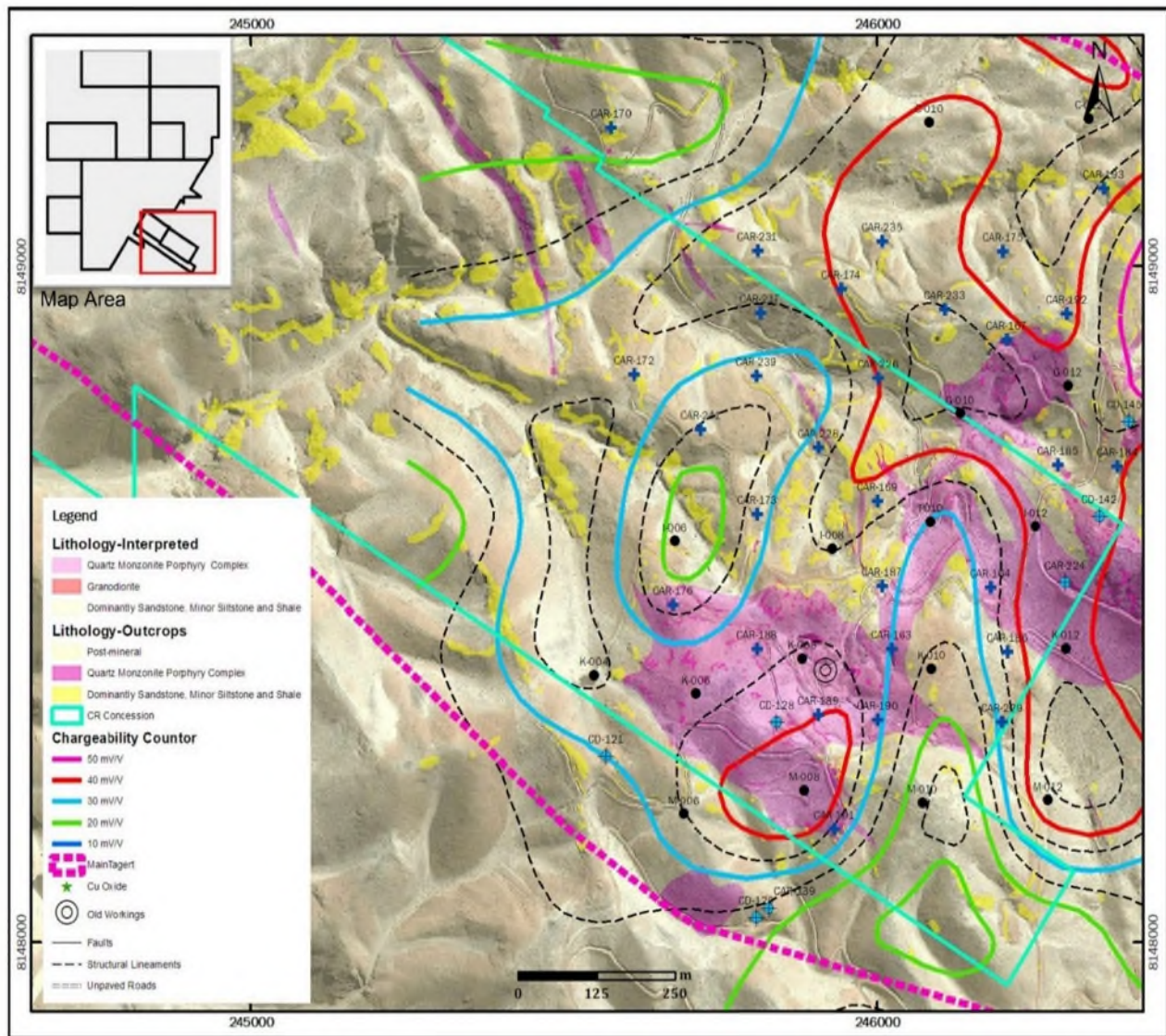


Figure 8: Historical Induced Polarization (Source: E29, Flor de Cobre Technical Report, 2020)



Candelaria Resources SAC (2016–2019)

In 2016, Candelaria Resources SAC entered into an Option Agreement with Compañía Minera La Candelaria SA. Completion of the agreement was contingent on securing complete legal title to the concessions controlled by CMC due to the changes in the Peruvian tenure management process since the concessions were registered on 1969. This required completing a physical survey of the concession boundaries by a land surveyor recognized by INGEMMET and acceptable to adjacent concession owners.

The QP was informed on October 30, 2019, by Dr. Paul Johnston of GlobeTrotters (an affiliate of Element 29 Resources), that “No formal reports were prepared for Candelaria” for any geological work undertaken from 2016-2018. (Pers. Comm. 2018). Dr. Paul Johnston of GlobeTrotters also reported the work done by Candelaria Resources as follows:

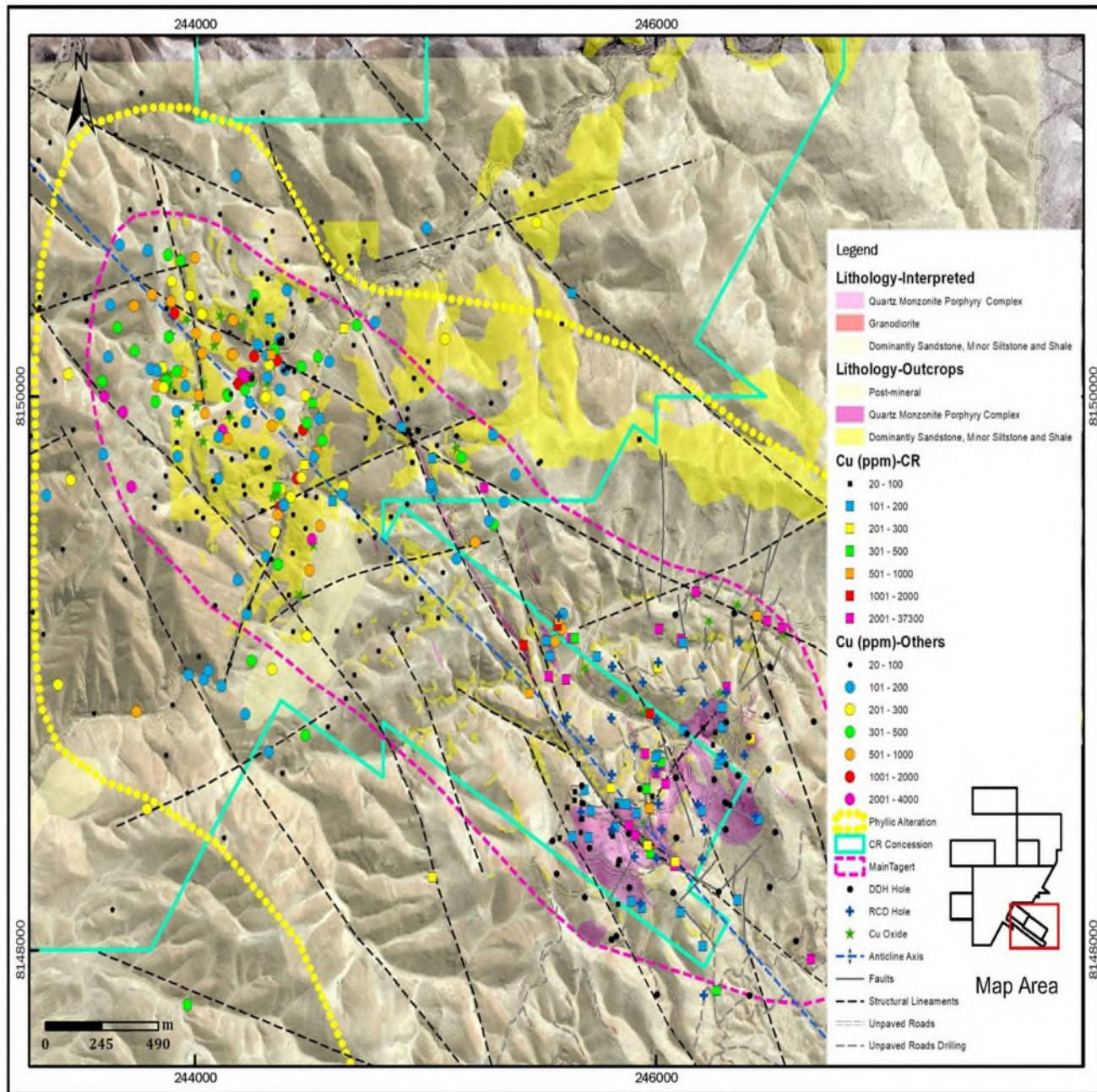
- Regional geological compilation of the available information, scale 1:25,000
- District geological mapping of the property at 1:10,000 scale including the historical target and the NW extension recently acquired, using topographic maps, satellite images and systematic key traverses.

- Detail geological mapping on the old concessions Candelaria 9, Candelaria 10 and Candelaria 11 (historical drilled area) at 1:2,500 scale by traverses on the available road and trail access and walking through the existing outcrops using topographic maps and satellite images at appropriate scales (Figure 9 below)
- Rock geochemical sampling of the main outcrops of the southern target area with a total of 111 mostly rock chip samples collected. The seven highest copper values over 1% range from 1.3% to 3.73 % copper. Samples were analyzed for Au-ICP41 in ALS Global Laboratory in Lima, Peru.
- Systematic structural stations (285) to record porphyry-related veinlet types orientation and density for plotting veinlet density maps to help identify the location of mineralized centres.

Vein mapping was tested in December 2017 and involved completion of a single geological transect across the Candelaria system with GlobeTrotters' geologic staff. Vein orientation and density was measured in outcrop. Vein density refers to the proportion of the rock mass occupied by veins expressed as volume percent. The test work showed the utility of vein density for indicating proximity to inter-mineral porphyry stocks.

The semi-detailed Environmental Impact Study ("EIA-sd") was submitted to the Peruvian authorities (Ministry for Energy and Mines/MINEM) in 2019. Final approval is pending. An EIA-sd is one of the key requirements of the Peruvian permitting regime to obtain drilling permits for the Flor de Cobre property. The drill permit under an EIA-sd (currently in application) is expected at the end of 2020. Once the permit is received, the Company plans a 9 hole diamond drill program for a total of 3,700 metres at Candelaria to complete a NI 43-101 resource estimate and to evaluate the potential for additional resources at depth of the primary sulphide which has been intercepted in historical drilling. The Company subsequently plans to carry out preliminary metallurgical and engineering studies in 2021.

Figure 9: Historical Data (Source : E29, Flor de Cobre Technical Report, 2020)



Geological Setting, Mineralization and Deposit Types

Regional Geology

The geology and physiography of the southern Peruvian Andes were first comprehensively documented by Bowman (1916) and Douglas (1920). More recent syntheses include those of Audebaud et al. (1976) and Sebrier et al. (1988). In a broader context, Dalmayrac et al. (1980) and Megard (1987) document the overall geologic evolution of Peru; the latter authoritatively reviews (1988) the regional geology of the Andes north of the Bolivian orocline, while Pitcher et al. (1985) provide a wealth of information on the Peruvian Coastal batholith. Isacks (1988) advances a stimulating model for the Neogene tectonic evolution of the orocline region. In addition to numerous 1:100,000 geologic maps and reports for 30' quadrangles in southeastern Peru, particularly in the

Cordillera Occidental and on its Pacific slope, excellent reconnaissance descriptions of extensive areas in the Cordillera Occidental, Altiplano, and Cordillera Oriental are presented by Newell (1949), Laubacher (1978 a, b), and Klinck et al. (1986).

In the mid-Mesozoic, rifting along the western margin of Gondwana (now western South America) marks the beginning of the Andean orogen (Coira et al., 1982; Davidson and Mpodozis, 1990; and Benavides-Cáceres, 1999). Steep subduction of cold oceanic crust under the western margin of Gondwana caused the ocean-ward (west) retreat of the trench allowing for the formation of significant intra-arc and back arc rifts. These rifts were filled by mafic, mantle derived magmatic rocks (Jones, 1981; and Atherton et al., 1983 & 1985) and detritus from the rift margins (Benavides, 1956; and Wilson, 1983 & 2000). The margins of the rift systems are marked by large-scale faults to the east and Precambrian-Paleozoic rocks to the west. Rifting and basin development continued into the early Late Cretaceous. In southern Peru, a magmatic arc formed west of the rift sequence during the Jurassic and Early Cretaceous, consisting mainly of basaltic to andesitic rocks intercalated with volcanoclastic rocks and limestone. Three distinct magmatic pulses are noted during this period and were emplaced progressively towards the east: early Middle Jurassic (ca. 185 Ma); late Middle Jurassic (160-165 Ma); and Early Cretaceous (95-110 Ma) in Peru (Pitcher et al., 1995; and Mukasa, 1986) and Chile (Clark et al., 1976; and Mpodozis and Ramos, 1989).

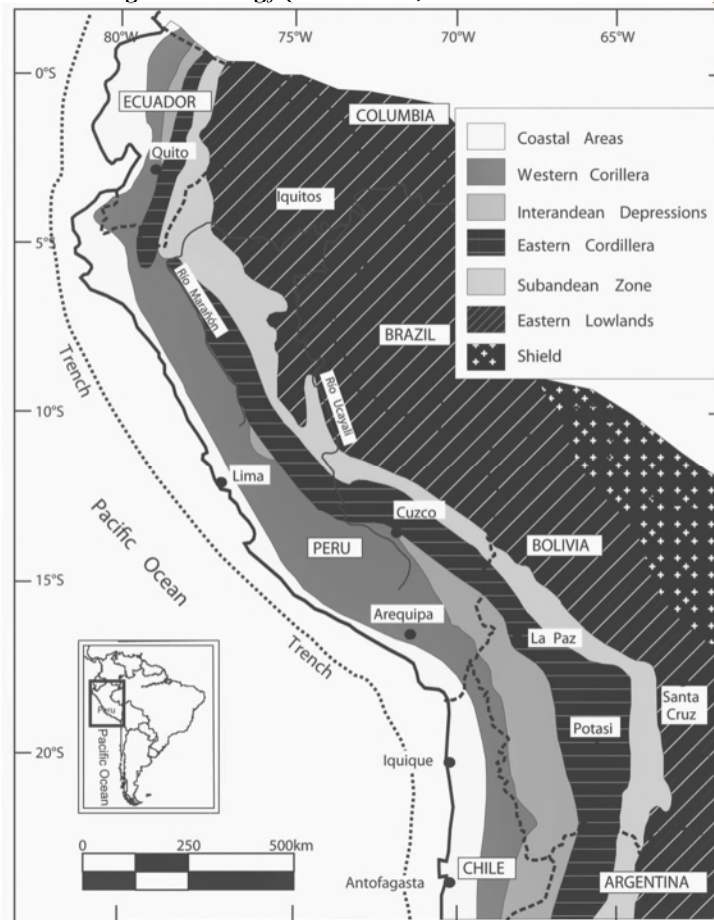
The Late Cretaceous marks a time of a major tectonic and magmatic shift throughout the Andes coincident with the opening of the south Atlantic Ocean (Tosdal, 2003). Generally, there is migration of arc development towards the northeast. In southern Peru the time is marked by Late Cretaceous shortening, collapse of the back-arc rift and eastward thrusting of marine volcanic and sedimentary sequences on top of continentally derived clastic rocks (Vicente et al., 1989; and Benavides-Cáceres, 1999). Magmatism continued in central and southern Peru during the latest Cretaceous (66 Ma) and continued into the Paleogene (59 Ma) (Clark et al., 1990a) and is responsible for obscuring the earlier rift sequence and late Cretaceous fold and thrust belt. This arc is preserved as thick dacitic to andesitic pyroclastic rocks and intermediate flows (Bellido, 1979), with igneous roots composed of large, mantle and Proterozoic-aged lower crust derived granodiorite batholiths (Barreiro and Clark, 1984; and Boiley et al., 1990). This period of magmatism is correlative with the Toquepala Group rocks in the area between Toquepala and Cuajone (as seen in Figure 5 above).

Anomalously metal-rich deposits are associated with Paleocene to Early Eocene granite and granodiorite porphyry stocks. These stocks intruded earlier in Peru and progressively young to the south in northern Chile, from 60-52.3 Ma (Mukasa, 1986; Clark et al., 1990). A strong northwest alignment of the Paleogene porphyry stocks suggests that a series of trench parallel, northwest-trending faults, coincident with the earlier rift basin, control the emplacement the stocks. Porphyry intrusions of this age are temporally and spatially associated with porphyry Cu-Mo mineralization at Cerro Verde, Quellaveco, Toquepala and Cuajone. During the Eocene and Oligocene flat slab subduction (Sandeman et al., 1995) in Peru caused a sudden northeastward shift in magmatism (Noble et al., 1984). In southern Peru this is recorded as Paleogene arc degradation, whereby sedimentation (Moquegua Formation) began filling an intra-arc basin until approximately 18 Ma, when volcanism continued (Tosdal et al., 1981). The majority of volcanism occurred from 22-18 Ma (Huayllillas Formation), as large ignimbrites interbedded with the earlier Moquegua Formation (Tosdal et al., 1984). The Early Miocene was also characterized by crustal shortening, orogen-scale uplift and accentuation of the oroclinal bend in the Andes (Isacks 1988).

The Flor de Cobre Project is within a segment of the Southern Peru Copper Belt coincident with a Cretaceous to early Eocene magmatic arc that extends from northern Chile and continues northwest through the Cerro Verde deposit paralleling the continental margin. Prominent throughout the magmatic arc is the granodioritic to quartz monzonitic Yarambamba Superunit of the Peruvian Coast Batholith (Pitcher, 1985) which was emplaced primarily into Jurassic to Lower Cretaceous volcano-sedimentary sequences. Some segments of the batholith intrude metamorphosed, Mesoproterozoic rocks such as at Cerro Verde.

The long-lived, arc parallel Inca-Puquio fault system influenced emplacement of the Coastal Batholith and associated porphyry stocks. The present distribution of Coastal Batholith units and their host rocks is controlled by vertical displacement of fault blocks delimited by strands of the Inca-Puquio fault system that remained active after emplacement of the magmatic arc (see Figure 10 below).

Figure 10: Andes Regional Geology (Source: E29, Flor de Cobre Technical Report, 2020)



Lower Jurassic andesitic volcanics and volcanoclastics represent a Jurassic phase of submarine volcanism associated with subduction along the western edge of the South American continental margin that began in the Lower Jurassic and marked the onset of the Andean Orogeny.

The Upper Jurassic to Lower Cretaceous Yura Group siliciclastic sequence was unconformably deposited on the Lower Jurassic volcanic and volcanoclastic sequence in a shallow marine environment. Mature quartz-rich sandstone formations dominate the Yura Group sequence and reflect a sustained, relatively high-energy depositional environment.

The Peruvian Coastal Batholith is a complex of Upper Cretaceous to Paleocene granite, granodiorite, quartz monzonite, monzonite and quartz diorite that forms a 1,600 km linear belt at or near the coast of Peru and northern Chile. Emplacement of the batholith was initiated in an extensional regime associated with steep subduction of the Pacific Plate along the western edge of the South American continent. Many of the Paleocene porphyry systems of southern Peru are distributed within or near the Coastal Batholith (Figure 11 below).

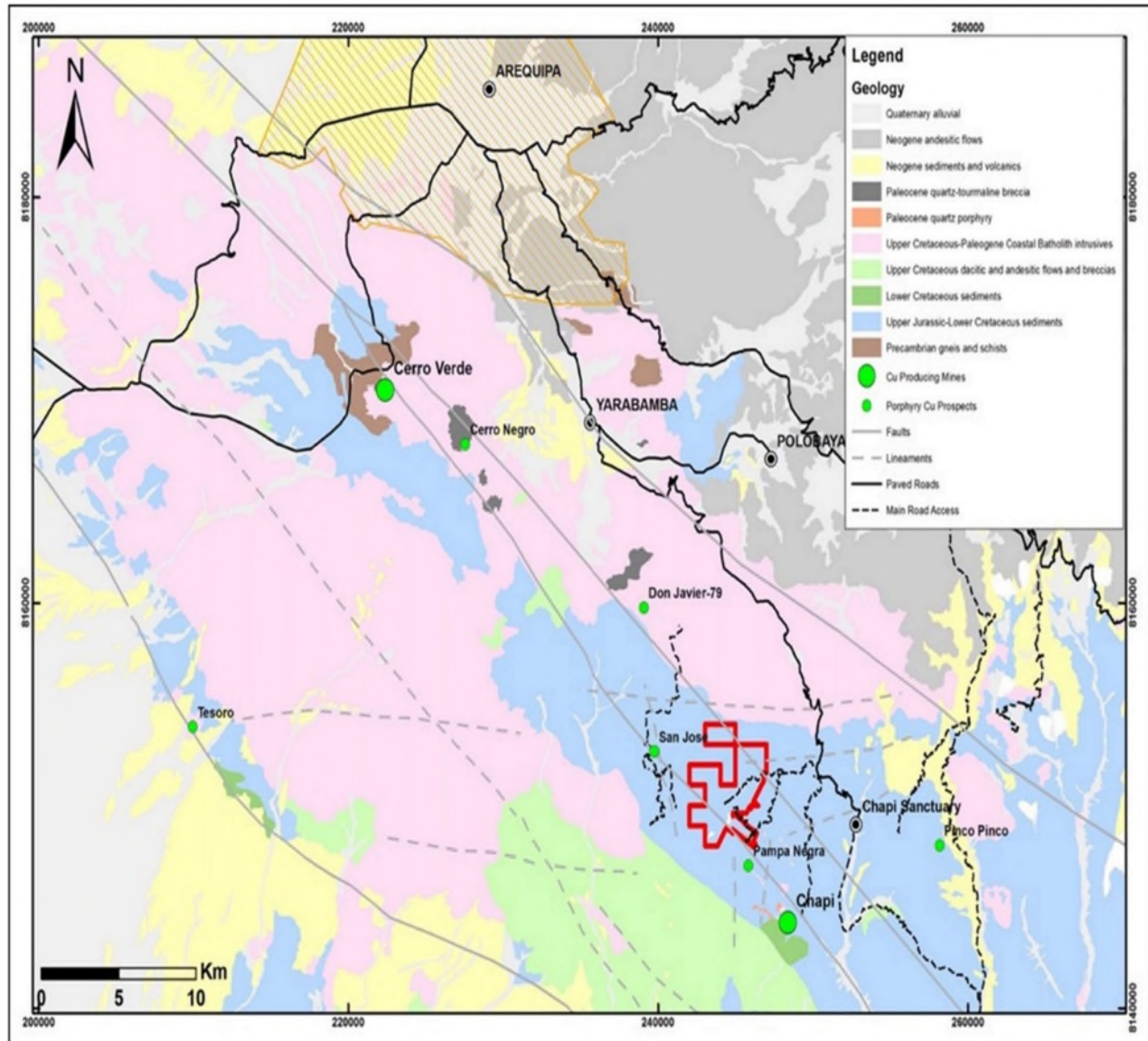
Flor de Cobre Project Geology

Stratigraphy

A thick sequence of Upper Jurassic siliciclastic units consisting of the medium grained sandstone interbedded with siltstone underlies the Flor de Cobre area and forms the upper part of the Upper Jurassic-Lower Cretaceous Yura Group. An unconformity at the base of the Yura Group separates an intermediate volcanoclastic and volcanic sequence of the Lower Jurassic Chocolate Formation. Chocolate Formation is identified to the southeast of Flor de Cobre around the Chapi deposit. Chachios Formation Shale deposits are also documented to the southeast of Candelaria. Massive, distinctly cross-bedded quartz sandstone of the Hualhuani Formation

overlying the Labra Formation crops out to the northwest of the Flor de Cobre property. Limestone of the Gramada Formation is not present on the Flor de Cobre property area but are exposed south of the Chapi mine.

Figure 11: Geology (Source : E29, Flor de Cobre Technical Report, 2020)

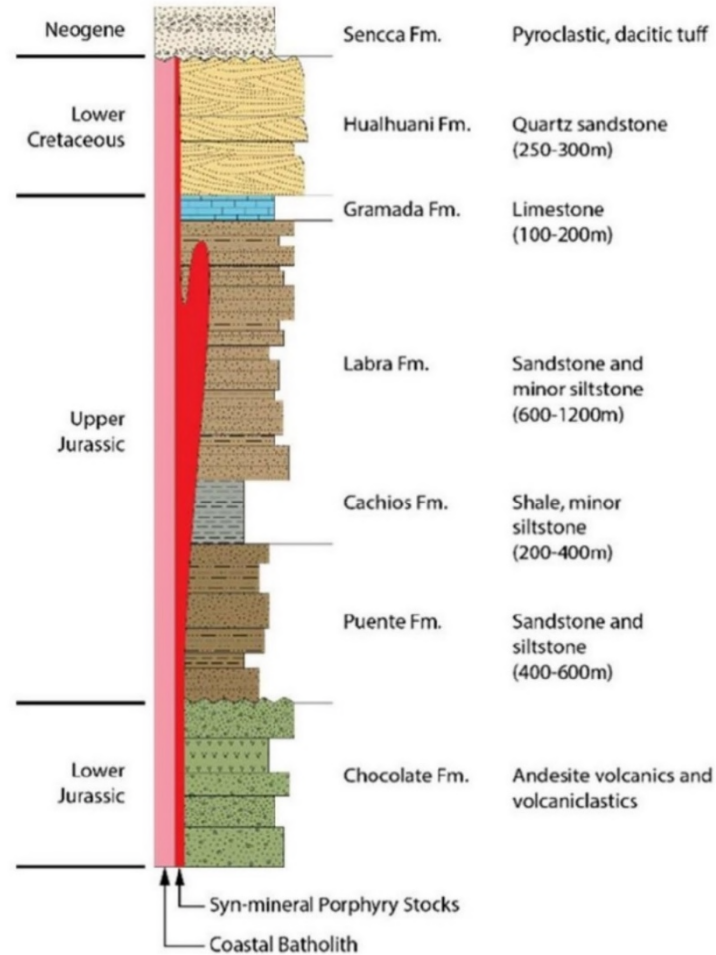


Gramada Formation occurs as thin, discontinuous limestone beds between the Labra and Hualhuani Formations.

The Labra Formation on the property is a monotonous sequence of 10-50 cm thick beds of medium grained (0.25-0.50 cm) quartz and minor 1-20 cm thick feldspathic siltstone interbeds (Figure 12 below). Graded and cross bedded sedimentary structures are rare. Sedimentary formations are sub-horizontal and show minimum disruption by faults. An open anticline with a west-northwest axis broadly coincides with the alignment of the Candelaria, Pampa Negra and Chapi porphyry copper centres.

The stratigraphic sequence in the area, is formed from the base to the ceiling, by sequences volcanic of the Lower Jurassic belonging to the Chocolate Volcanics and sequences siliciclastic sediments of the Upper Jurassic - Lower Cretaceous of the Yura Group.

Figure 12: Stratigraphic column for the Flor de Cobre area (Source: E29, Flor de Cobre Technical Report, 2020)



Intrusions

Syn-mineral, quartz monzonite porphyry stocks of inferred Paleocene age intrude the upper part of the Labra Formation on the Flor de Cobre property. At least two phases of porphyry are recognized from outcrops and drilling on the property. Diorite (andesite) porphyry mentioned in historical reports have not been confirmed. Porphyry intrusions have plan dimensions of 200-400 m and occur as equidimensional stocks or dikes with sub-vertical contacts. Porphyry intrusions plot in the quartz monzonite field of (Streckeisen, 1974) based on macroscopic estimates of modal mineralogy. An early-mineral phase of quartz monzonite porphyry consists of subhedral quartz, euhedral plagioclase, biotite, and hornblende phenocrysts crowded in an aplitic groundmass. The late-mineral porphyry phase is similar in composition to the early porphyry phase but with less crowded phenocrysts with a fine-grained groundmass of quartz, feldspar and biotite (Figure 13 below).

Figure 13: Flor de Cobre inter-mineral quartz monzonite porphyry phases. (Source : E29, Flor de Cobre Technical Report, 2020)

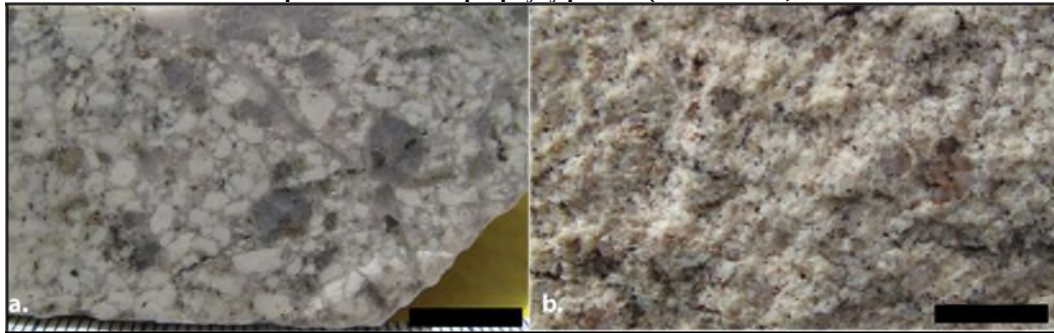


Photo descriptions:

- (a) Early mineral quartz monzonite porphyry. 2-7 mm subhedral quartz phenocrysts, average 4 mm. 2-3 mm plagioclase phenocrysts in an aplitic groundmass.
- (b) Late-mineral quartz monzonite porphyry. 2-10 mm quartz phenocrysts, average 3 mm. 2-6 mm plagioclase phenocrysts, average 3 mm, in a fine-grained groundmass. Late mineral quartz monzonite porphyry has less veining than the early-mineral phase. Scale bar is 1 cm.

Neogene Units

Dacitic pyroclastic units of the Sencca Formation are deposited on Miocene erosional surfaces. Unconsolidated cover consists 1-5 metres of colluvium mixed with thin deposits of wind-blown ash from recent volcanic eruptions occur across the property.

Alteration

Sericite-pyrite alteration

The limit of sericite-pyrite (phyllic) alteration has been mapped approximately one km north of the Flor de Cobre porphyry stocks and extends at least two km northwest toward the alteration zone of the San Juan porphyry system. Phyllic alteration is most intense within the Flor de Cobre porphyry intrusions and their immediate host-rocks. Pervasive replacement of primary feldspar and biotite by sericite accompanied by 2-5% disseminated pyrite in the porphyry phases is common. Classic D-type veins (Gustafson and Hunt, 1975) consisting of pyrite veinlets with sericite halos are developed with variable intensity throughout the phyllic alteration zone. Phyllic alteration of the quartz dominant sedimentary host units is subtle and is marked by 1-2% fine grained disseminated sulfide and sericite replacement of the fine-grained matrix in sandstone. Migration of limonite derived from oxidized pyrite in D veinlets into sericitic halos accentuates phyllic alteration in the quartz sandstone units.

Potassic Alteration

Potassic alteration is difficult to observe in outcrop due to obliteration by the phyllic alteration overprint. Remnants of secondary biotite replacing primary mafic minerals are visible where phyllic alteration is locally less intense. Thin, sub-millimetre potassium feldspar halos to quartz veinlets are recognizable where phyllic alteration is not intense. Potassic alteration crudely coincides with medium to high density quartz veinlets.

Mineralization

The Flor de Cobre property hosts a porphyry copper-molybdenum system with characteristics similar to other porphyry deposits within the Southern Peru Copper Belt. Mineralization is found in two distinct forms: (a) hypogene sulfide mineralization that includes disseminated and veinlet controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks; and (b) supergene mineralization of 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, and malachite, chrysocolla, and tenorite are the most abundant copper oxide minerals.

Mineralization is centred on a multi-phase quartz monzonite porphyry complex with a composition equivalent to Cerro Verde. Early (better mineralized) and late (weakly mineralized) porphyry phases are identified. Siliciclastic host rocks are poorly reactive to hydrothermal alteration and are a poor host for supergene enrichment. The sub-horizontal enrichment zone marks the position of a paleo-water table and contain mainly enriched sulfide.

Historical exploration drilling was designed to evaluate supergene mineralization and most holes were terminated immediately below the base of supergene enrichment. Therefore, the copper grades and lateral and depth extent of hypogene mineralization have not been established. An assemblage of pyrite and chalcopyrite are disseminated in thin, close-spaced veinlets and the rock surrounding the veinlets. Molybdenite is present in some vein generations.

Previous exploration drilling campaigns outline a supergene enriched zone with dimensions 1000 x 850 m elongated in a northeast direction. The zone has an average thickness of 20 m and reaches a maximum thickness of 126 m. The supergene zone is centred on a small cluster of quartz monzonite porphyry stocks mapped on the southeast end of the property. Figure 14 (below) is a cross section generated from historical data. The red dash lines outline supergene-enriched mineralization zones.

The thickest part of the enrichment zone is centred on the early porphyry. The composite grades of hypogene mineralization calculated from the portion of drill holes intersecting hypogene mineralization are shown in the inset map of Figure 14 (below). The length of drilling into hypogene is variable so the drilled interval is not that informative. Mineralization is open to the northwest and at depth.

In the southeastern area of the Flor de Cobre property, there are important anomalies of Mo related to the presence of the monzonite outcrops quartz porphyry intruding quartz sandstones and quartzite with a marked presence of quartz vein stockworking. Copper oxide stained fractures occur in the sandstones and porphyry intrusions.

The deposit type targeted at Flor de Cobre is a porphyry copper system containing both hypogene copper sulfide and supergene enriched copper mineralization located in a linear belt of porphyry deposits with similar Paleocene ages.

Andean porphyry systems are related to calc-alkaline porphyry complexes consisting of multiple intrusion phases emplaced during mineralization that is associated with a sequence of hydrothermal alteration and veining. Porphyritic intrusions range in composition from granite to diorite. Economic grades are often controlled by emplacement of fertile intrusions at or near structural zones and/or intersections. The best grades typically occur in the uppermost sections of these intrusions, where strong hydrofracturing related to depressurization of a hydrothermal fluid phase produces hydrothermal brecciation, as well as at or near the contacts with other rock types, often coincide with the best grades. Host rock type, the amount of early-formed, sulfide-bearing veinlets, and proximity to early-mineral porphyritic intrusions are the main controls on intensity of primary copper mineralization. Dilution by syn-mineral

dikes and stocks intruded late in the mineralization cycle and strong overprinting by sericite-pyrite alteration causes reduction in copper grades.

The Flor de Cobre property represents a classic example of an Andean style copper or copper-gold porphyry. In summary, along with a general description from Panteleev (1995), such types of deposits display large zones of hydrothermally altered rock with quartz vein stockworks, sulfide-bearing veinlets, fractures and lesser disseminations in areas often greater than 10 square kilometres in size. These alteration zones are often coincident with intermineral hydrothermal breccias and dyke swarms.

Oxidation of primary sulfides generated in porphyry systems results in circulation of acidic waters above mineralized systems. This later event has a twofold effect on porphyry deposits: it leaches rocks of all or most of the sulfides they contained above the water table; and copper rich solutions re-deposit as enriched copper sulfides at or below the water table. Common sulfides found here are chalcocite, covellite and digenite. Occasionally, native copper will deposit on rocks with insignificant amounts of sulphur, such as young barren dykes. These enrichment zones (or “blankets”) tend to behave as flat zones often parallel to topography. Above the secondary enrichment zone, altered rock often shows no geochemical signature due to intense leaching of all copper-bearing primary sulfides. Thus, typical Andean porphyries have a leached upper zone, an enriched supergene blanket, and a much larger mineralized, albeit at lower grades, primary (or hypogene) zone at depth.

Fluctuating water tables often result in subsequent oxidation of enrichment blankets. Common copper oxide minerals found in these zones are malachite, chrysocolla and brochantite. Occasionally, these copper oxides re-deposit some distance away from the main mineralization to form “exotic” copper deposits.

Porphyry deposits develop alteration zones distributed in time and space. Commonly documented alteration zones are: potassic, propylitic, phyllic, and sodic. Additionally, argillic, intermediate argillic and calc-sodic alteration are described in some examples. A central potassic alteration core surrounded by an outer propylitic zone normally forms early and is overprinted by phyllic and less commonly, argillic alteration.

Other deposit styles associated with porphyry copper deposits (spatially and genetically) include epithermal quartz veins and disseminated precious metal deposits, lead-zinc-silver veins and replacements, and skarns. A schematic model for porphyry deposits with respect to other styles of mineralization is shown in Figure 15 (below).

Historical exploration at Flor de Cobre has focused on outlining a viable copper porphyry deposit similar to those found elsewhere on the prolific Southern Peru Copper Belt. Initial drilling aimed to determine the existence of a supergene blanket. District scale exploration has followed up on structural controls, along which other mineralized intrusive bodies may have been emplaced, as well as on surface alteration, considering the typical alteration zonation observed on typical porphyry systems (Figure 16 below). As with many other mineralized porphyry systems around the world, the geometry of the mineralized shell at Flor de Cobre is determined, at least in part, by the spatial extent of the mineralizing.

Figure 15: Deposit Alteration (Source: E29, Flor de Cobre Technical Report, 2020)

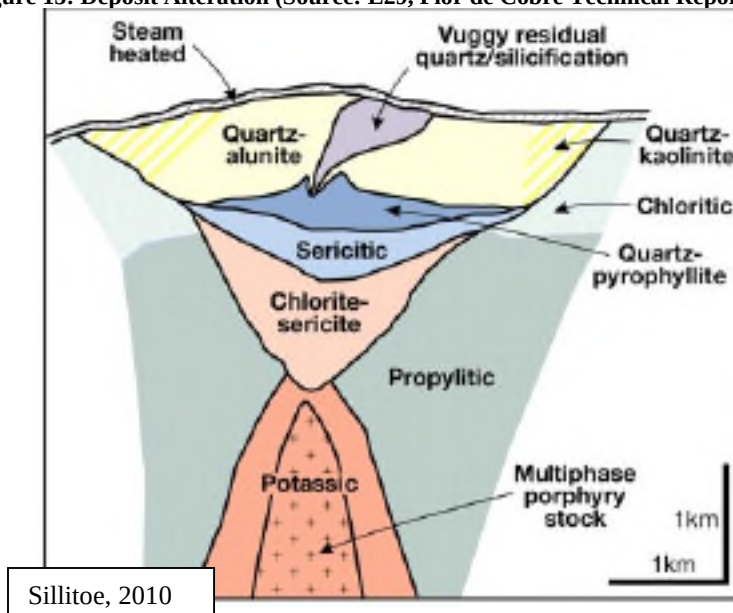
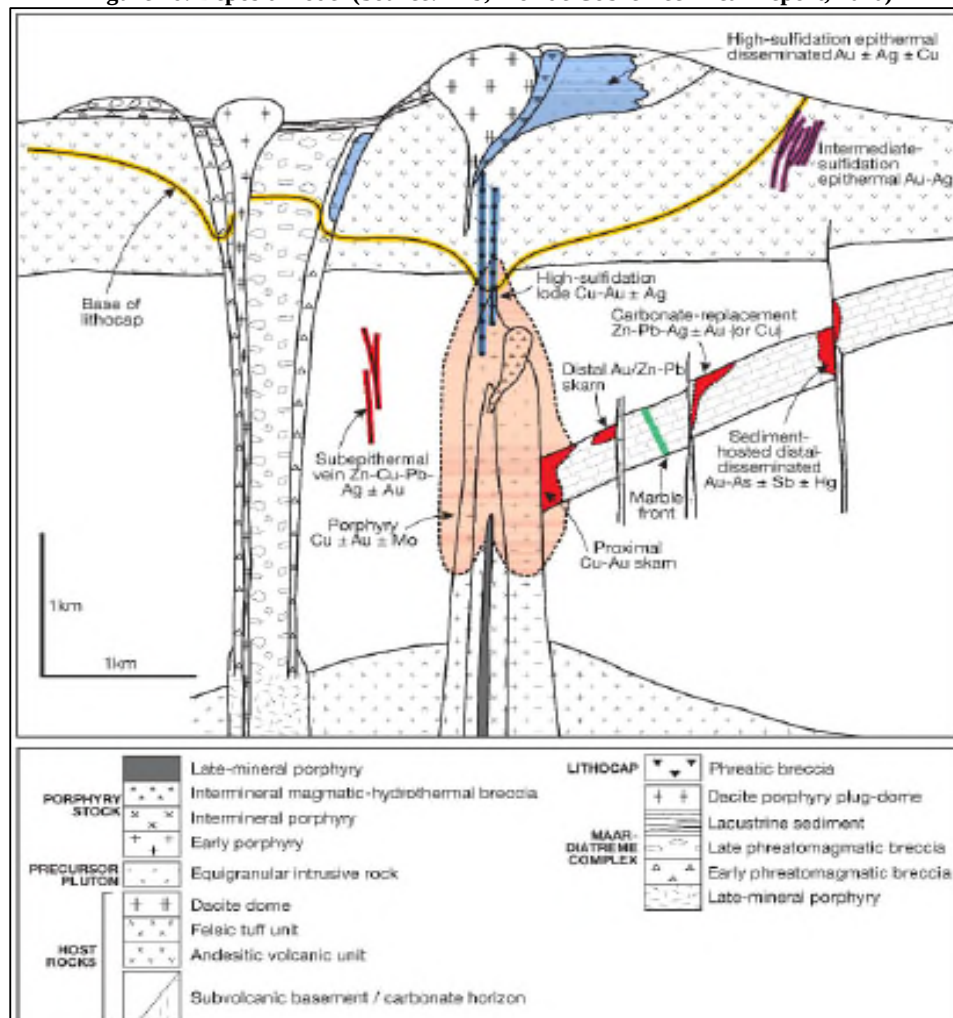


Figure 16: Deposit Model (Source: E29, Flor de Cobre Technical Report, 2020)



Exploration

In 2019, a 28.9 kilometre induced polarization (IP) geophysical survey was completed over the property to evaluate the Candelaria supergene copper zone and Atravezado copper porphyry target at depth. Strong IP anomalies were detected associated over the two target areas.

Mapping was completed at a 1:5,000 scale, along with a total of 157 rock samples collected. Of the total sample population, 32 rock samples contained strong anomalous copper values that vary from 0.1 to 3.66% of Cu (e.g. sample #3577 returned 0.94% Cu). The values for Mo in generally are low, with an average value of 9 ppm and a maximum value of 74 ppm. There is no presence of Au or Ag values in the system, just erratic Ag values up to 11.2 ppm. As, Mn, Sb and Zn are slightly elevated. The average value for As in the sample population is 105 ppm, including an outlying value of 7,740 ppm. Other noteworthy elements are Mn (up to 6,600 ppm), Sb (up to 213 ppm) and values of Zn with an average of 114 ppm and a maximum value of 677 ppm (Quivio, 2019).

The main hydrothermal alteration consists of a mild to moderate argillization with the presence of sericite characterized by D veins and sericite in fractures and interstices of sandstone grains, which is observed in an area of approximately 1.2 x 1.0 km and extending along splays to the southeast toward the central area of the Candelaria Prospect. Locally, areas of strong sericite can be seen on a poorly exposed feldspar porphyry dyke. Interesting copper values persist between the Atravezado and Candelaria areas where hydrothermal alteration intensity is lower. Sericite alteration intensity is generally coincident with occurrences of copper oxides and locally increases where quartz vein stockworking and limonite abundance increases. The bodies of porphyry quartz-feldspar biotite books, which occur between the ATV #1 and ATV #2 platforms have a slight alteration of potassium feldspar. Late mineral porphyry intrusions exposed in the upper part of the Huacacón hill contain minor quartz veinlets and a weak alteration overprint.

The most important mineralization is a zone of copper oxide (malachite, tenorite, chrysocolla, and brochantite) associated with goethite-hematite and jarosite. Manganese oxide may accompany copper and iron oxide minerals. In Quebrada Copin, up to 3% disseminated pyrite is observed. Copper mineralization is related to the abundance of quartz-limonite veins and also to the presence of sericite in sandstones or feldspar porphyry. In general, the presence of copper oxides is restricted in an area of 1.15 x 0.75 km.

Geological mapping of the Atravezado area illustrates the existence of a potential Cu-Mo porphyry system covering an area approximately 1.2 x 1.0 km that coincides with strong Cu and Mo geochemical anomalies and an obvious and significant induced polarization geophysical response. A strong geophysical resistivity at 400 m depth indicates the presence of a target for copper porphyry (Figure 17).

Bedding orientation in the sequence of quartzite, sandstone, limonite and shale define small open anticlines and synclines with a fold axes azimuths ranging from 320° to 325° in the central Candelaria area. These small fold structures appear to be elements of a regional anticline with a northwest oriented axis passing through Huacacón hill (Quivio, 2019). Structural alignments of faults and visible local fractures of N-NW orientation affect sedimentary sequences and partly control some porphyry dikes. In general, a large part of the population of veins and fractures have a north-west tendency (Quivio, 2019).

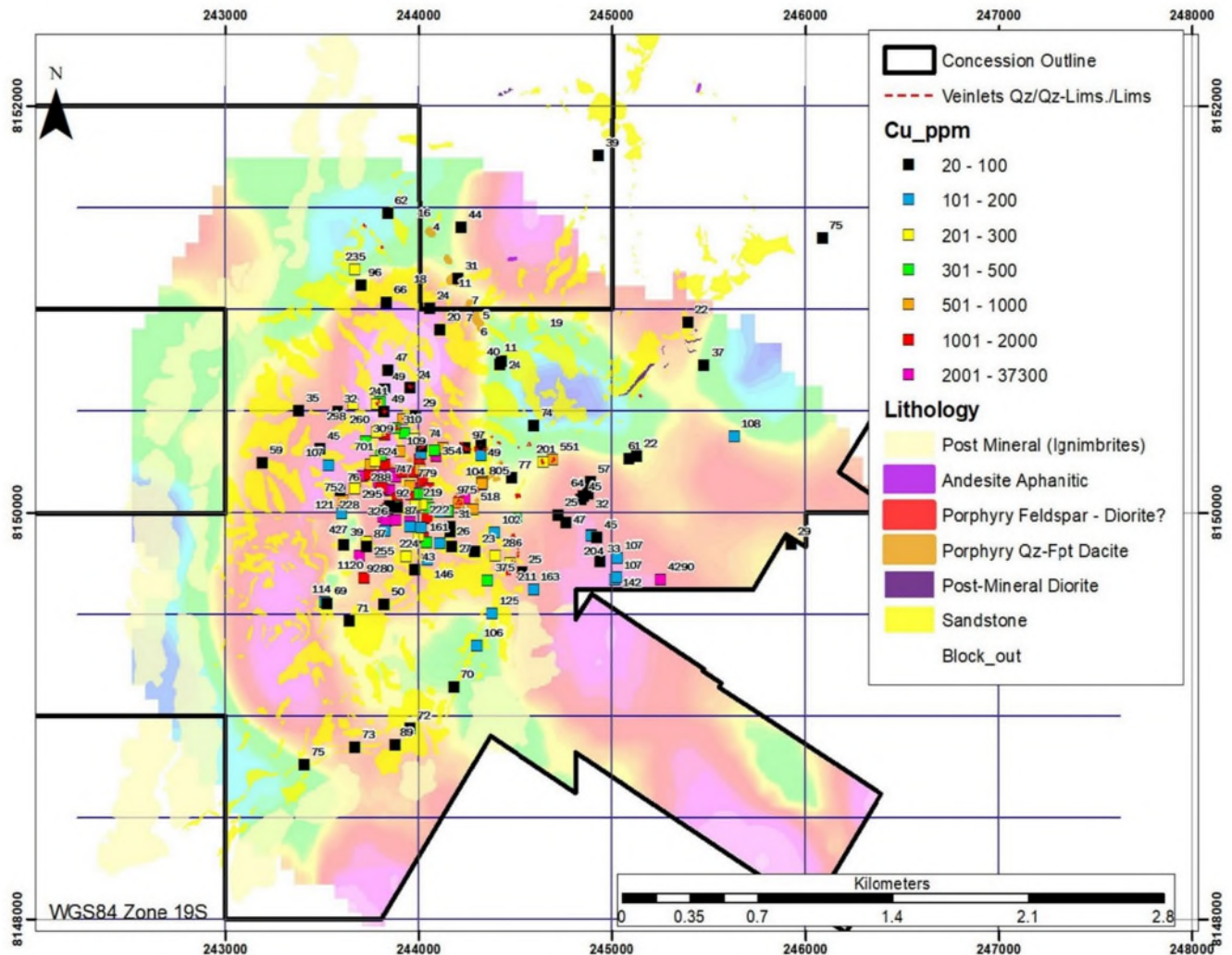
Through its subsidiary Candelaria, E29 engaged the services of Deep Sounding High Resolution Geophysics to undertake a 46.4 line-kilometre three-dimensional induced polarization geophysical survey on the Flor De Core property from November 6, 2019 to December 2, 2019. Part of the geophysical survey completed is not on the current property configuration (Figure 18).

Figure 18 to Figure 21 illustrate the induced polarization survey results. The resistivity (at surface) map shows resistive cells locally interrupted by conductive cells associated with the alteration in Figure 18. The chargeability (at surface) map (Figure 19) shows windows to the main chargeable bodies surrounding the resistive high. The resistivity map at 400 m depth defines the extension of the main resistive body (Figure 20). At 400 m depth (Figure 21), the chargeable bodies are controlled by structural features including a contact zone around a resistive body and elongated branches to the east.

The most relevant geophysical exploration feature is located on the northwest side of the geophysical grid, known as the Atravezado area where central resistivity anomaly is surrounded by a zone of higher chargeability. The pattern of chargeability and resistivity anomalies suggests a hydrothermal system is present and open at depth in the north and northeast directions. The apparent resistivity anomaly is interpreted as potassic alteration centred on a cylindrical porphyry complex whose upper limit is represented by outcropping late-mineral porphyry dikes. The surface projection of the resistivity anomaly shown in Figure 20 coincides with abundant early quartz veinlets containing goethite after sulfide.

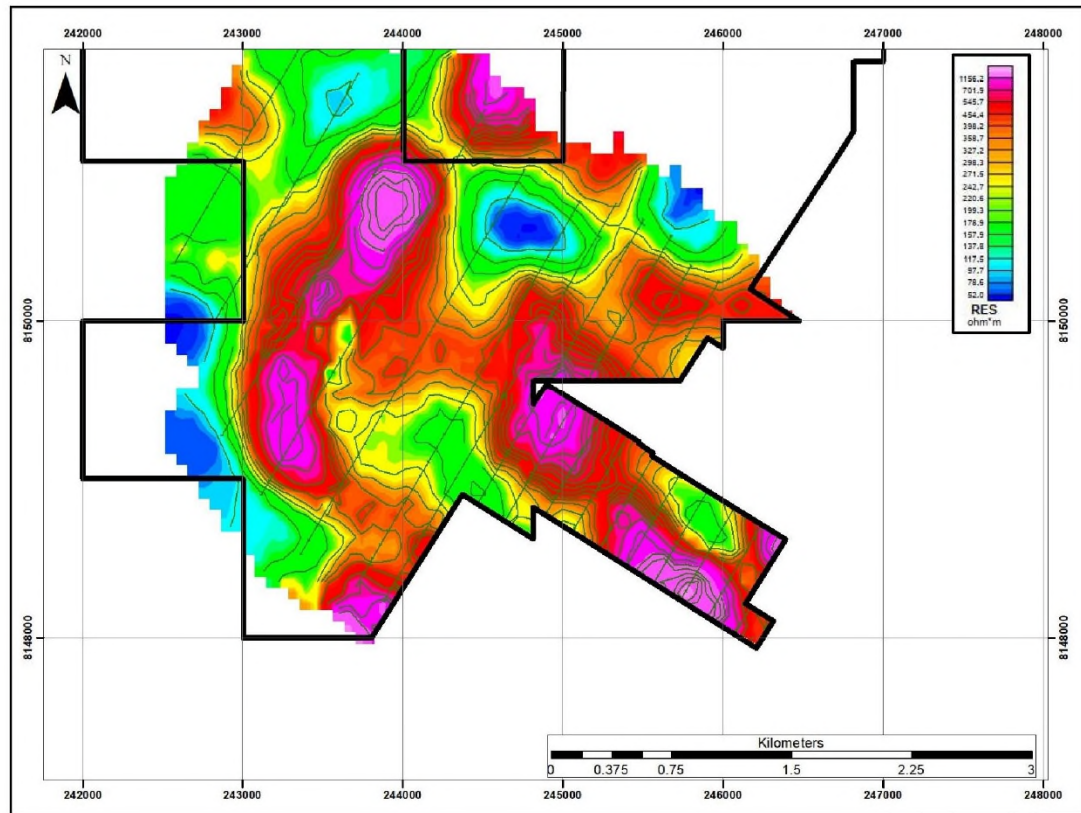
A chargeable zone surrounding a central apparent resistivity anomaly in the Atravezado area is evident in-depth slices from 100 to 400 m (Figure 20, Figure 21). The chargeable zone correlates with the mapped halo of sericite-pyrite alteration surrounding the zone of anomalous copper geochemistry and abundant quartz veining. Chargeability response in the weathering zone is expected to be reduced due to near-surface oxidation of pyrite that is part of the phyllic assemblage (Figure 9, Figure 17).

Figure 17: 2019 Samples, Mapping and Resistivity at Surface (Source: E29, Flor de Cobre Technical Report, 2020)



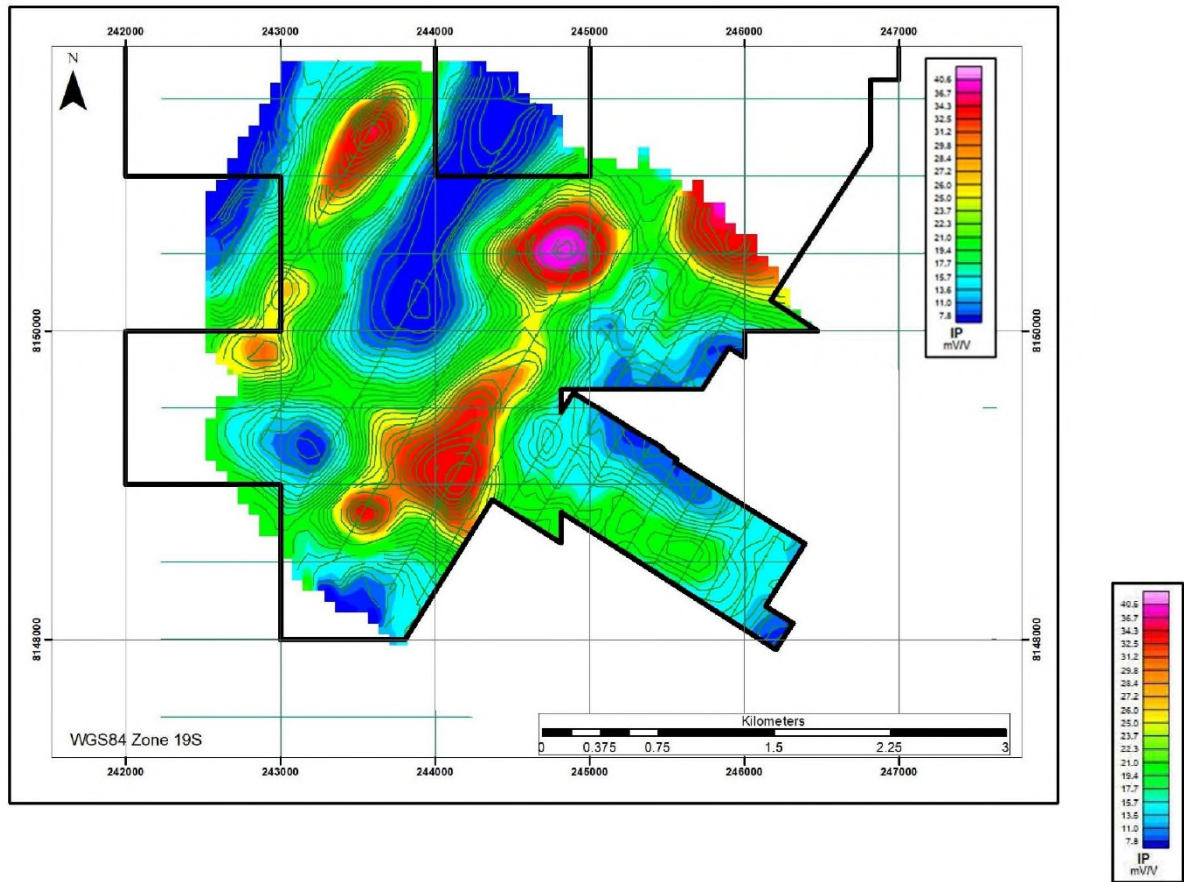
The southeast side of the survey grid exhibits more complex chargeability and resistivity anomaly patterns than the Atravezado area. The 400 m depth slice shows a higher chargeability zones enclose a zone of moderate chargeability that correlates with the Candelaria Porphyry stocks. The higher chargeability zones are consistent with the position of stronger phyllic alteration mapped in outcrops. Resistivity response in the Candelaria area is difficult to interpret. A zone of low apparent resistivity is coincident with the Candelaria Porphyry stocks. This could be related to deep weathering and lower resistivity of the porphyry intrusions relative to the more resistive quartz-rich sedimentary host rocks. The Candelaria Porphyry is eroded to slightly deeper level of the porphyry compared to Atravezado and this may explain the different chargeability and resistivity anomaly patterns.

Figure 18: Resistivity at Surface (Source: E29, Flor de Cobre Technical Report, 2020)



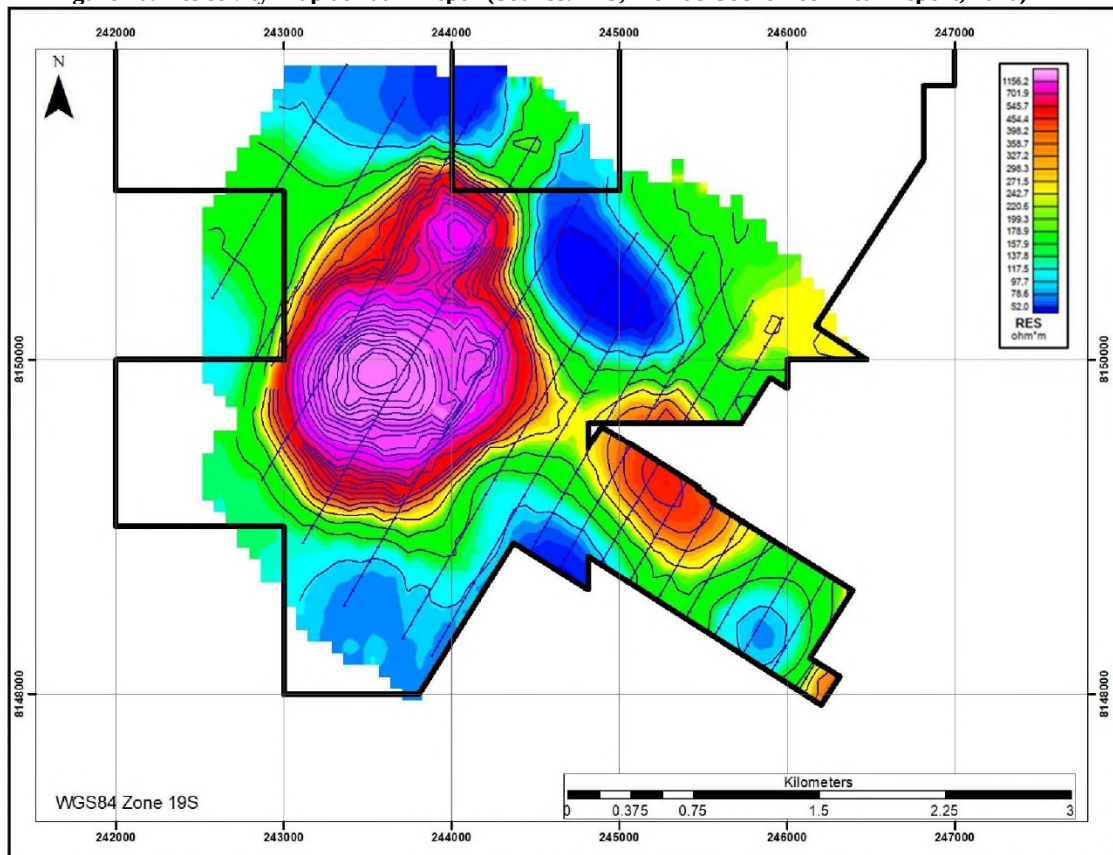
Restivity map along surface showing resistive cells extending along the survey area, locally interpreted by conductive cells associated to alteration.

Figure 19: Chargeability at Surface (Source: E29, Flor de Cobre Technical Report, 2020)



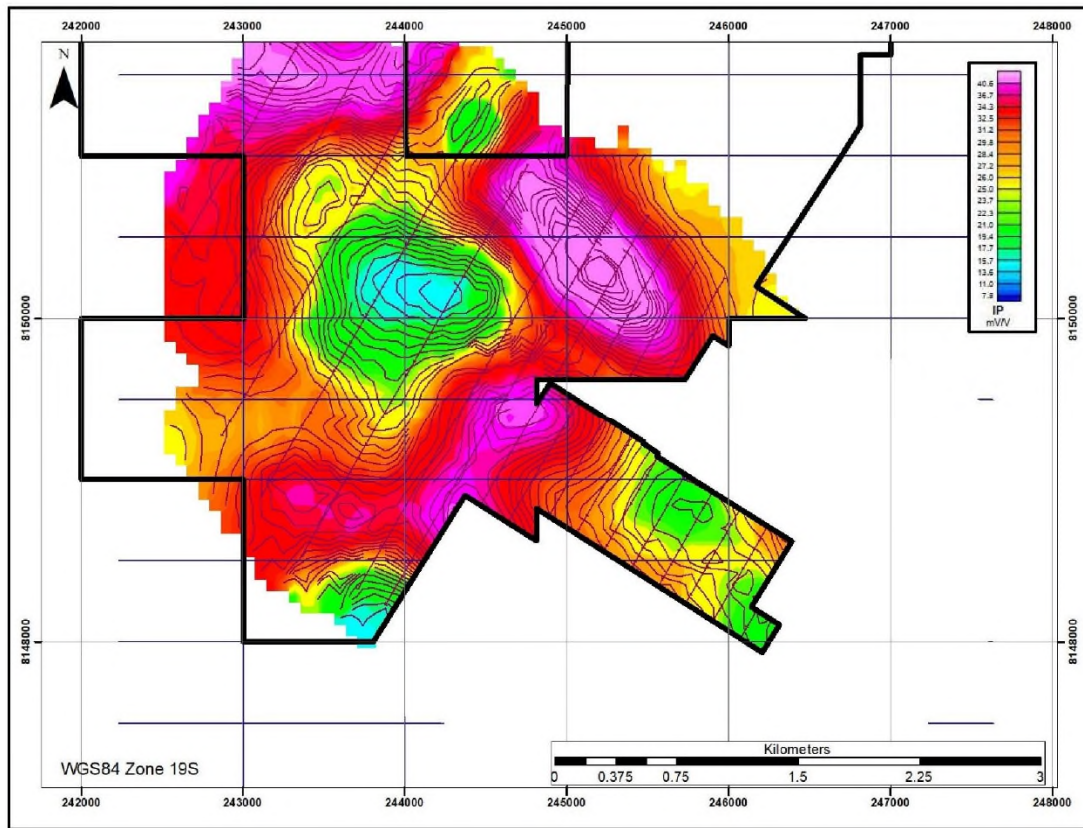
Chargeability map along surface showing windows to the main chargeable bodies surrounding the resistive high. Other weak expression of chargeable cells are associated to the NE and SE branches.

Figure 20: Resistivity Map at 400m Depth (Source: E29, Flor de Cobre Technical Report, 2020)



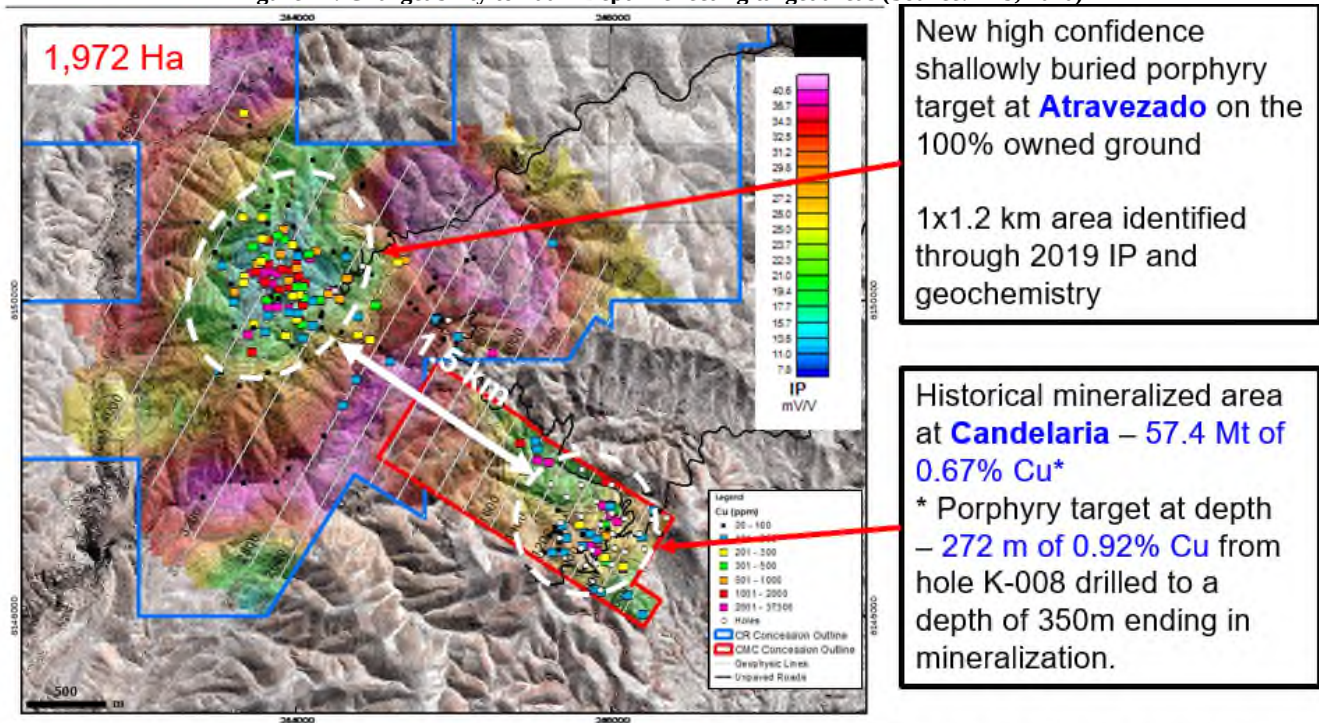
Resistivity map at 400 m Depth showing the main resistive body on the NW of the grid. Resistive cells on the east show less intensity indicating increment of alteration at depth.

Figure 21: Chargeability at 400 m depth (Source: E29, Flor de Cobre Technical Report, 2020)



Chargeability map at 400 m depth. Chargeable bodies are controlled by structural features including a contact zone around a resistive body and elongated branches to the east.

Figure 22: Chargeability to 400m Depth reflecting target areas (Source: E29, 2020)



*The Flor de Cobre property resource estimate is historical and does not meet CIM Definition Standards for Mineral Resources and Mineral Reserves. The estimate was reported by Rio Amarillo Mining Ltd. in a press release dated November 18th, 1996 for the Candalaria project area. The resource estimate only includes drill intercepts from secondary copper resources, with very little of the underlying primary sulphide drill-tested. The historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. The parameters, assumptions and method used to calculate the historical estimate are unknown. It is also unclear what portion of the historical resource estimate is on the current Flor de Cobre property configuration. The author of the Flor de Cobre Technical Report 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 and the Compañía is not treating the historical estimate as a current mineral resource.

Image approved by Brian Booth, P.Geo, 2020

Drilling

E29 has not performed drilling on the Flor de Cobre property to date. Any drilling and results reported by the QP on the Flor de Cobre property are discussed in the history section. See “Flor de Cobre Project – History”.

Sample Preparation, Analysis and Security

Aside from the due diligence sampling carried out by the QP and described elsewhere, the QP has not been able to verify independently the analytical and sampling methods employed by others who conducted work as described in this report. While there may be additional historical information in existence, the QP is satisfied that the information contained in this report is adequate for the purposes of the Technical Report. As noted previously, a number of drill holes are known to exist on the property, for which locations and assays are not all available; for this reason, the QP has not verified all the data. All holes drilled at the Candalaria Porphyry were vertical and were a combination of reverse circulation and core drilling in two drilling campaigns. No formal QA/QC sampling was reported in the drilling data. Existing data from select assay certificates has been reviewed for reasonability and relevance.

The QP is unable to comment or discuss the sample preparation, and security for E29’s rock sampling exploration program due to the fact there was no documentation provided for the field collection portion.

At the current stage of exploration, the geological controls and true widths of mineralized zones have not been determined and the occurrence of any significantly higher-grade intervals within lower grade intersections has not been determined.

Data Verification

The QP first examined the Flor de Cobre property on January 15, 2018, with Dr. Paul Johnston and Manuel Montoya and examined several locations on the property to determine the overall geological setting. On December 2, 2019 the QP visited the site for second time to verify the recent work undertaken by the Company. The QP observed evidence of the 2019 induced polarization survey on line 4 and line 5 and line 20.

There was a large amount of exploration data generated by Phelps Dodge, and Rio Amarillo. Much of this data has not been located by GlobeTrotters or E29. While this data may contain additional relevant information, the QP does not have access to it. The Company should investigate whether this information can be obtained and verified. All data presented to the QP is contained in this report.

The QP used the following geographic information systems (“GIS”) programs Oasis Montaj Viewer, MapInfo, and ArcView, to verify the accuracy of the induced polarization ground geophysics acquired by Element 29 and reviewed the resulting interpretations. It is of the opinion of the QP that the data quality and resulting interpretations are of excellent quality and meet accepted industry standards.

The QP took samples on the visit from two locations and these were delivered to ALS Peru C. in Lima Peru, (an accredited analytical laboratory). All samples underwent assay package ME-ICP41 which includes 35 elements Aqua Regia digestion ICP-AES analysis, Gold Fire Assay AA Finish code Au-AA23, and over limits underwent ME-Og46 Ore grade elements Aqua Regia. ALS Peru SA is an independent laboratory for hire and is independent of E29, and the QP of this report.

The sampling program completed during the property visit that was undertaken to test the repeatability of sample results obtained from previous sampling campaigns. The QP designed the program as a quality control measure. The samples taken by the QP collected samples are congruent with the historical samples in the area (Table 4).

Table 4: Author Collected Samples (Source: E29, Flor de Cobre Technical Report 2020)

Sample	WGS84E	WGS84N	Comments	Au ppm	Ag ppm	Cu ppm	Fe %	Mn ppm	Mo ppm
CD18-01	246311	8148522	Lithocap? Hematite throughout the exposure, primary enriched carbonate, secondary pyrite, quartz veining	0.009	0.2	76	2.1	47	9
CD18-02	245882	8148446	chalcocite, crystallize, grab sample from D vein? In old working, leached? Part of the enrichment zone	0.054	0.6	80400	4.62	3530	66

Mineral Processing and Metallurgical Testing

E29 has no knowledge of any historical mineral processing/metallurgical testing of the copper mineralization on the Flor de Cobre Project.

Mineral Resource and Mineral Reserve Estimates

There are no current mineral resources or mineral reserves on the Flor de Cobre Project.

Conclusions

The Flor de Cobre property area is a porphyry copper-molybdenum system with characteristics similar to other porphyry deposits within the Southern Peru Copper Belt. Mineralization is found in two distinct forms: (a) hypogene sulfide mineralization that includes disseminated and veinlet controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks; and (b) supergene mineralization of 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, and malachite, chrysocolla, and tenorite are the most abundant copper oxide minerals.

The Candelaria Porphyry was originally explored as a supergene deposit in the mid-90's and little attention was given to the hypogene potential. The Flor de Cobre property was acquired on the premise that a sizeable hypogene resource could be outlined, and this exploration work could be funded by exploiting the relatively small but attractive supergene deposit. cursory work completed on the property supports the hypothesis that a large porphyry deposit exists beneath the supergene deposit at grades comparable to the Cerro Verde system. Drill-testing the hypogene component of the Flor de Cobre system should be part of the exploration strategy.

Supergene mineralization at the Candelaria Porphyry appear similar in nature to the Chapi deposit. Both have porphyry intrusions emplaced into a thick siliciclastic sequence. The identified porphyries have a felsic composition, occurring in the form of elongated stocks aligned at 325° direction. Two types of intrusive rocks have been distinguished: a quartz monzonite porphyry and a diorite.

The oxide zones in the area are related to small structures, and in the Candelaria Porphyry area there are small bodies/structures within the porphyry itself and in contact with sedimentary sequences.

A priority for E29 is to undertake drilling to confirm mineralization location, extents and grades in and around the area of the historical resource estimate on the current property configuration. Additionally, historical drill holes on the property do not appear to have penetrated far into hypogene mineralization. The early-mineral porphyry (0.4% Cu) is cut by late-mineral porphyry (~0.2% Cu). An early-mineral porphyry phase has been recognised in drill core and outcrop. Whereas the main body of early porphyry has consistently higher copper grades than the late porphyry phase. The relationship of the copper grade and porphyry phase was not previously recognised. Outcrop patterns may suggest an early-mineral porphyry expands at depth. The interplay of paleo-water table, porphyry phases and present-day topography may control enrichment zone distribution. Mineralization is open to the northwest and at depth.

The Candelaria porphyry complex is overprinted multiple generations of A-veins. The A-vein intensity contours describe a NW trend to the porphyry complex. Mapping quartz veinlet abundance demonstrates 5 vol. % veining contour is 200 m from the early porphyry stock.

The current unknowns for the Candelaria Porphyry are: the leach recovery of copper from the supergene zone, the size of hypogene mineralization (e.g. depth and lateral extent), the hypogene Cu and Mo grades (average and range), Cu and Mo recovery from hypogene mineralization, and densities of main rock units, and the geometry of mineralization.

A drilling program to confirm historical supergene results while targeting underlying hypogene mineralization will constrain the depth and lateral extent of hypogene mineralization. Alteration patterns, especially the distribution of phyllic alteration suggest the upper extents of the porphyry system is exposed. A classic leached capping is present above the supergene enrichment zones. Remnants of jarosite-dominant leached capping is preserved at the higher elevations. This grades into hematite-dominant leached capping that is immediately above zones of supergene enrichment. The distribution of leached capping can be used to predict existence of hypogene mineralization below.

It is recommended to twin and extend the previous holes (e.g. hole K-008), which intersected the hypogene zone, to confirm original supergene grades and test the additional depth extent of hypogene mineralization.

K-008 drilled to a depth of 350 m outlined 272 m of 0.92% Cu including:

- 78 - 202 m – 124 m of 1.37% Cu (secondary enriched)
- 202 - 350 m – 148 m of 0.5% Cu (primary) and remains open at depth

Additional holes should be angled to delimit sub-vertical contacts of inter-mineral porphyry phases.

Atravezado Area

Geological mapping of the Atravezado area by E29 outlines a Cu-Mo porphyry target with an area approximately 1.2 x 1.0 km that coincides with strong Cu and Mo geochemical anomalies, abundant quartz veinlets, multiple porphyry dike phases, and an obvious and sizeable induced polarization geophysical response. Geophysical resistivity at 400 m depth indicates the presence of an exploratory target for copper porphyry.

Recommendations

In the QP's opinion, the character of the Flor de Cobre property is sufficient to merit a two phase work program where phase two is contingent on phase one:

Phase 1 Work Program would consist of:

- A compilation of all historical geological, geophysical, and geochemical data available for the Flor de Cobre property, and the rendering of this data into single digital database in GIS formats for further interpretation. This work will include georeferencing historical survey grids, samples, all historical drilling, trenches, geophysical survey locations, and detailed property geological maps.
- Updating the current surface geological and structural map, including the production of new alteration and mineralization maps, will be valuable to better understand the system and correlate surface with down-the-hole units.
- Core relogging is recommended in order to validate lithology, alteration, zonation and structures. In case core is lost or not available, additional twin drilling would be needed in order to achieve this requirement.
- In the Candelaria area, undertake a 3700 m nine- hole drill program to validate the historical drilling. The program should be oriented to intercept the contact between the quartz monzonite porphyry complex with siliciclastic sedimentary sequences. As part of the Candelaria area drilling, it is recommended to twin hole K-008 to test depth extent of hypogene.
- Undertake initial metallurgical testing on drill hole samples.
- Undertake an induced polarization program on select part of the property.

Table 5: Proposed Budget Phase 1⁽¹⁾ (Source: E29 Flor de Cobre Technical Report, 2020)

Compile data, relog, re-evaluate potential	\$50,000
Historic resource validation drilling (3,700m , 9 diamond drill holes 300 m depth for holes) (includes salaries, core drilling, assays, camp costs, mob-demob, road and pads)	\$1,110,000
Geophysics follow-up IP - north east part of property	\$100,000
Geochem/geology/vein density mapping	\$100,000
Metallurgical analysis	\$30,000
Property payment, property holding costs (taxes) and community	\$650,000
Subtotal	\$2,040,000
Contingency 10%	\$204,000
Total	\$2,244,000

Note (1): All figures in USD.

Phase two is contingent of phase one and would include the following:

- Generation of a resource model from the results of phase one if possible.
- Drill test the Atravazado Area resistivity target once permits are applied for and granted.
- Drill test other targets outside of known porphyries consisting of ten drill holes of up to 300 metres deep.
- Continue with follow up with the induced polarization, mapping, and metallurgical analysis on the property.

Table 6: Proposed Budget Phase 2⁽¹⁾ (Source: E29, Flor de Cobre Technical Report 2020)

Other targets outside of known porphyries, (3,000m, 10 holes, 300m depth for holes), (includes salaries, core drilling, assays, camp costs, mob-demob, road and pads)	\$ 850,000
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Geophysics follow-up IP - north east part of property	\$ 100,000
Geochem/geology/vein density mapping	\$ 100,000
Generation of a resources model	\$ 75,000
Metallurgical analysis	\$ 35,000
Property payment, property holding costs (taxes) and community	\$ 1,500,000
Subtotal	\$ 2,660,000
Contingency 10%	\$ 266,000
Total	\$ 2,926,000

Note (1): All figures in USD.

ELIDA PROJECT

The scientific and technical information in this section relating to the Elida Project 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. The Elida Technical Report was prepared for the Company by Derrick Strickland, P.Geo, (the “QP”), a Qualified Person and independent of the Company, as defined in NI 43-101. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Elida Technical Report. 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.

Figure 23: Elida Property Landscape Overview (Source: E29, 2020)



Image approved by Brian Booth, P.Geo, 2020

Summary

The Elida property is located at an elevation of 1,600-2,000m in the province of Ocos, in the district of Carhuapampa, Department of Ancash which is 170 km northwest of Lima and roughly 80 km from the coast. The property is accessible along a series of dirt roads from the city of Barranca. The property can be accessed from Lima by a network of paved and dirt roads. There is a 45 MW hydro power station located 15 km from the property. The Elida property is made up of 28 mining concessions totaling 19,210 ha and currently registered to Elida Resources SAC. In an agreement dated February 1, 2019, the Company issued 28,112,501 shares in the Company to GlobeTrotters to acquire its 100% owned subsidiaries Elida Resources SAC and Candelaria Resources SAC.

The Elida property was originally staked by GlobeTrotters in 2011 over a large high priority remote sensing target situated in a new emerging porphyry belt in central Peru. The follow up of this anomaly eventually led to the discovery of a large 2 km by 2 km untested porphyry Cu-Mo system. The porphyry system is a multiphase intrusive complex, primarily quartz monzonite in composition intruded along east-west and north-south trending structures cutting Cretaceous Casma volcanic, volcanoclastic and sedimentary rocks as well as the Peruvian Coastal Batholith (Coastal Batholith). In the central part of the system, the Casma group is a sequence of intercalated volcanic units and volcanoclastic rocks intercalated with a sequence of siltstone, sandstone, calcareous sandstone, and shale.

The Elida property is interpreted as a porphyry copper-molybdenum-silver system, with characteristics resembling those of other porphyry deposits described worldwide. Mineralization is found in two distinct forms:

- a. hypogene sulphide mineralization that includes disseminated and veinlet controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks; and
- b. supergene mineralization of secondary copper oxides and sulphides formed by weathering and redistribution of primary hypogene mineralization into sub-horizontal, tabular bodies and deeper, underlying discordant fracture zones located beneath remnants of a leached cap that has been dissected through erosion. Chalcocite is the dominant secondary sulphide mineral, with malachite, chrysocolla, and tenorite as the most abundant copper oxide minerals.

GlobeTrotters optioned Elida to Lundin Mining in 2013. An 18-drill hole (9,880 m) program completed by Lundin Mining in 2014-2015 intersected a porphyry system centred on an early quartz-feldspar porphyry stock herein referred to as the 'Elida Porphyry Stock'. The 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. The best assay results are in DDH 15ELID012 which returned 503 m of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag.

The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.

In addition to Elida Central/Area 1, a large phyllic alteration zone that likely contains more than one porphyry centre including Elida central, and three other porphyry targets (Area 2, Area 3, and Area 4) identified by alteration mapping are shown in Figure 28.

As of the effective date of the Elida Technical Report, the Company has not reported any exploration activities on Elida. The QP visited the Elida property on January 15, 2018, and again on December 4, 2019.

The Elida property and surrounding area are virtually uninhabited and the land is used for no other purpose. The Company anticipates no difficulties in obtaining the necessary surface rights for any contemplated mining activity. The Company has a community agreement through 2020 and this is expected to be renewed in the normal course of business.

The Company received an Environmental Evaluation (FTA) approval for Elida from the Ministry of Energy and Mines of Peru in July 2019. FTA approval allows E29 to commence drilling on the property subject to filing a notice for permit activation and receipt of the water rights permit. The process to activate the permits to begin drilling is underway along with the renewal of the Aco community agreement which has been declared Indigenous. The Company plans on drilling the Elida project following receipt of additional funds through the Offering.

In order to continue to evaluate the potential of the Elida property, the Elida Technical Report recommends a two-phase exploration program with phase two contingent on phase one. Phase one is expected to consist of a 4,000 metre drill program on the main Elida porphyry target, which is expected to cost \$1,815,000 USD. Phase two is expected to consist of a 4,000 metre drill program to drill test the other porphyry targets on the Elida Property, which is expected to cost \$1,897,500 USD.

Figure 24: Elida Project Location Map. (Source: E29, Elida Technical Report, 2020)



Property Description and Location

Location and Access

The Elida Project is located in the province of Ocros, in the district of Carhuapampa, Department of Ancash which is 170 km northwest of Lima and roughly 80 km from the coast (as shown in Figure 24 above). The Elida Project is accessible along a paved and maintained unpaved roads that extend inland from the city of Barranca. Barranca is connected to Lima by the Pan American Highway.

The Elida Project is made up of 28 mining concessions, totaling 19,210 ha, as shown in Figure 26 with concession details listed in Table 7 (below). There is currently one mineral concession internal to the Elida Project and that concession is not the subject of the Elida Technical Report. These concessions are currently registered in the name of Elida Resources SAC (see Figure 26). Geographic coordinates at the centre of the Elida Project are longitude 77° 13' 59" west, and latitude 10° 31' 55" south, at elevations of 1,200-2,600 masl.

Figure 25: Elida Project Location and Key Regional Infrastructure (Source: E29, 2020)

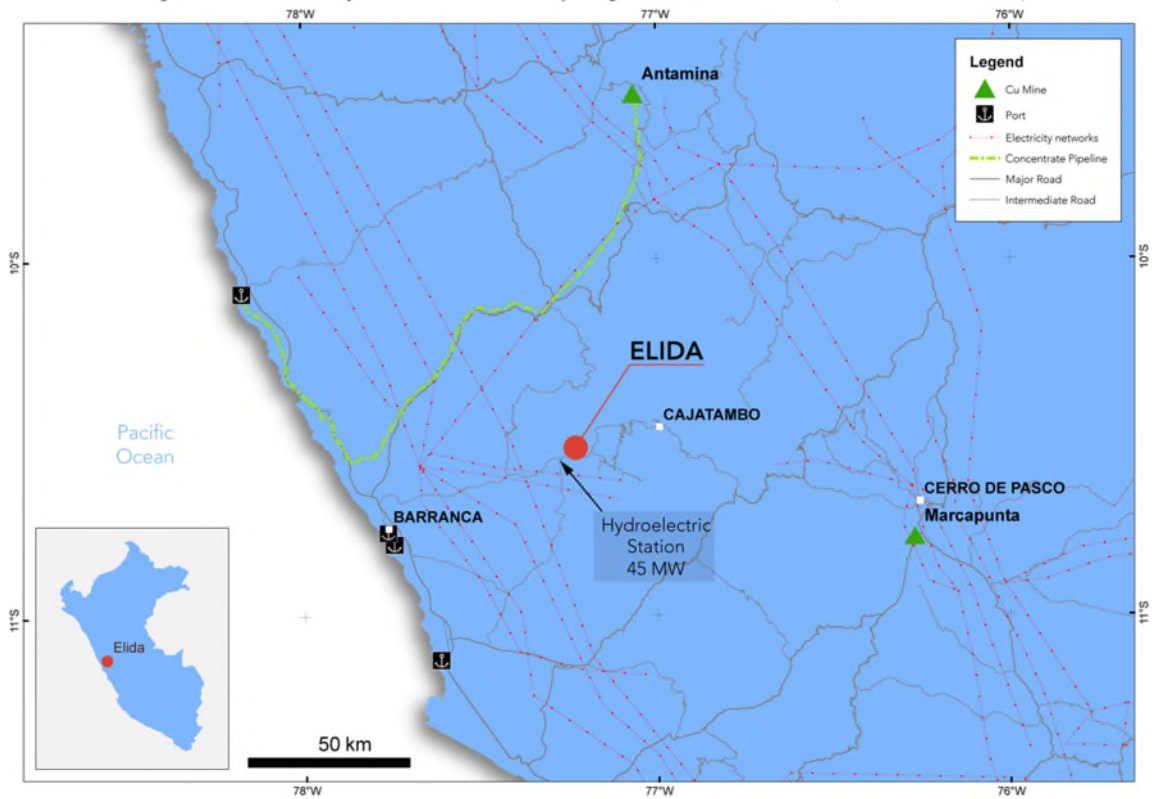


Image approved by Brian Booth, P.Ge, 2020

Figure 26: Elida Project Claims Map. (Source: E29, Elida Technical Report, 2020)

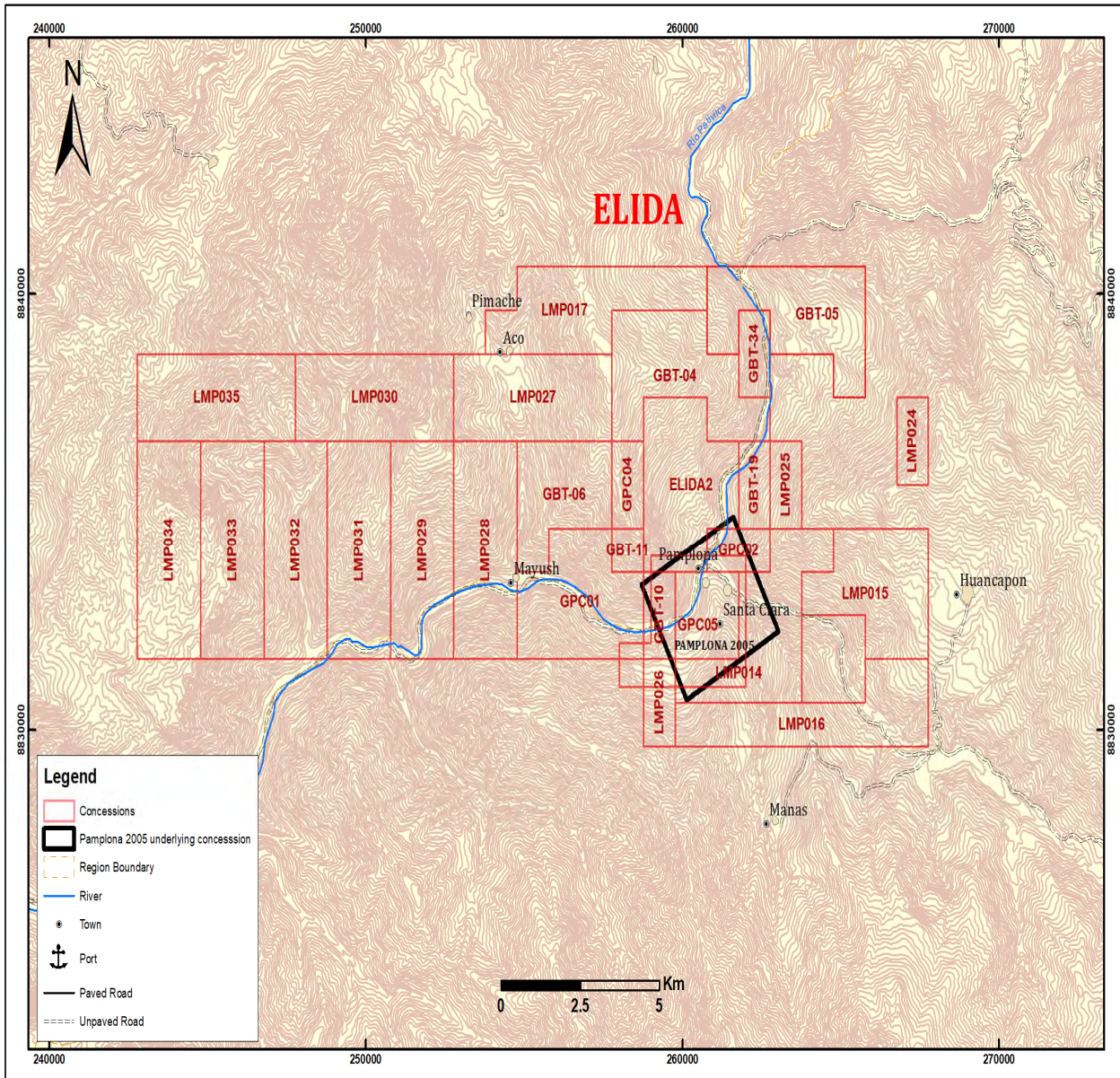


Table 7: Elida Project Concessions (Source: E29, Elida Technical Report, 2020)

Claims	Code	Date of Staking	Area (ha)	2019 Payments	Payment Pending 2019
ELIDA2	010434511	2011-08-22	929	2,786	
GBT-04	010339112	2012-09-11	1000	3,000	
GBT-05	010339812	2012-09-12	1000	3,000	
GBT-06	010339912	2012-09-12	700	2,100	
GBT-10	010149113	2013-05-02	73	220	
GBT-11	010149013	2013-05-02	100	300	
GBT-19	010276213	2013-08-01	200	600	
GBT-34	010348013	2013-11-05	200	600	

Claims	Code	Date of Staking	Area (ha)	2019 Payments	Payment Pending 2019
GPC01	010102714	2014-01-02	999	2,998	
GPC02	010102614	2014-01-02	78	233	
GPC04	010217215	2015-05-04	200	600	
GPC05	010234217	2017-10-31	100	300	
LMP014	010206614	2014-03-26	733	2,198	
LMP015	010206814	2014-03-26	900	2,700	
LMP016	010206714	2014-03-26	1000	3,000	
LMP017	010206914	2014-03-26	1000	3,000	
LMP024	010115415	2015-01-05	200	600	
LMP025	010115215	2015-01-05	200	600	
LMP026	010115315	2015-01-05	198	594	
LMP027	010115115	2015-01-05	1000	3,000	
LMP028	010115015	2015-01-05	1000	3,000	
LMP029	010114915	2015-01-05	1000	3,000	
LMP030	010114815	2015-01-05	1000	3,000	
LMP031	010114715	2015-01-05	1000	3,000	
LMP032	010114615	2015-01-05	1000	3,000	
LMP033	010114515	2015-01-05	1000	3,000	
LMP034	010114415	2015-01-05	1000	3,000	
LMP035	010114315	2015-01-05	1000	3,000	
PAMPLONA 2005	010199405	2005-06-27	400	2,970	82,169.34
TOTAL			19210	59,400	24675.5

Title, Royalties and Encumbrances

Title

A legal opinion dated January 29, 2020 written by Mario Chirinos Dongo of Dentons Gallo Barrios Pickmann SCRL, was provided to the QP of the Elida Technical Report (the “**Elida Opinion**”). The Elida Opinion covered the mining rights on the Elida Project and stated that Elida Resources S.A.C. is the exclusive and unique title holder of the concessions listed in Table 7 with the Elida NSR Royalty (as defined hereinafter) payable to GlobeTrotters on all listed mineral concessions except for GPC01. In addition, the Elida Opinion states that Elida Resources S.A.C. is a Peruvian subsidiary of the Company.

The QP was informed by Mr. Manuel Montoya on November 19, 2019, that on June 22, 2018, Globetrotters Peru Copper SAC acquired the Pamplona 2005 concession from Constructora Inmobiliaria Garbac SAC by making cash payments of \$65,000 (USD) and \$22,769,82 (USD) in mining rights and payment. In addition, Mr. Montoya informed the QP that on October 10, 2018, Globetrotters Peru Copper SAC changed its name to Elida Resources S.A.C.

The Company acquired 100% ownership of Elida Resources S.A.C. through a share purchase agreement dated February 1, 2019 between GlobeTrotters and the Company, whereby the Company issued 28,112,501 common shares in Element 29 Resources Inc. to GlobeTrotters. GlobeTrotters was the 100% owner of subsidiaries Elida Resources S.A.C., and Candelaria Resources S.A.C. In an email from the Executive Vice President Corporate Development for the Company on January 15, 2020, the Company confirmed that all share payments have been made to GlobeTrotters.

Royalties, Agreements and Encumbrances

A royalty agreement dated October 15, 2018 between Elida Resources SAC and GlobeTrotters assigns a 2% net smelter royalty (the “**Elida NSR Royalty**”) to GlobeTrotters for \$4,500 USD. The Elida NSR Royalty applies to all above listed mineral concession except for GPC01.

Peru established a sliding scale of mining royalties late in 2004, which were modified in 2011. The modified mining royalties are the greater of 1% of sales or 1-12% applied to operating income. Calculation of the royalty payable is made monthly and is based on the gross value of the concentrate sold (or its equivalent) using international metal prices as the base for establishing the value of the metal. The following is a summary of the main taxes that apply to miners in Peru:

- Corporate tax rate is 29.5%;
- Dividend withholding tax is 5%;
- Special mining tax of 2% to 8.4% applied to operating mining income;
- Special mining burden of 4% to 13.12% applied to operating income (only applies to mining companies with tax stabilization agreements prior to 2011); and
- 8% of net profit paid to employees

Foreign investors and local enterprises may apply for particular tax, currency and other stability agreements with the government of Peru, provided that specific requirements and minimum investments are met. The agreements guarantee stability for a term of ten years concerning: (i) the income tax regime, (ii) the currency exchange regime, including the free availability of foreign currency and free remittance of capital and profits abroad (only for foreign investors); and (iii) non-discrimination.

Environmental and Permitting Liabilities

The General Mining Law, administered by the Ministry of Energy and Mines (“MEM”), may require a mining company to prepare an Environmental Evaluation (“EA”), an Environmental Impact Assessment (“EIA”), a Program for Environmental Management and Adjustment (“PAMA”), and a Closure Plan prior to mining construction and operation.

The Supreme Decree N° 020-2004-EM classifies the environmental requirements for mining and exploration programs as follows:

- **Category I:** This category includes mining projects involving small-scale drilling programmes up to and including a maximum 20 drill pads, a disturbed area of fewer than 10 ha considering drilling platforms, trenches, auxiliary facilities and access means or the construction of tunnels with a total maximum length of 50 m. These projects require the preparation of an Environmental Impact Declaration (“Declaración de Impacto Ambiental” or “DIA”). Category I permits require, before their submittal to the Ministry of Energy and Mines, water-use permits from the Ministry of Agriculture, if required, and land-use agreements with the surface rights owners in the form of a registered agreement resulting from town-hall meetings in the local community(s).
- **Category II:** This category includes mining projects involving more than 20 drill pads, a disturbed area of more than 10 ha considering drilling platforms, trenches, auxiliary facilities and access, or the construction of tunnels over a total length of 50 metres, require an authorisation called an Environmental Impact Study-semi detailed (“Estudio de Impacto Ambiental-semi detallado” or “EIA-sd”) and is approved by the Ministry of Energy and Mines. Category II permits, which include mining projects involving more than just drilling, must include, before their submittal to the Ministry of Energy and Mines, water-use permits from the Ministry of Agriculture, land-use agreements with the surface rights owners and evidence of having held town-hall meetings in all nearby communities. Additionally, the EIA-sd must include a detailed reclamation program once the drilling phase ends.

Permits are usually granted within three to six months of the submittal of an application. No permit is required for general exploration such as surface mapping, sampling or geophysics. Permission of the surface rights owner is required for access to the property and for any surface disturbance such as trenching or the construction of trails.

Surface Rights Mining companies must negotiate agreements with surface landholders or establish easements. In the case of surface lands owned by native communities, it is necessary to obtain approval of a qualified majority of the community. For

the purchase of surface lands owned by the government, an acquisition process with the Peruvian state must be followed through the Superintendency of National Properties. Expropriation procedures have been considered for cases in which landowners are reluctant to allow mining companies to have access to a mineral deposit. Once a decision has been made by the Government, the administrative decision can only be judicially appealed by the original landowner as to the amount of compensation to be paid.

Water Rights are governed by Law 29338, the Law on Water Resources, and are administered by the National Water Authority (“ANA”), which is part of the Ministry of Agriculture. There are three types of water rights:

1. License: this right is granted in order to use the water for a specific purpose in a specific place. The license is valid until the activity for which it was granted terminates, for example, a beneficiary concession.
2. Permission: this temporary right is granted during periods of surplus water availability.
3. Authorization: this right is granted for a specified quantity of water and for a specific purpose. The grant period is two years, which may be extended for an additional year, for example for drilling.

In order to maintain valid water rights valid, the grantee must: (a) make all required payments including water tariffs, and (b) abide by the conditions of the water right in that water is only used for the purpose granted. Water rights cannot be transferred or mortgaged. However, in the case of a change of the title holder of a mining concession or the owner of the surface land who is also the beneficiary of a water right, the new title holder or owner can obtain the corresponding water right.

Supreme Decree No. 042-2017-EM came into force March 25, 2018 in which the new Environmental Protection Regulation for Mining Exploration Activities was approved. This now allows for a permit to be issued using a Ficha Tecnica Ambiental (FTA) or Environmental Technical File. The FTA has the following conditions: (a) Less than 20 drill pads, (b) less than 10 ha of disturbance, and (c) no effect on people’s health, environment, natural resources, protected areas, biodiversity, communities, or archeological sites.

Finally, regarding the exploration project the average estimated duration of the FTA is 12 months with the ability to support up to a maximum of 24 months depending on the particular circumstances of the project. On July 20, 2019, an FTA was issued to Elida Resources SAC by Ministerio de Energia y Minas for 20 drill pads, camp support, and roads. FTA approval allows E29 to commence drilling on the property subject to filing a notice for permit activation and receipt of the water rights permit. The process to activate the permits to begin drilling is underway along with the renewal of the Aco community agreement which has been declared Indigenous.

The Company has indicated that, to their knowledge, no archaeological artifacts have been identified on the Elida Project. Based on the discussion with the Company, and from the site visit, the QP of the Elida Technical Report is unaware of any other significant factors or risks that may affect access, title, or right or ability to perform work on the Elida Project.

History

Property ownership with respect to lands comprising the Elida Project have changed ownership numerous times since prospecting the area began. The following section describes in detail past owners of the land and outlines the history of ownership in the various areas.

Globetrotters Resources Peru SAC (2011-2013)

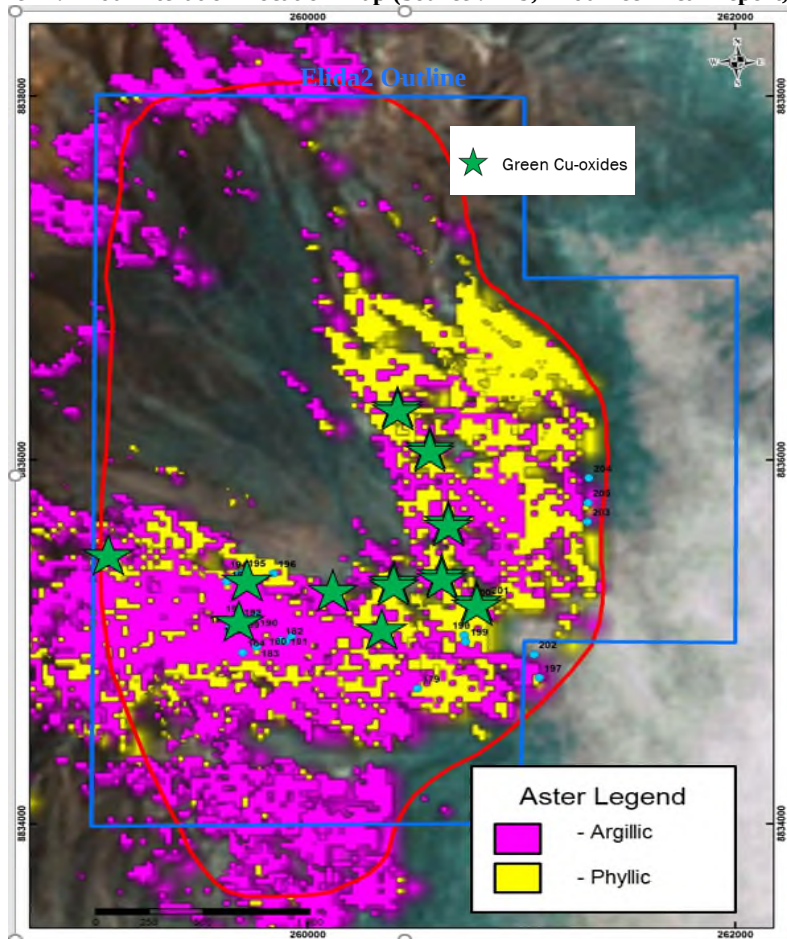
The Elida Project was originally acquired in August 2011, by GlobeTrotters, as one claim with the name of ‘Elida2’, (1000 ha). The reason for the acquisition of the Elida Project was to cover a large 3 km x 3 km ASTER alteration anomaly identified as a priority field evaluation target. Follow-up ground evaluation of the ASTER target outlined a large 2 km x 2 km zone with phyllic-potassic + argillic alteration, and a multi-phase quartz monzonite porphyry (see Figure 26 above for Location of Elida2).

The original exploration activities were focused on the Elida2 concession and comprised the entire exploration target area recognized up to that time.

No reported exploration work has been provided on the rest of the property block. GlobeTrotters reports it has kept the current configuration as active ground for operational purposes, or to protect the area for future exploration work.

In 2012 and 2013 GlobeTrotters acquired seven additional mineral concessions including: GBT-04, GBT-05, GBT-06, GBT-10, GBT-11, GBT-19, and GBT-34. These concessions total 3,273 ha, as listed in Table 7 and shown in Figure 26 (above).

Figure 27: Elida Alteration Location Map (Source : E29, Elida Technical Report, 2020)



Lundin Mining Peru SAC (2013-2016)

Lundin Mining Peru SAC (“**Lundin**”) optioned the Elida property from Globetrotters Peru Copper SAC, subsidiary of GlobeTrotters on October 25, 2013. In 2013, the Elida property consisted of ELIDA2, GBT-04, GBT-05, GBT-06, GBT-10, GBT-11, GBT-19, and GBT-34.

Under the terms of the option agreement, over a 4.5 year timeframe, Lundin was to make cash payments totaling \$6,000,000 (USD) to GlobeTrotters. In addition, Lundin was to undertake \$24,000,000 (USD) of exploration to earn 70% undivided interest in the Elida property.

In 2015, Lundin acquired 16 additional new mineral tenures including: LMP014, LMP015, LMP016, LMP017, LMP024, LMP025, LMP026, LMP027, LMP028, LMP029, LMP030, LMP031, LMP032, LMP033, LMP034, LMP035. These 16 additional 13,230 ha concessions increased the Project to its current configuration (Figure 26 above).

Lundin undertook an exploration program on the Elida Project from 2013 to 2016 which consisted of regional and detailed geological mapping, drone topographic surveying, rock geochemistry, ground magnetics, ground induced polarization (“**IP**”), and ultimately the drilling of 18 diamond drill holes (“**DDH**”) (Figure 28 and Figure 29 below).

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 U238/Pb206 method on magmatic zircon. Eight lines of ground magnetics with a total coverage

of 19.5 km and 12 induced polarization/resistivity lines using a pole-dipole configuration, at 100 m spacing along NW-SE oriented survey lines were conducted from January to March 2014. Thirty additional lines of ground magnetic surveying, at 100 m spacing, again with NE-SW oriented lines totalling 76.26 km was carried out in July 2014 (Figure 29 below).

Finally, a total of 9,880 m of diamond drilling in 18 drill holes was completed by Lundin in 2015. All holes intercepted Cu-Mo mineralization and six of the holes intercepted significant Cu-Mo mineralization. DDH-15 ELID012 returned the best assay results, which returned up to 503 m of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag (Table 8 and Table 9 below). Some mineralized intercepts begin immediately below colluvial cover, demonstrating the mineralized system sub-crops beneath the post-mineral unconsolidated cover sequence.

As part of the previous work by Lundin, who dropped the option in 2017, community permits for the Elida property were reassigned to GlobeTrotters, giving social license to operate until 2020. These community permits include those with the Aco community that are in the process of being transferred to the Company

The 18 drill holes, totaling 9,888.9 m, were logged and sampled on site when completed. A total of 5,612 rock samples, including core samples, were collected and analyzed by Au-AA23 and ME-ICP61 at ALS-Global Laboratories in Lima, Peru. Table 9 (below) presents a summary of the drill assay results.

Spectral analysis of the rocks samples was also done, 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.

Lundin hired Anglo Peruana Service to run the core logging process under supervision from Lundin's geologists. The information was recorded using the software 'CORE' that permitted the incorporation of drilling data into a database immediately after the holes were completed.

The drill program completed by Lundin intersected a Cu-Mo-Ag-Zn 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.

The Cu-Mo-Ag mineralized porphyry complex is approximately 2 km x 2 km in size at surface, associated with quartz monzonite stocks, and emplaced into the Cretaceous volcano-sedimentary sequence and a granodiorite member of Coastal Batholith. Most of the mineralized porphyry rocks at surface are variably replaced by sericite and accompanying 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.

Table 8: 2014-2015 Elida Drill hole collars (Source: E29, Elida Technical Report, 2020)

Hole-ID	WGS84E	WGS84N	Alt m	Depth m	Azimut	Dip	Start Date	Finish Date
14ELID001	260272	8834575	1531	575.7	45	-70	15/10/2014	05/11/2014
14ELID002	259995	8834808	1582	613.9	45	-70	06/11/2014	22/11/2014
14ELID003	259699	8834866	1736	470.6	200	-70	26/11/2014	07/12/2014
14ELID004	260266	8835138	1678	605.3	45	-70	10/12/2014	08/01/2015
15ELID005	260266	8835138	1678	547.8	225	-70	09/01/2015	25/01/2015
15ELID006	260522	8835131	1630	520.8	45	-70	27/01/2015	10/02/2015
15ELID007	260522	8835131	1630	530.0	225	-70	11/02/2015	25/02/2015
15ELID008	260522	8835131	1630	289.9	160	-55	27/02/2015	09/03/2015
15ELID009	260256	8834829	1561	507.3	45	-70	11/03/2015	23/03/2015
15ELID010	260256	8834829	1561	515.0	225	-70	24/03/2015	05/04/2015
15ELID011	259996	8835134	1711	576.6	225	70	09/04/2015	27/04/2015
15ELID012	259996	8835134	1711	558.0	45	-70	29/04/2015	15/05/2015
15ELID013	259703	8835136	1804	475.8	235	-60	18/05/2015	10/06/2015
15ELID014	259996	8835134	1711	650.1	0	-65	13/06/2015	30/06/2015
15ELID015	259967	8835429	1802	639.2	215	-75	05/07/2015	24/07/2015
15ELID016	259967	8835429	1802	602.3	45	-70	25/07/2015	12/08/2015
15ELID017	259967	8835429	1802	600.6	270	-65	14/08/2015	04/09/2015
15ELID018	259713	8835417	1857	583.6	45	-70	06/09/2015	09/09/2015

Table 9: 2014-2015 Elida Drilling Summary Assays (Source: E29, Elida Technical Report, 2020)

Hole-ID	No of Samples	Length (m)		Ag ppm	Cu %	Cd ppm	Mo %	Mn ppm	Pb ppm	Zn ppm
14ELID001	265	523.65	AVG	0.56	0.0512	1.62	0.0037	477	11.9	205
			MAX	7.20	0.3240	37.00	0.0266	7010	160.0	4340
			MIN	0.25	0.0106	0.25	0.0002	43	1.0	3
14ELID002	304	590.3	AVG	2.52	0.2808	2.24	0.0485	738	13.5	334
			MAX	11.70	0.9520	44.30	0.2300	7220	212.0	4640
			MIN	0.25	0.0511	0.25	0.0049	56	1.0	19
14ELID003	230	439.1	AVG	0.49	0.0974	1.39	0.0081	197	67.9	169
			MAX	13.50	0.5400	59.50	0.0690	1620	6440.0	6420
			MIN	0.25	0.0055	0.25	0.0008	56	1.0	12
14ELID004	317	618.35	AVG	1.56	0.2222	1.31	0.0195	292	7.6	214
			MAX	5.10	0.6970	28.70	0.1190	2410	70.0	1750
			MIN	0.25	0.0008	0.25	0.0001	43	1.0	11
15ELID005	285	543.7	AVG	2.01	0.2401	1.35	0.0245	220	11.7	161
			MAX	9.30	1.1400	169.50	0.1755	1025	100.0	1430
			MIN	0.25	0.0225	0.25	0.0023	40	1.0	17
15ELID006	276	529.15	AVG	0.96	0.0798	2.50	0.0043	463	55.0	449
			MAX	10.20	0.4150	28.30	0.0389	1810	1265.0	3310
			MIN	0.25	0.0112	0.25	0.0001	54	5.0	63
15ELID007	277	534.45	AVG	1.57	0.1812	1.84	0.0263	338	19.1	321
			MAX	6.50	0.5010	34.30	0.2280	806	289.0	3750
			MIN	0.25	0.0526	0.25	0.0013	91	3.0	63
15ELID008	157	297.8	AVG	1.28	0.1062	3.57	0.0080	526	41.2	459
			MAX	3.70	0.3190	74.30	0.0440	1975	290.0	1760
			MIN	0.25	0.0052	0.25	0.0001	62	2.0	73
15ELID009	268	528.05	AVG	1.19	0.1724	1.15	0.0237	244	18.6	165
			MAX	8.78	1.5100	62.60	0.1340	1820	416.0	2740
			MIN	0.14	0.0291	0.02	0.0000	53	1.0	13
15ELID010	277	538.55	AVG	0.93	0.1399	1.20	0.0199	306	5.9	172
			MAX	5.33	1.9950	49.40	0.4030	4840	67.7	6410
			MIN	0.26	0.0054	0.02	0.0005	35	1.3	11
15ELID011	286	582.6	AVG	1.09	0.1517	0.31	0.0257	177	20.8	53
			MAX	4.89	0.6740	2.56	0.2110	1300	250.0	371
			MIN	0.26	0.0021	0.03	0.0002	33	6.4	11
15ELID012	281	540.95	AVG	3.12	0.4046	1.77	0.0454	644	16.1	248
			MAX	29.60	4.2400	18.00	0.2460	6760	356.0	2440
			MIN	0.31	0.0033	0.02	0.0002	54	1.7	24
15ELID013	211	417.7	AVG	4.62	0.0873	0.76	0.0076	348	44.6	185
			MAX	794.00	0.7820	34.40	0.3850	3420	5160.0	3600
			MIN	0.11	0.0089	0.03	0.0000	29	1.2	9
15ELID014	328	642.5	AVG	2.31	0.2743	2.51	0.0381	679	19.6	350
			MAX	21.10	1.4400	66.70	0.2560	4370	1145.0	8080
			MIN	0.06	0.0048	0.02	0.0002	63	0.9	14
15ELID015	321	618.7	AVG	3.40	0.3058	13.36	0.0386	1846	19.9	1749
			MAX	78.70	1.5600	185.50	0.2690	7850	354.0	26300
			MIN	0.25	0.0079	0.04	0.0001	128	2.5	39
15ELID016	295	575.6	AVG	2.99	0.1137	8.10	0.0057	901	44.6	1120
			MAX	411.00	0.5640	124.00	0.0323	9130	3620.0	17000
			MIN	0.10	0.0103	0.02	0.0001	37	1.2	2
15ELID017	299	577.65	AVG	3.40	0.1993	19.88	0.0082	2439	55.5	2603
			MAX	42.40	1.2600	183.00	0.0660	10100	4320.0	25000
			MIN	0.18	0.0134	0.06	0.0001	144	2.0	32
15ELID018	281	540.1	AVG	2.75	0.1429	16.98	0.0045	1269	83.2	2129
			MAX	38.40	1.1000	193.50	0.0535	7520	2130.0	24900
			MIN	0.27	0.0055	0.05	0.0001	91	3.5	38

Figure 28: Elida Drilling and Alteration Mapping (Source: E29, Elida Technical Report, 2020)

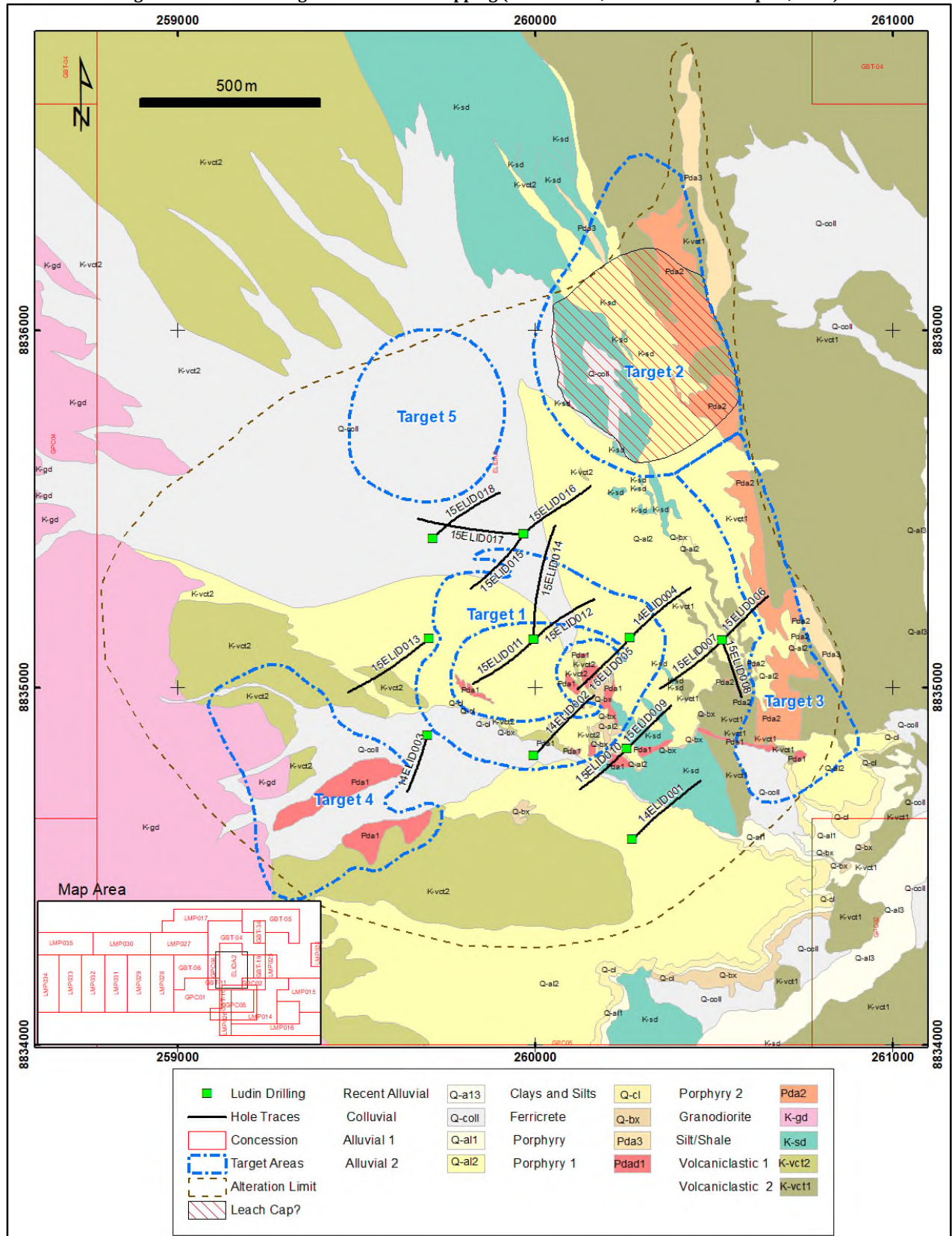
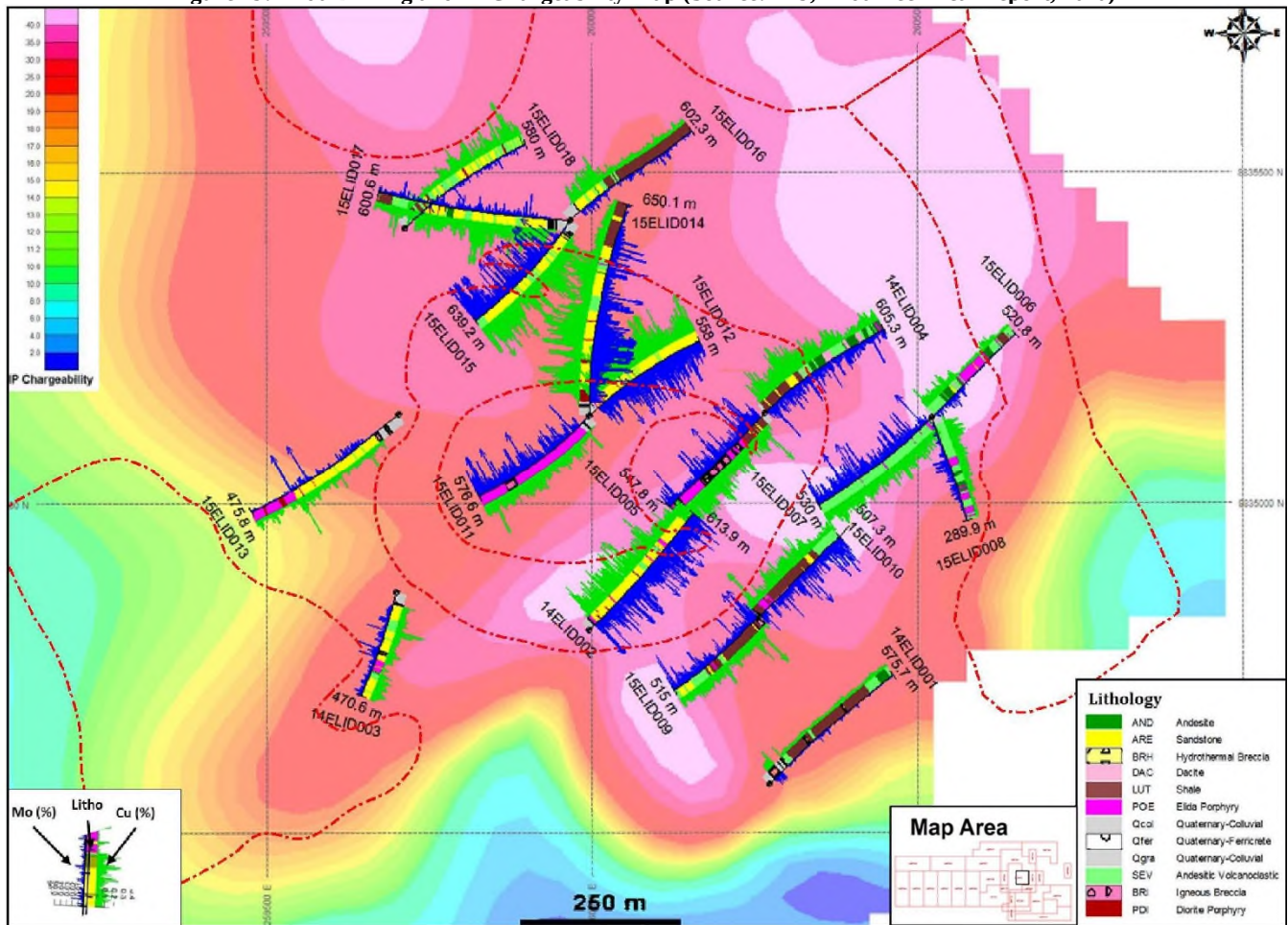


Figure 29: Elida Drilling and IP Chargeability Map (Source: E29, Elida Technical Report, 2020)



Work done by Globetrotters Resources Peru SAC (2017-2018)

On September 7, 2017, the Cesion Minera Agreement between Lundin and Globetrotters Peru Copper SAC was officially terminated. When Lundin dropped the option in April 2016 the mineral concession including the newly acquired ground was returned to Globetrotters Resources Peru SAC.

As part of the previous work by Lundin, community permits for the Elida property were reassigned to Globetrotters giving the Company social license to operate until 2020.

Regional mapping of the property was completed at a scale of 1:25,000 using topographic maps and the available Landsat images. More detailed geological mapping was completed on the Elida2 concession at a scale of 1:2,500, using a great number of traverses, topographic maps and a Satellite Image (World Vision II), acquired for the all area of interest with a spatial resolution of 0.5 m.

The detailed geological mapping at scale 1:2,500 was also done on the main outcrops at the southern target area. GlobeTrotters completed an outcrop geochemistry sampling program with a total of 496 samples collected, of which 111 were channel samples from the southern outcrops of the target area. The samples were analyzed by Au-AA24 and ME-ICP41 at the ALS-Chemex facility in Lima, Peru.

Globetrotters Resources Peru SAC undertook geological mapping of the Northwest Extension of the Elida System to evaluate new exploration target areas in the district. Emphasis was placed on resolving the Cretaceous stratigraphy to better correlate it with the rocks encountered in drill holes. This work was supplemented with rock geochemical sampling.

Systematic structural stations on regular intervals of the drill holes were also completed with the idea to establish vectors mineralized centres and for drill hole planning of future drilling programs.

Globetrotters Resources Peru SAC also re-logged and reviewed the drill core from Lundin's 18 hole drill program. This was done to improve geological interpretation of the porphyry system and develop a better exploration model. Re-mapping of a portion of the Elida Project helped to better resolve the host rock stratigraphy.

Geological Setting, Mineralization and Deposit Types

Regional and Local Geology

In the mid-Mesozoic rifting along the western margin of Gondwana (now western South America) marks the beginning of the Andean orogen (Coira et al., 1982, Davidson and Mpodozis, 1991, Benavides-Cáceres, 1999). Steep subduction of cold oceanic crust under the western margin of Gondwana caused the ocean-ward (west) retreat of the trench allowing for the formation of significant intra-arc and back arc rifts. These rifts were filled by mafic, mantle-derived magmatic rocks (Jones, 1981, Atherton et al., 1983, Atherton et al., 1985) and detritus from the rift margins (Benavides, 1956). The margins of the rift systems are marked by large-scale faults to the east and Precambrian-Paleozoic rocks to the west. Rifting and basin development continued into the early Late Cretaceous. In southern Peru, a magmatic arc formed west of the rift sequence during the Jurassic and Early Cretaceous, consisting mainly of basaltic to andesitic rocks intercalated with volcanoclastic rocks and subordinate limestone. Three distinct magmatic pulses are noted during this period and were emplaced progressively eastward: early Middle Jurassic (ca. 185 Ma); late Middle Jurassic (160-165 Ma); and Early Cretaceous (95-110 Ma) in Peru (Pitcher et al., 1985, Mukasa and Tilton, 1985) and Chile (Clark et al., 1976, Mpodozis and Ramos, 1989)

Late Cretaceous marks a time of a major tectonic and magmatic shift throughout the Andes coincident with the opening of the south Atlantic Ocean (Tosdal and Richards, 2001). Generally, there is migration of arc development towards the northeast. In southern Peru, the time is marked by Late Cretaceous shortening, collapse of the back-arc rift and eastward thrusting of marine volcanic and sedimentary sequences on top of continentally derived clastic rocks (Vicente, 1990, Benavides-Cáceres, 1999). Magmatism continued in central and southern Peru during latest Cretaceous time (66 Ma) and continued into the Paleogene Period (59 Ma) (Clark et al., 1990) and is responsible for obscuring the earlier rift sequence and late Cretaceous fold and thrust belt. This arc is preserved as thick dacitic to andesitic pyroclastic rocks and intermediate flows (Bellido, 1979), with igneous roots composed of large, mantle and Proterozoic aged lower crustal derived granodiorite batholiths (Barreiro and Clark, 1984, Boileau et al., 1990). This period of magmatism is correlative with the Toquepala Group rocks in the area between Toquepala and Cuajone (as seen in Figure 26 above).

Metal-rich deposits are associated with Paleocene and Early Eocene granite and granodiorite porphyry stocks. These stocks intruded earlier in Peru and progressively young to the south in northern Chile, from 60-52.3 Ma (Mukasa, 1986, Clark et al., 1990). A strong northwest elongation of the Paleocene and Early Eocene porphyry stocks suggests that a series of trench parallel, northwest-trending faults, coincident with the earlier rift basin, controlled the emplacement of the stocks. Porphyry intrusions of this age are temporally and spatially associated with porphyry Cu-Mo mineralization at Quellaveco, Toquepala and Cuajone. During the Eocene and Oligocene flat slab subduction (Sandeman et al., 1995) in Peru caused a sudden northeastward shift in magmatism (Noble et al., 1984). In southern Peru, this is recorded as Paleogene arc degradation, whereby sedimentation (Moquegua Formation) began filling an intra-arc basin until approximately 18 Ma, when volcanism continued (Tosdal et al., 1981). The majority of volcanism erupted from 22-18 Ma (Huaylillas Formation), as large ignimbrites interbedded with the earlier Moquegua Formation (Tosdal et al., 1984). The Early Miocene was also characterized by shortening, orogen-scale uplift and accentuation of the oroclinal bend in the Andes (Isacks, 1988).

The Elida Project is located within a northwestern extension segment of the Southern Peru Porphyry Belt coincident with a Cretaceous to early Eocene magmatic arc that extends from northern Chile and continues northwest through the Cerro Verde deposit paralleling the continental margin. Prominent throughout the magmatic arc is the granodioritic to quartz monzonitic Yarabamba Superunit of the Peruvian Coastal Batholith (Pitcher, 1985) which was emplaced primarily into Jurassic to Lower Cretaceous volcano-sedimentary sequences. Some segments of the batholith intrude metamorphosed, Mesoproterozoic rocks such as at Cerro Verde.

The long-lived, arc parallel Inca-Puquio fault system has influenced emplacement of the Coastal Batholith and associated porphyry stocks. The present distribution of Coastal Batholith units and their host rocks is controlled by vertical displacement

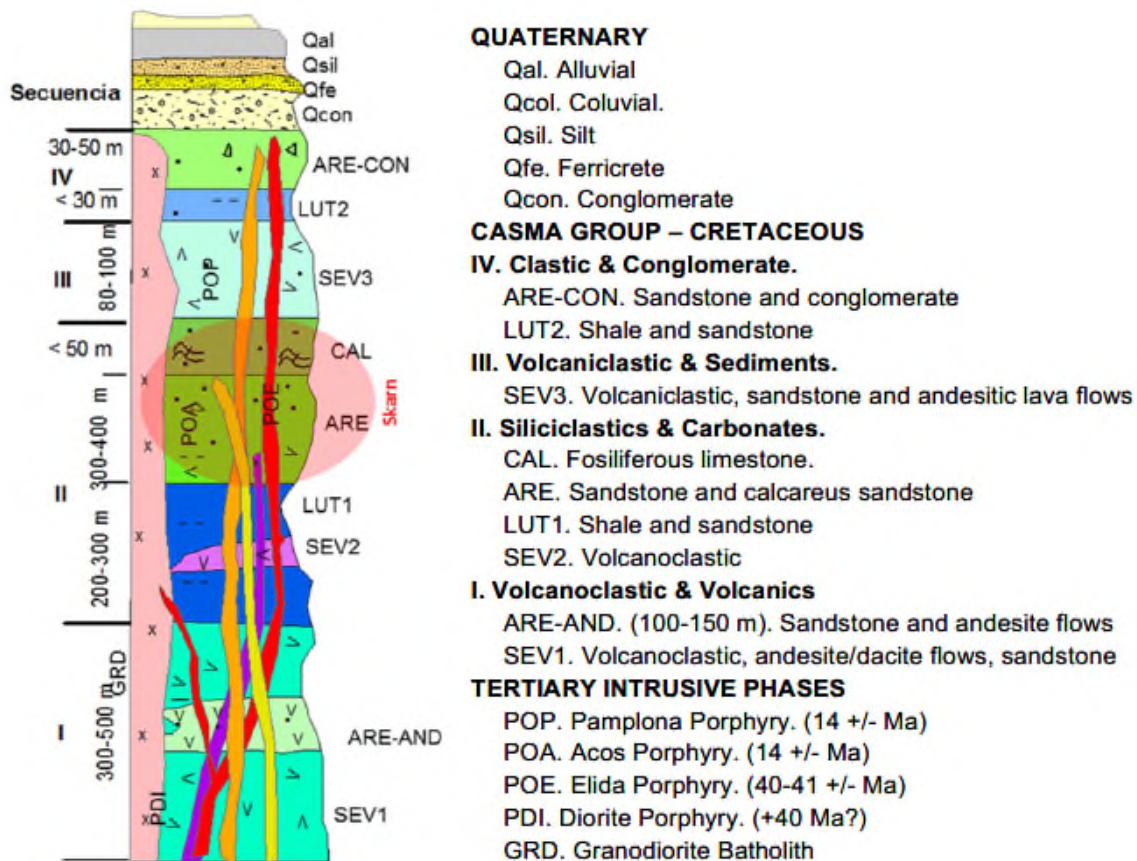
of fault blocks delimited by strands of the Inca-Puquio fault system that remained active after emplacement of the magmatic arc.

Lower Jurassic andesitic volcanics and volcanoclastics represent a phase of submarine volcanism associated with subduction along the western edge of the South American continental margin that began in the Lower Jurassic and marked the onset of the Andean Orogeny.

The Upper Jurassic to Lower Cretaceous Yura Group siliciclastic sequence was unconformably deposited on the Lower Jurassic volcanic and volcanoclastic sequence in a shallow marine environment. Mature quartz-rich sandstone formations dominate the Yura Group sequence and reflect a sustained, relatively high-energy depositional environment.

The Peruvian Coastal Batholith is a complex of Upper Cretaceous to Paleocene granite, granodiorite, quartz monzonite, monzonite and quartz diorite that forms a 1,600 km linear belt at or near the coast of Peru and northern Chile. Emplacement of the batholith was in an extensional regime associated with steep subduction of the Pacific Plate along the western edge of the South American continent. Many of the Paleocene porphyry systems of southern Peru are distributed within or near the Coastal Batholith.

Figure 30 Lithologic units used during the exploration campaigns operated by Lundin (Source: E29, Elida Technical Report, 2020)



Property Geology

The Elida Project was originally staked over a large, high-priority remote sensing 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 Cu-Mo centre that is part of a porphyry cluster enclosed by a 2 x 2 km alteration zone. The porphyry system is a multiphase complex of porphyry stocks and dikes, composed of quartz monzonite intruded into Cretaceous Casma volcanic, volcanoclastic and sedimentary rocks as well as the eastern margin of the Coastal Batholith. In the central part of the system, the Casma Group is

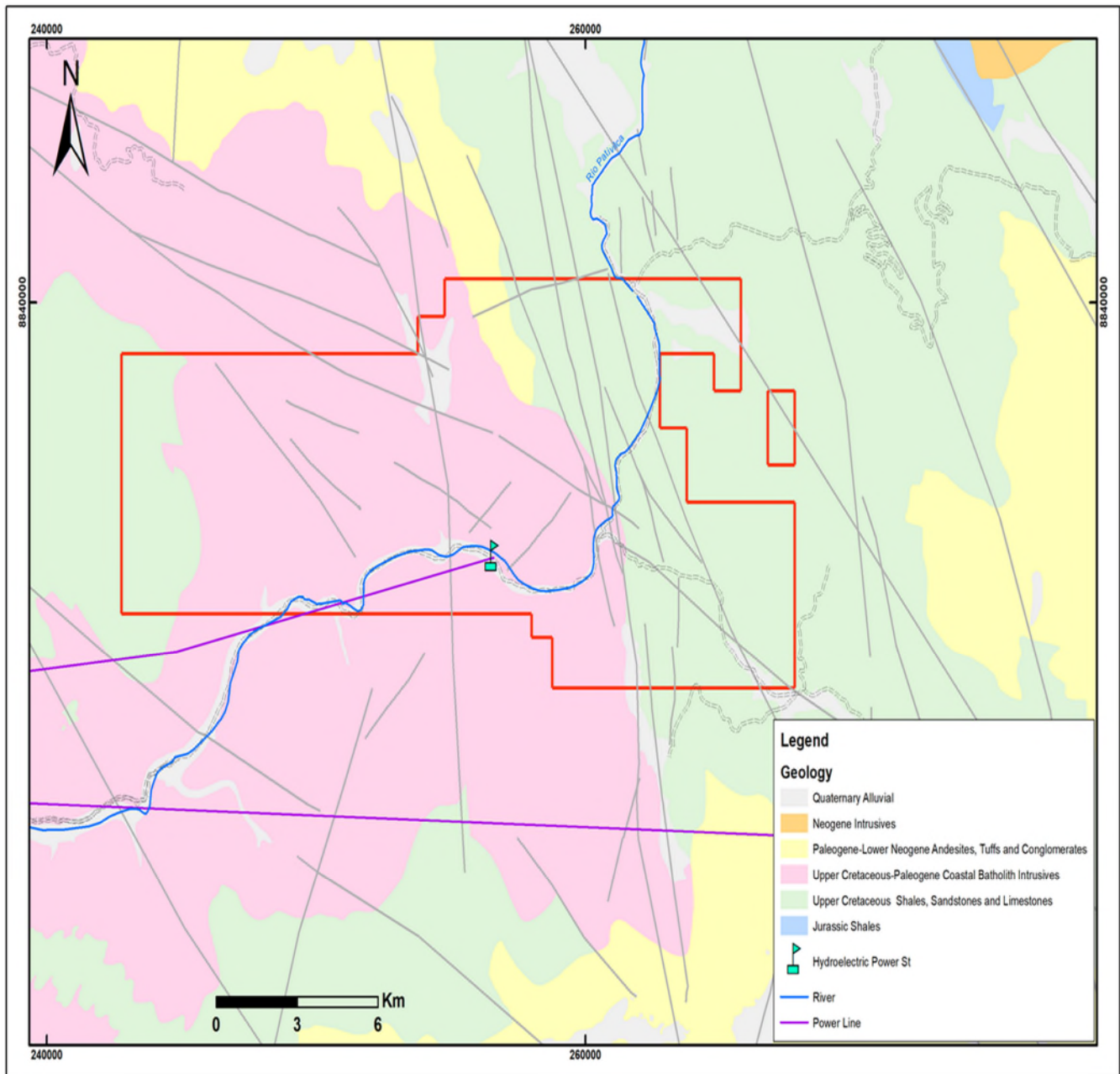
a sequence of intercalated volcanic and volcanoclastic rocks intercalated with sandstone, calcareous sandstone, siltstone, and shales.

The entire system including the host rocks are variably replaced by sericite and accompanying pyrite (phyllic alteration), which promotes formation of supergene clay alteration of remaining feldspar. Where exposed, quartz monzonite porphyries are overprinted by varying intensity of phyllic alteration accompanied by local development of dense pyrite-sericite (“D”) veining. In places the volcanoclastic rocks are potassic altered and contain abundant early quartz-sulphide veins and later quartz sulphide veins described as type A and type B veins by (Gustafson and Hunt, 1975). Quartz veinlets are cut by D veins and associated phyllic alteration. Early potassic alteration in the hornblende-bearing volcanoclastic rocks is still well-preserved in places. Calcareous sedimentary proximal to the early-mineral porphyry stocks are altered to skarn consisting of green to brown garnet skarn and rare diopside with retrograde epidote and chlorite. Skarn is an early formed alteration facies and is consistently overprinted by copper-sulfide bearing quartz veinlets.

To date, the most concentrated copper and molybdenum sulphide mineralization is associated with A and B type veins in the sedimentary host rocks surrounding the Elida Porphyry Stock. These strongly altered rocks are cut by volumetrically minor porphyry dikes (inter-mineral dikes). Mineralized quartz monzonite stocks with a phyllic overprint are present at the other recognised mineralized centres on the property.

The northern central part of the porphyry system at higher elevations has been strongly weathered to form a leached capping. This leached capping produces a large colour anomaly due to an assemblage of secondary jarosite-goethite-hematite derived from pyrite, chalcopyrite, and secondary chalcocite. Secondary copper minerals including malachite, tenorite, glassy limonite, brochantite, and chalcocite are present as indigenous replacements of primary sulfides or as exotic precipitates along fracture surface and in and along the contacts of weakly altered dikes. Oxidation of molybdenite to ferrimolybdite is observed in mineralized outcrops. Post-mineral erosion has removed most of the leached and enrichment profile in south and central part of the porphyry cluster where the Elida porphyry crops out. However, at high elevations where a second porphyry centre is mapped, a complete leached profile is preserved and potential exists for an enrichment zone beneath the leached capping.

Figure 31: Regional Geology Map (Source: E29, Elida Technical Report, 2020)



Elida Porphyry Geology

Host rocks to the Elida porphyry complex are comprised of a lower intermediate volcanic and volcanoclastic unit overlain by a siliciclastic sedimentary sequence comprised of a lower, shale-dominated unit, a central calcareous siliciclastic unit, and an upper interlayered sandstone-siltstone-volcanic unit. An upper intermediate volcanic and volcanoclastic sequence overlies the sedimentary sequence. The entire volcano-sedimentary package dips 50-70 degrees west in the vicinity of the Elida alteration zone to form the west limb of a large fold with an axis trending north. The volcano-sedimentary package is sub horizontal on the east side of the fold axis. The Cretaceous-age Coastal Batholith intrudes the volcano-sedimentary package to the west of Elida. Alteration associated with the Elida porphyry overprints the Coastal Batholith.

Porphyry Phases

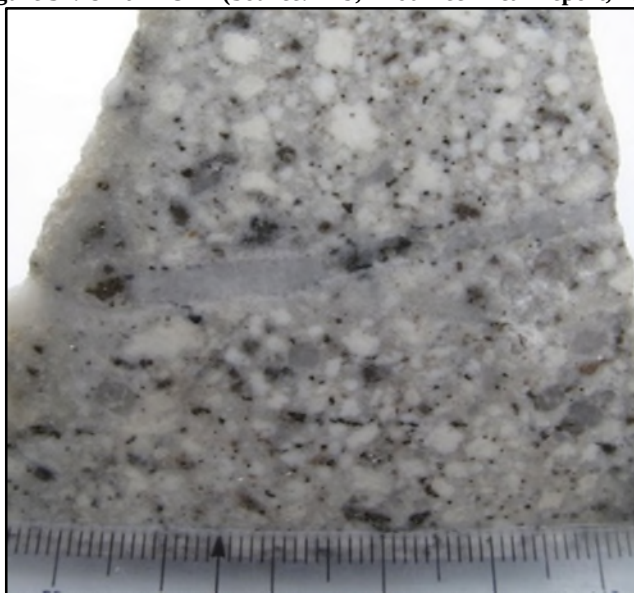
Five distinct inter-mineral porphyritic intrusive phases of Eocene age are recognised from drilling and surface exposures, which range in composition from quartz monzonite to granodiorite. Rocks are classified according to modal proportions of quartz, plagioclase and alkali feldspar and intrusive names are favoured over their volcanic counterparts (e.g. granodiorite vs. dacite. (Streckeisen, 1976). The relative timing of the three earliest porphyry phases are demonstrated by cross-cutting relationships observed in drill core. The latest two porphyry phases intruded in the waning stages of mineralization and their relative timing is determined primarily by comparing vein and alteration intensity. The two latest phases are volumetrically minor and account for less than 2% of the rock volume. Each of the observed porphyry phases is described next.

Unit: EPOR1

The earliest identified intrusive phase with a quartz monzonite composition. The crowded, relatively fine-grained texture and lower quartz phenocryst abundance is distinctive. It forms a coherent porphyry stock intersected by 15ELID-011. Abundant high-temperature quartz-potassium feldspar veinlets (early “A” veins) with ubiquitous but minor molybdenite, pyrite and chalcopyrite are distributed throughout the stock. Early halo type bands described by (Proffett and Riedell, 2016) are synchronous with early A veins.

Early-mineral porphyry, quartz monzonite composition. Quartz phenocrysts are slightly finer grained than plagioclase phenocrysts. Groundmass is aplitic with 50% of the groundmass comprised of <0.5mm feldspar crystals floating in an aphanitic matrix. Weak, pervasive sericite alteration highlights the plagioclase phenocrysts and overemphasizes the proportion of phenocryst relative to groundmass. The quartz veinlet in the middle of the specimen is an early, high temperature quartz-potassium feldspar veinlet containing minor disseminated molybdenite and traces of pyrite and chalcopyrite. Fine grained pyrite (80% of total sulphide) and chalcopyrite (20% of total sulphide) disseminated through the rock and are introduced during potassic alteration. ELID-011 at 352.1 m.

Figure 32: Unit EPOR1 (Source: E29, Elida Technical Report, 2020)

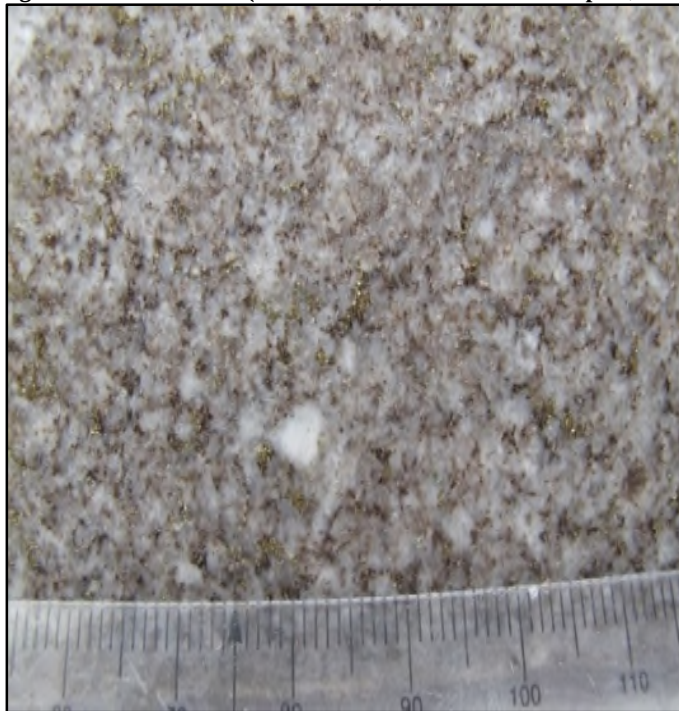


Unit: EPOR2

A syn-mineral porphyry phase with a quartz-monzodiorite composition. Crowded feldspar and minor quartz phenocrysts with an aplitic textured groundmass. The distinctive brown colour is from abundant fine-grained brown hydrothermal biotite (secondary biotite) that replaced fine-grained hornblende. EPOR2 cuts quartz veins present in EPOR1 and is present as xenoliths in EPOR3. Chalcopyrite is intergrown with secondary biotite throughout this unit, resulting in moderate Cu grades in the order of 0.3 to 0.4% Cu. High temperature quartz veins containing potassic feldspar are present but minor. The overall vein density is low and the unit forms blocky outcrops, suggesting mechanical properties of the unit influenced vein development.

Quartz monzodiorite porphyry showing plagioclase phenocrysts in a brown aplitic groundmass with abundant fine-grained biotite with a texture consistent with secondary biotite. Quartz phenocrysts similar in size to plagioclase are present but difficult to see in the photograph. Chalcopyrite partially replaces mafic sites in ELID-005, 248.2 m.

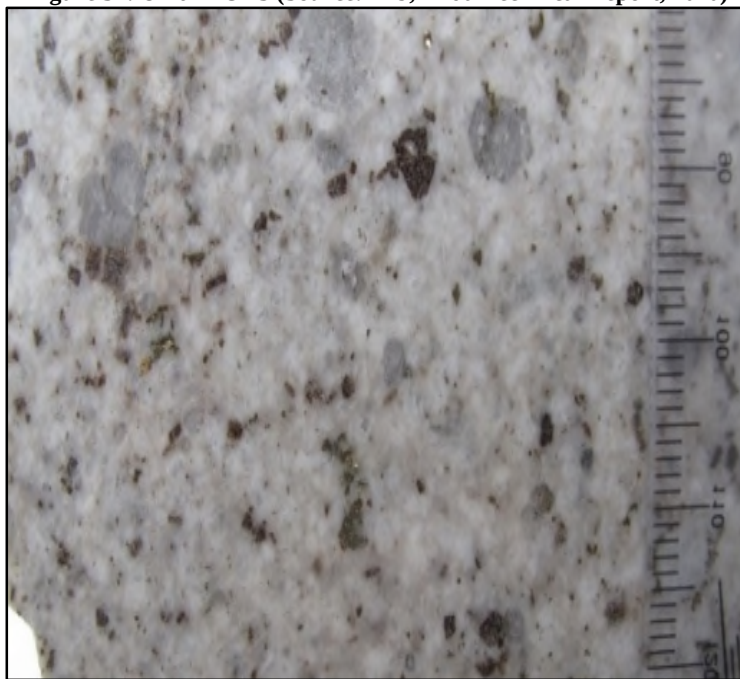
Figure 33: Unit EPOR2 (Source: E29, Elida Technical Report, 2020)



Unit: EPOR3

A late syn-mineral intrusive phase. Granodiorite composition containing distinctive large and abundant bi-pyramidal quartz phenocrysts. Quartz and feldspar phenocrysts are crowded into a aphanitic matrix with about 20% very fine grained feldspar crystallites. Contains xenoliths of unit EPOR2. Quartz vein density is lower relative to the earlier intrusive phases but a weak potassic overprint is present. Pyrite:chalcopyrite ratios in veins cutting this unit are similar to earlier units.

Figure 34: Unit EPOR3 (Source: E29, Elida Technical Report, 2020)



Crowded quartz-feldspar porphyry with a granodiorite composition. Large, abundant bipyramidal quartz phenocrysts that are generally larger than plagioclase phenocrysts are characteristic of this unit. Groundmass is aphanitic with minor very fine-grained plagioclase crystallites. Chalcopyrite and pyrite partially replace mafic sites. High temperature quartz-kspars veins are present but are lower density than earlier porphyry phases. ELID-003, 337.0 m.

Unit: EPOR4

Late-mineral intrusive phase. Quartz monzonite composition. Medium gray. Grain size is finer than other porphyry phases. Only observed as narrow dikes and represent a very small volume. Contains minor, narrow quartz veins and has a weak sericite alteration overprint.

Figure 35: Unit EPOR4 (Source: E29, Elida Technical Report, 2020)



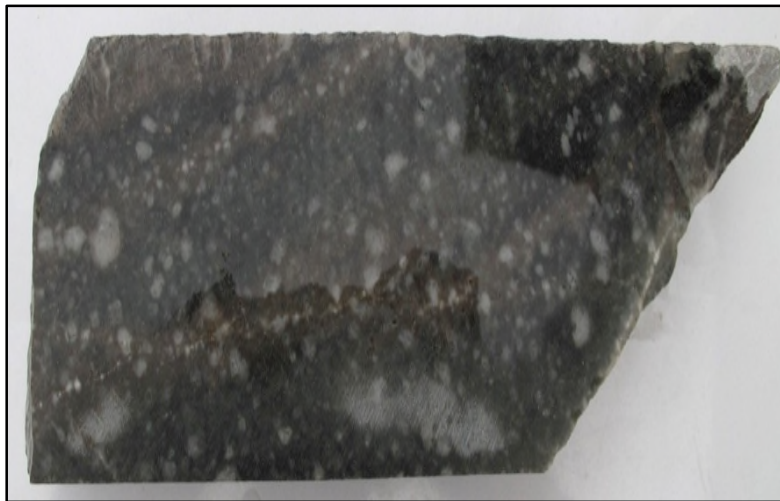
Relatively fine-grained quartz monzonite porphyry with quartz and plagioclase phenocrysts. This unit is volumetrically minor and is only observed as narrow dikes. Its timing relative to EPOR5 is not observed but the presence of weak sericite alteration and minor quartz veins indicates it is the older intrusion.

Unit: EPOR5

Late-mineral intrusive phase. Quartz monzonite composition. Dark green, chlorite partially replaces groundmass. Feldspar phenocrysts are partly cloudy to clear with cleavage visible. Only observed as dikes and represent a small volume. Quartz veins are not present in this phase.

Dark grey, plagioclase porphyry with a quartz monzonite composition. The large, subhedral plagioclase phenocrysts in a dark green groundmass is distinctive. ELID-005, 299.1 m.

Figure 36: Unit EPOR5 (Source: E29, Elida Technical Report, 2020)



Hydrothermal Alteration and Veining

The Elida Porphyry exhibits a systematic evolution of veining from high to low temperature. High-temperature quartz-potassic feldspar veins are distributed in and around the Elida Porphyry Stock and diminish in frequency radially outward. Synchronous with high-temperature quartz veining are Early Halo Type (“EHT”) veins described by Proffett and Riedell (2016). EHT veins refer to a class of veins that include Early Dark Micaceous (“EDM”) veins first recognised by Meyer (1965) at Butte, Montana. EHT veins have a similar form, timing and environment of deposition as EDM veins but are not dark coloured. High-temperature quartz vein frequency diminishes outboard of Elida porphyry margin and lower temperature, more typical copper sulphide-bearing quartz veins become more abundant. All types of quartz veins are coincident with the potassic alteration zone.

Early Halo Type (“EHT”)

Proffett and Riedell (2016) used the Early Halo Type (“EHT”) as a general class of alteration features that include early dark micaceous (EDM) veins described by Meyer (1965). EHT features have a range of colours from pale green to dark brown. EHT alteration forms at high temperatures (~600° C) and early in the evolution of veining and alteration in a porphyry system. EHT alteration bands are common but widely spaced in the Elida Porphyry Stock, the EPOR2 unit that intrudes the porphyry and in the sedimentary host rocks adjacent to the stock. EHT features occur as bands without a recognisable medial vein or as a halo around early, high temperature quartz veins. The EHT features have pale green muscovite replacing the primary intrusive textures and also contain more pyrite and chalcopyrite than the surrounding rock. In some cases, quartz veins appear to have exploited earlier formed fractures controlling the EHT alteration bands or halos. Pale coloured EHT features are commonly mistaken for late-stage sericite halos surrounding pyrite veinlets.

Early Halo Type (EHT) alteration observed adjacent to chalcopyrite-bearing quartz veins in ELID-011 indicates that the fluids generating these higher temperature A-veins were carrying copper. They contain abundant chalcopyrite but are widely spaced, maybe 1 vein/5 to 10 metres of core.

The Copper Zone

A well-mineralized copper-molybdenite zone developed in steeply dipping sedimentary host rocks surrounds a low-grade core occupied by the elliptical Elida Porphyry Stock. The Cu-Mo enriched zone is characterised by intense, multi-phase quartz veining containing chalcopyrite and molybdenite. Higher temperature, predominantly molybdenite-bearing quartz veins distributed in the porphyry stock and adjacent wall rocks decrease in frequency as moderate temperature, chalcopyrite-molybdenite-bearing quartz veins increase in frequency within the copper zone. Chalcopyrite is strongly partitioned in the moderate temperature A-veins and it is estimated that 80% of the chalcopyrite resides in the quartz veins and 20% is disseminated in the wall rock.

Early and late porphyry dikes present throughout the copper zone are volumetrically minor and dilution by low grade, late mineral dikes is not significant.

Other Targets

Two other separate porphyry centres, indicated in Figure 28 (above) have been identified within the extensive sericite-pyrite alteration zone as delineated by surface exposure and drill holes located on the margins of the Elida Porphyry. The northeast target is a partially covered zone of leached capping coinciding with relatively intense sericite-pyrite alteration. Outcrop rock sampling shows anomalous Cu and background Mo values. The area is at a higher elevation than the Elida Porphyry and could host and enrichment zone beneath the preserved leached profile superimposed on a strong phyllic alteration zone. ELID-015 was drilled northeast towards the target and is currently the closest hole to this target.

Figure 37: Leached Cap Enrichment Target at Elida (Source: E29, 2020)

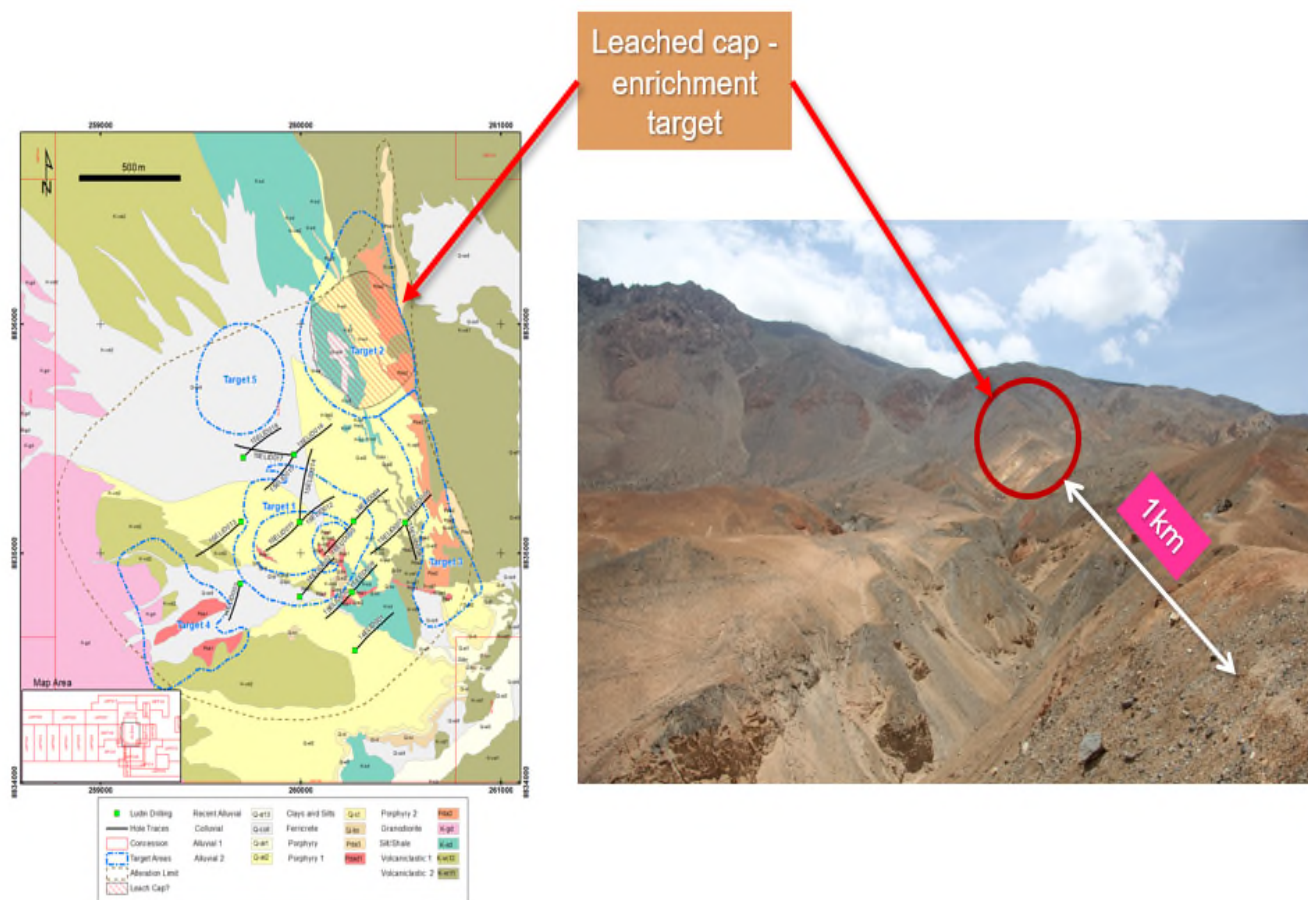


Image approved by Brian Booth, P.Geo, 2020

The second target, referred to as Area 4, has the late porphyry intrusion (EPOR3) exposed in steep drainages on the eastern flank of the Coastal Batholith. Intrusive crosscutting relationships established from drill core demonstrate EPOR3 intruded late

in the hydrothermal events, generating A veins and associated copper mineralization and have a much lower Cu grade than earlier intrusions and host rocks. Fieldwork focussing on quartz vein intensity in host rock will help to resolve potential drill targets in this area. Copper oxides precipitated on fracture and vein surfaces within the late porphyry are exotic and the occurrence of brochantite suggests that the supergene fluids may have originated up the oxygenated hydrologic gradient rather than from a progressively downward movement of supergene solutions.

Hypogene

Multiple syn-mineral porphyry phases have intruded as stocks and dikes at Elida. The various phases have timing from early to late mineral. Late-mineral phases have lower grades than the earliest phases of porphyry intrusion.

The drilled portion of the deposit is dominated by dikes. The extensive mineralized zone across the drill section with or without dikes suggests there is a larger body of porphyry rock below the current level of drilling. The dikes may coalesce into a more coherent porphyry stock at depth. Based on dike occurrences in drilling, the axis of the porphyry is believed to be in the centre of the drill section.

The overall paucity of early quartz veinlets (A veins) combined with transitional veinlets (B veins) in the drill holes suggests a position above the mineralized core.

Late-stage hydrolytic alteration (phyllic or sericite-pyrite) appears to have removed some of the copper deposited in the earlier formed potassic zone on which it overprints. The consistently higher grades in the intervening skarn-related mineralization might be attributed to the buffering capacity of carbonate to reduce the acidity of the phyllic solutions, which in turn would reduce the ability of these fluids to leach copper. Grades in skarn may therefore reflect the original grade of the potassic zone, much of which could continue at depth below the level of the overprinting phyllic alteration.

The features presented above are summarized in the deposit model shown in Figure 40 (below). An interpreted porphyry stock at depth transitions upwards into an array of dikes at shallower levels where drilling was concentrated. A potassic zone straddles the carapace of the porphyry stock. This potassic zone is overprinted upwards by hydrolytic (phyllic) alteration. If this hypothesis is correct, higher concentrations of copper should occur at some depth below the current level of drilling. If the ~1% copper grades noted in the skarn-related mineralization are encountered in the porphyry, an underground bulk mining operation might be economic.

Supergene

Phyllic alteration zones associated with the porphyry Eocene (39-41 Ma) centres at Elida were exhumed by Miocene time and the climate conditions that were optimal for development of supergene enrichment. Abundant phyllic-related pyrite oxidized in the weathering environment provided acid solutions necessary to dissolve and transport copper into enrichment zones, as evidenced by abundant supergene alunite common in the leached capping. Late Pleistocene to recent erosion removed most of the weathered profile over the Elida Porphyry Stock (Target Area 1). Narrow, sub-vertical weathered zones containing secondary copper minerals extending in excess of 200 metres below surface were controlled by structures permeable to copper-bearing supergene solutions. Pyrite and chalcopyrite are found at or within a metre of the present erosion surface in the vicinity of Target Area 1. Terraces located below and south and below the mineralized exposures are composed of the eroded leached capping. An intact leached capping is present at Target Area 2, which is at an elevation approximately 400 metres higher than target area 1. The leached capping is coincident with abundant quartz veinlets overprinted by strong phyllic alteration and associated D veins (late stage veins). Weathering textures and oxide mineralogy indicate significant sulfide was present before weathering. Hematite bearing leached capping is exposed approximately 200 metres vertically below the completely leached exposures. If a supergene zone exists at Target Area 2, it will reside at the base of the hematite-bearing leached zone.

Exploration Potential

Porphyry-style copper-molybdenum mineralization was first identified at the Elida property in 2011. There has to date been only one preliminary round of wide-spaced drilling at Elida, which has partly tested one of at least three porphyry targets. The mineralized porphyry centre that has been drill-tested remains open at depth and laterally around some of its circumference. Exploration of the property remains at an early stage.

The ultimate size of the zone of hypogene porphyry mineralization at depth is unknown but outcrops show a larger footprint than the area that was drill-tested in 2014-15. Two other targets crop out but have not been drill tested. One of these targets is located upslope to the northeast from the current drill holes. In addition to hypogene copper potential, there is an intact leached capping with evidence for an underlying supergene copper enrichment zone. Collectively, these porphyry centres could generate a large porphyry copper-molybdenum resource that would compare with some of the larger Peruvian porphyry examples that are being mined.

Mineralization

The deposit type targeted at Elida is a porphyry system containing both hypogene copper-molybdenum sulphide mineralization and supergene-enriched copper mineralization.

Porphyry copper systems are characterised by large volumes of hydrothermally altered rock (>10 km³) centred on porphyritic-textured intrusions with felsic to intermediate composition (Sillitoe, 2010). Copper mineralization typically occurs as copper sulphide minerals disseminated in the altered wall rock and in closely spaced veinlets that occupy a smaller portion of the hydrothermal alteration zone. Post-mineral exhumation, weathering, and mobilization of primary copper mineralization may result in supergene enriched zones located above, or laterally to primary copper sulphide (hypogene) mineralization. Alteration and mineralization commonly form mappable zones based on silicate and sulphide mineral assemblages observed in outcrop and drill core. The majority of copper is deposited during potassic alteration, which forms early in the evolution of the porphyry system.

Host rock type, the amount of early-formed, sulphide-bearing veinlets, and proximity to early-mineral porphyritic intrusions are the main controls on intensity of primary copper mineralization. Dilution by syn-mineral dikes and stocks intruded late in the mineralization cycle and strong overprinting by sericite-pyrite alteration causes reduction in copper grades.

Elida represents a classic example of an Andean-style porphyry copper-molybdenum deposit. In summary, along with a general description from Panteleyev (1995), such types of deposits display large zones of hydrothermally altered rock with quartz veins and stockworks, sulphide-bearing veinlets, fractures and lesser disseminations in areas often greater than 10 square kilometres in size. These alteration zones are often coincident with inter-mineral hydrothermal breccias and dyke swarms.

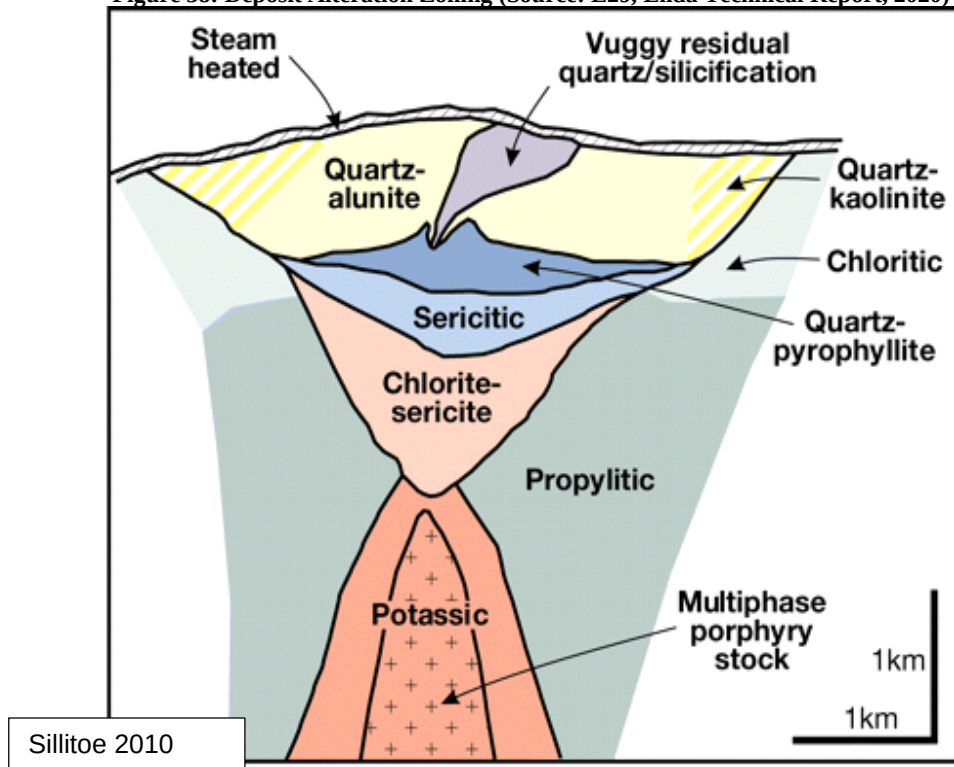
The uppermost sections of these intrusions, where strong fracturing has developed because of depressurization and hydrothermal brecciation, as well as at or near the contacts with other rock types, often coincide with the best grades. Andean porphyry systems commonly display multiple intrusion phases and therefore multiple generations of veinlets and stockworks

Oxidation of primary sulphides generated in porphyry systems results in circulation of acidic groundwaters above mineralized systems. This later event has a two-fold effect on porphyry deposits: (i) it leaches rocks of all or most of the sulphides they contained above the water table, and (ii) resultant copper-rich solutions then transport and re-deposit copper as more copper-rich sulphides, such as chalcocite, covellite and digenite, at or below the water table. Given the appropriate chemical conditions, native copper will deposit on rocks able to neutralize the acidic solutions, such as unaltered, late dykes. These enrichment zones (or “blankets”) commonly tend to form as tabular sub-horizontal zones aligned with the paleo-water table. Vertical, deep penetrating zones of secondary copper mineralization by be controlled by permeable faults. Above the secondary enrichment zone, in the leached cap, weathered, altered rock contains low copper grades. Thus, typical Andean porphyries have a leached upper zone, an enriched supergene blanket, and a much larger mineralized, albeit at lower grades, primary (or hypogene) sulphide zone at depth.

Alteration in calc-alkalic porphyry deposits is typically zoned om the inner: sodic-calcic potassic zone to an outer propylitic zone. Phyllic alteration, if present overprints potassic and propylitic alteration assemblages. Argillic alteration is more prevalent in the upper parts of the hydrothermal alteration environment.

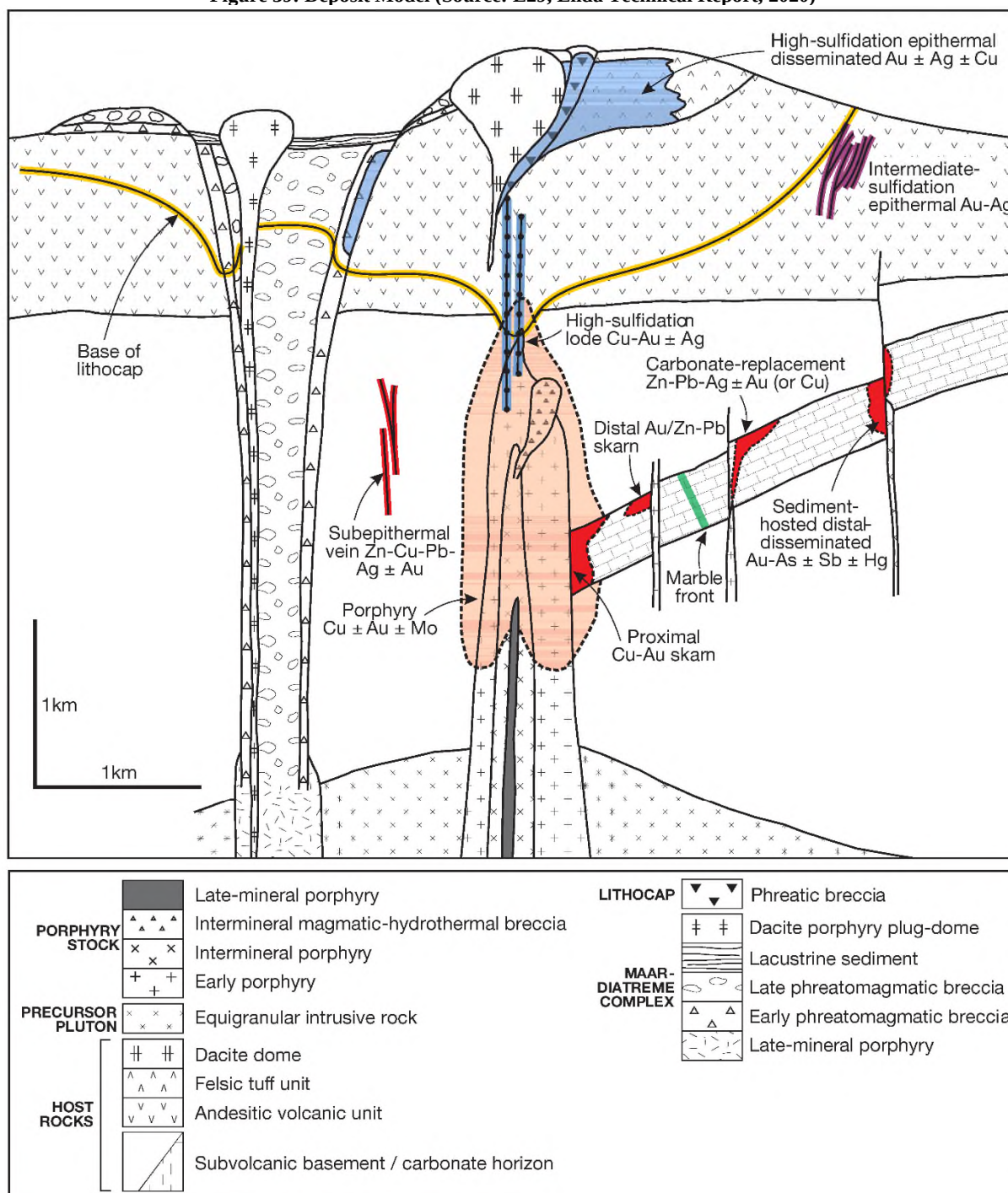
Other deposit styles associated with porphyry copper deposits (spatially and genetically) include high-sulfidation epithermal precious metal deposits, Cu-Zn-Pb carbonate replacement deposits, and skarn. A schematic model for porphyry deposits with respect to other styles of mineralization is shown in Figure 39.

Figure 38: Deposit Alteration Zoning (Source: E29, Elida Technical Report, 2020)



Exploration to date at Elida focused on quickly identifying evidence for, and testing for a large, high-grade (~1% Cu) at or near surface. Broader property scale exploration identified structural controls, along which other mineralized intrusive bodies may have been emplaced, as well as on surface alteration, considering the typical alteration zonation observed on typical porphyry systems (from (Sillitoe, 2010)). As with many other mineralized porphyry systems around the world, the shape of the mineralized shell at Elida is determined, at least in part, by the spatial extent of the mineralizing fluids and related porphyry intrusive phases (see Figure 38 above).

Figure 39: Deposit Model (Source: E29, Elida Technical Report, 2020)



Anatomy of a telescoped porphyry Cu system showing spatial interrelationships of a centrally located porphyry Cu ±Au ±Mo deposit in a multiphase porphyry stock and its immediate host rocks; peripheral proximal and distal skarn, carbonate-replacement (chimney-manto), and sediment-hosted (distal-disseminated) deposits in a carbonate unit and sub-epithermal veins in noncarbonate rocks; and overlying high- and intermediate-sulphidation epithermal deposits in and alongside the lithocap environment. The legend explains the temporal sequence of rock types, with the porphyry stock predating maar diatreme emplacement, which in turn overlaps lithocap development and phreatic brecciation. (Sillitoe, 2010).

Figure 40: Leached Capping (Oxide Zone) (Source : E29, Elida Technical Report, 2020)



Hematitic–jarositic leached capping-oxide zone and associated clay-sericite alteration. Local jarositic areas below are associated to the sulphide zone.

Figure 41: Stock Work Veining (Source: E29, Elida Technical Report, 2020)



Intense, structurally controlled E-W/SW-NE trending quartz vein stockwork in leached, phyllic-altered volcanoclastics; intensity of stockwork is typical of the carapace zone above main porphyry intrusive centre. Notice density and thickness of quartz B and D veinlets.

Figure 42: Quartz-tourmaline breccia (Source : E29, Elida Technical Report, 2020)



Includes phyllic altered dacite porphyry fragments

Figure 43: Porphyry Center (Source : E29, Elida Technical Report, 2020)



Figure 44: Elida Inner Porphyry and Concentric Copper Zones (Source : E29, Elida Technical Report, 2020)



View eastward across the Elida alteration zone showing the approximate position of the Elida porphyry stock (red) and surrounding concentric copper-molybdenum zone (green).

Exploration

The Company has not performed exploration on the Elida Project to date.

Drilling

The Company has not performed drilling on the Elida Project to date. All drilling activities reported in the Elida Technical report and herein are illustrated in the history section of this prospectus. See “*Elida Project - History*”.

Sample Preparation, Analysis and Security

The QP is unable comment or discuss the sample preparation, and security for the Company rock sampling programs as there was no exploration undertaken by the Company.

Globetrotters Peru Copper SAC inherited the Lundin sample database after Lundin terminated the option. This database was subsequently provided to the QP of the Elida Technical Report.

Lundin’s documented procedures for sample chain of custody and formal procedures for insertion of QA/QC controls, the well-organized sample registry as observed in Lundin’s Access database, and the contents of the first QA/QC analysis report, demonstrate that Lundin adhered to industry standard practices in its sampling procedures and controls. It is the opinion of the QP of the Elida Technical Report that Lundin followed industry best practices.

Aside from the due diligence sampling carried out by the QP and described elsewhere, the QP has not been able to verify independently the analytical and sampling methods employed by Globetrotters Peru Copper SAC.

While there may be additional historical information in existence, the QP is satisfied that the information contained in this report is adequate for the purposes of the report. Existing data has been reviewed for reasonability and relevance.

Data Verification

The QP is satisfied with adequacy of sample preparation, security, and the analytical procedures used in the collection of 10 rock samples from the Elida Project, nine from Lundin drilling and one from site. The QP is of the opinion that the description

of sampling methods and details of location, number, type, nature, and spacing or density of samples collected, and the size of the area covered are all adequate for the current stage of exploration for the Elida Project.

The QP examined the Elida Project on January 15, 2018 with Dr. Paul Johnston, PGeo and Manuel Montoya to examine several locations on the property and determine the overall geological setting. In addition, the QP examined the Elida Project on December 4, 2019 due to the fact that a significant amount of time had passed since the author's original site visit. Based on the second site visit, no additional work on the Elida property was apparent.

The confirmation sampling completed during the first site visit was undertaken to test the repeatability of sample results obtained from previous sampling campaigns. The QP designed the program as a quality control measure.

The QP took samples on the visit from 10 locations and these were delivered to ALS Peru S.A. in Lima Peru, (an accredited analytical laboratory pursuant to NI 43-101). All samples underwent assay package ME-ICP41 which includes 35 elements Aqua Regia digestion ICP-AES analysis, Gold Fire Assay AA Finish code Au-AA23, and over limits underwent ME-Og46 Ore grade elements Aqua Regia. ALS Peru S.A. is an independent laboratory for hire and is independent of the Company, Globetrotters Peru Copper SAC, and the QP of this report. The rock samples taken by the QP (Table 10) clearly concur with the reported assays in the Lundin access database.

The QP of the Elida Technical Report reviewed Lundin's access database. The review consisted of randomly checking 100 assays result in the access database against the provided assays certificates and reviewed all the Lundin data provided. The QP did not find any discrepancy's in the check and is of the opinion that the Lundin data is of high quality.

Table 10: QP Samples (Source: E29, Elida Technical Report, 2020)

Sample No	Re-sample	DDH-ID	From	To	Sample Size	Au ppm	Ag ppm	Cu ppm	Mo ppm	Au ppm	Ag ppm	Cu ppm	Mo ppm	Comments
ED18-01						<0.005	0.8	1260	17					Alteration with copper staining, sercite alteration and gypsym
ED18-02	MI87747	15ELID011	384	386	35 cm 374.0-374.35 m	<0.005	1.2	1570	84	0	1.8	2430	332	Porphyritic Medium Intermineral quartz-diorite porphyry
ED18-03	MI88444	15ELID014	124	126	126-126.33 m , 0.33 m sample	0.007	1.5	2260	119	0.01	1.92	2480	1615	Fine Grained Intermineral quartz-diorite porphyry
ED18-04	MI88464	15ELID014	158	160	160-160.35 m 35 cm sample	0.012	4.3	5590	409	0.01	2.42	3470	422	Fine Grained Carbonaceous silstones, shales and sandstones 1/1 pyrite to
ED18-05	MI88493	15ELID014	209	211	209-209.5 m 50 cm samples	0.007	4.5	7170	592	0.01	1.98	3230	543	Fine Grained Intermineral quartz-diorite porphyry
ED18-06	MI88534	15ELID014	276	278	276-276.33 m , 33 cm sample	0.005	1.7	2960	1055	0	0.97	1550	1990	Medium Grained Brecciated carbonaceous silstones, shales and
ED18-07	MI88557	15ELID014	314.6	316	316.4-317.75 m, 35 cm sample	0.005	1.8	2240	1135	0.01	1.84	2650	965	Medium Grained Intermineral dacite porphyry 1
ED18-08	MI88562	15ELID014	323.2	325	438.0-438.4 m 40 cm sample ?	0.007	3.2	2980	53	0	2.2	2730	223	Brecciated Intermineral dacite porphyry 1
ED18-10	MI88641	15ELID014	152	154	464.0 464.65 m 65 cm smaple	<0.005	0.6	929	77	0.01	2.5	3300	456	Fine Grained Intermineral quartz-diorite porphyry
ED18-09	MI88670	15ELID014	512	514	514.0 -514.45 m, 45 cm	0.022	6	4340	93	0.01	0.89	1180	169	Medium Grained Intermineral quartz-diorite porphyry
Assays Author Collected						Lundin Assays								

Mineral Processing and Metallurgical Testing

E29 has no knowledge of any historical mineral processing/metallurgical testing of the copper mineralization on the Elida Project. Any metallurgical testing that was historically completed is included in the history section of this report. See "Elida Project – History".

Mineral Resource and Mineral Reserve Estimates

There are no current mineral resources or mineral reserves on the Elida Project.

Conclusions

The Elida Project is a porphyry copper-molybdenum system with characteristics similar to other porphyry deposits within the Southern Peru Copper Belt. Mineralization is found in 2 distinct forms: (a) hypogene sulphide mineralization that includes disseminated and veinlet controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks, and (b) supergene mineralization of secondary copper oxides and sulphides 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 sulphide, and malachite, chrysocolla, and tenorite are the most abundant copper oxide minerals.

The 18 drill holes (9,880m) completed by Lundin Mining Peru SAC intersected a porphyry system centred on an early quartz-feldspar porphyry stock herein referred to as the Elida Porphyry Stock. The 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 drill holes with higher grade Cu and Mo intersections.

The entire system including the host rocks are intensely phyllic to argillic altered. Where the quartz monzonite porphyries are exposed, these rocks are strongly phyllic to argillic altered with intense D veining. In places the volcanoclastic rocks are strongly potassic altered with intense B veining which has been overprinted by moderate to strong phyllic alteration associated with dense D veining. It appears that the original early potassic alteration in the volcanoclastic rocks is still well preserved in places and locally where calcareous sedimentary rocks occur, green to brown garnet skarn alteration is abundant.

The central part of the porphyry system is strongly leached resulting in the formation of a leached capping. This leached capping produces a large colour anomaly associated with intense secondary jarosite-goethite-hematite alteration along fractures and in veinlets. This leaching has also led to the formation of secondary Cu mineralization including copper wad, malachite, brochantite and chalcocite which is visible throughout the leached profile. Early drilling suggest that the development of an extensive supergene enrichment blanket is unlikely, but indications suggest localized enrichment is present.

Four distinct inter-mineral porphyritic intrusive phases of Eocene age have been recognised from drilling and surface exposure, which range in composition from granodiorite (dacite) to quartz monzonite. Intrusive rock names classified according to modal proportions of quartz, plagioclase and alkali feldspar are favoured over their volcanic counterparts (e.g. granodiorite vs. dacite). The relative timing of the three earliest porphyry phases are unequivocally demonstrated by cross-cutting relationships observed in drill core. The latest two porphyry phases intruded in the waning stages of mineralization, but their relative timing is determined primarily by comparing vein and alteration intensity.

A well-mineralized copper-molybdenite zone developed in steeply dipping sedimentary host rocks surrounds a low-grade core occupied by the elliptical Elida Porphyry Stock. The copper-molybdenum mineralized zone is characterised by intense, multi-phase quartz veining containing chalcopyrite and molybdenite. High-temperature, predominantly molybdenum-bearing quartz veins distributed in the porphyry stock and adjacent wall rocks decrease in abundance as moderate temperature, chalcopyrite-molybdenite bearing quartz veins increase in frequency within the copper-molybdenum mineralized zone. Chalcopyrite is strongly partitioned in the moderate temperature A-veins and it is estimated that 80% of the chalcopyrite resides in the quartz veins and 20% is disseminated in the wall rock.

Sedimentary host rock type (calcareous siltstone-sandstone, shale) has a second-order influence on copper grade. The position relative to the Elida Porphyry Stock is the first order control.

Strong phyllic alteration and residual copper without molybdenum in leached capping to the northeast of the Elida Porphyry Stock is predicted to overlie a second porphyry centre. There is potential for a supergene blanket to be preserved in this area below the leached cap.

The extensive phyllic alteration zone probably contains more than the one porphyry centre (Elida Central) that has been partly drill-tested; three other porphyry targets (Area 2, Area 3, and Area 4) have been identified by alteration mapping and

geochemical sampling and remain to be drill-tested. This broader area of mapped alteration is believed to represent the main porphyry targets area for the Elida property.

Recommendations

In the QP's opinion, the character of the Elida property is sufficient to merit a two-phase work program where phase two is contingent on the results of phase one

Phase one program should consist of: A 4,000-metre drill program to test the zone of mineralization concentric to the low-grade Elida Porphyry Stock. Drill holes will be positioned to delimit the outer boundary of the mineralized zone and to determine copper and molybdenum grade continuity and distribution. This can be accomplished by completing a vertical hole drilled in the centre of the copper zone as it is currently known.

Drilling is also proposed to test for supergene enrichment and underlying hypogene mineralization beneath the leached capping identified as Area 2. Geological, geochemical, and geophysical evidence supports existence of a porphyry centre in this location.

Table 11: Proposed Budget Phase One⁽¹⁾ (Source: E29, Elida Technical Report, 2020)

Infill and expansion drilling of the Main Zone (4,000m, 6 diamond drill holes, ~700m depth of holes) (includes, core drilling, Assays, Camp costs, Mob-Demob, road drill pads, permitting) All in Cost \$350 USD per meter	\$ 1,400,000
Reporting of Drill Results, Mineral Inventory Analysis	\$ 50,000
Property Holding Costs (Taxes) and Community	\$ 200,000
Subtotal	\$ 1,650,000
Contingency 10%	\$ 165,000
Total USD	\$ 1,815,000

Note (1): All figures in USD.

Contingent on the results of Phase one, a Phase two program should consist of: Drilling on a portion of Target 1 as dictated by results of Phase 1 and delimiting drilling on Targets 2 & 3. In addition, baseline metallurgical testing and continuing geotechnical studies.

Table 12: Proposed Budget Phase two⁽¹⁾ (Source: E29, Elida Technical Report, 2020)

Infill and expansion drilling other targets (4,000m, 6 diamond drill holes, ~700m depth of holes) (includes, core drilling, Assays, Camp costs, Mob-Demob, road drill pads, permitting) All in Cost \$350 USD per meter	\$ 1,400,000
Reporting of Drill Results, Mineral Inventory Analysis	\$ 50,000
Metallurgical analysis	\$ 75,000
Property Holding Costs (Taxes) and Community	\$ 200,000
Subtotal	\$ 1,725,000
Contingency 10%	\$ 172,500
Total USD	\$ 1,897,500

Note (1): All figures in USD.

OTHER MINERAL PROPERTIES

Pahuay Project

In November 2019, the Company acquired 100% of the issued and outstanding shares in the capital of Pahuay Resources S.A.C. from GlobeTrotters. Pursuant to the terms of the Pahuay SPA and an amending agreement dated June 25, 2020, the

consideration to be paid for the acquisition of Pahuay SAC is \$1,500,000 in Consideration Shares. In connection with the closing of the Offering, ● Common Shares will be issued to GlobeTrotters as Consideration Shares. The Pahuay Project is owned by the Company's subsidiary Pahuay Resources S.A.C., subject to a 2% net smelter royalty to GlobeTrotters. The Pahuay Project is a copper project comprising 700 hectares located 200 km northeast of Arequipa, Peru. For the purposes of NI 43-101, the Pahuay Project is not a material property of the Company.

Paleocene porphyry intrusions are emplaced into Cretaceous volcanoclastic 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 development in the limestones and phyllic alteration of the volcanoclastic 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 Cu-Mo returned assays up to 4.4% Cu and 0.05% Mo and the distal areas (Zn,Cu,Ag) returned assays up to 6.5% Zn. The project has not been drill tested and is scheduled for preliminary geological mapping, rock sampling and geophysical surveys to help develop the drill targets (see Figure 45 and Figure 46).

Figure 45: Pahuay Project Location
(Source: E29, Management's Discussion and Analysis for the year ended December 31, 2019)

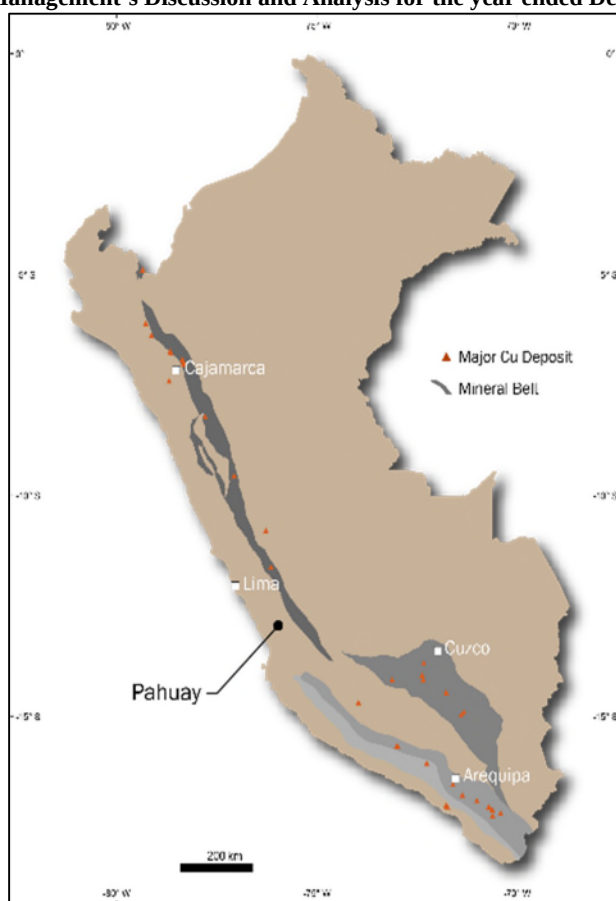
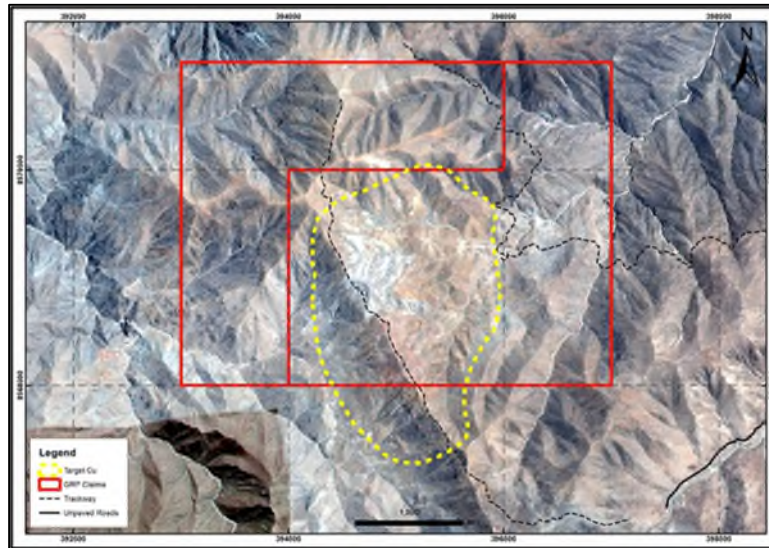


Figure 46: Pahuay Property Concessions and Copper Target
 (Source: E29, Management's Discussion and Analysis for the year ended December 31, 2019)



Muñajorjo Project

In November 2019, the Company acquired 100% of the issued and outstanding shares in the capital of Pahuay Resources S.A.C. from GlobeTrotters. The Muñajorjo Project is owned by the Company's subsidiary Pahuay Resources S.A.C., subject to a 2% net smelter royalty to GlobeTrotters. The Muñajorjo Copper Skarn Porphyry Project from GlobeTrotters. The Muñajorjo Project is a copper project comprising of 1,000 hectares located 270 km south of Lima within the eastern margin of the coastal batholith, Paleocene Copper belt of Southern Peru. For the purposes of NI 43-101, the Muñajorjo Project is not a material property of the Company.

The Muñajorjo Project covers limestone sequences and batholithic diorite and granodioritic rock units. The Muñajorjo Project covers the majority of and is centered on a large (4.3 X 1.3 kilometres) hydrothermal alteration zone. Skarn development and marbling in the limestone is extensive on the property with a central area containing strong copper mineralization over a 480 metre X 280 metre zone at surface. The skarn copper (oxide) mineralization is associated with strong limonitic-quartz stockwork and brecciation. 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 cover. The porphyry related alteration continues to the northeast for another 1.5 kilometres. The plan is to complete detailed geological mapping, rock chip sampling and geophysical surveys (magnetics and an IP survey) to identify diamond drill targets (see Figure 47 and Figure 48 below).

Figure 47: Muñaorjo Project Location
 (Source: E29, Management's Discussion and Analysis for the year ended December 31, 2019)

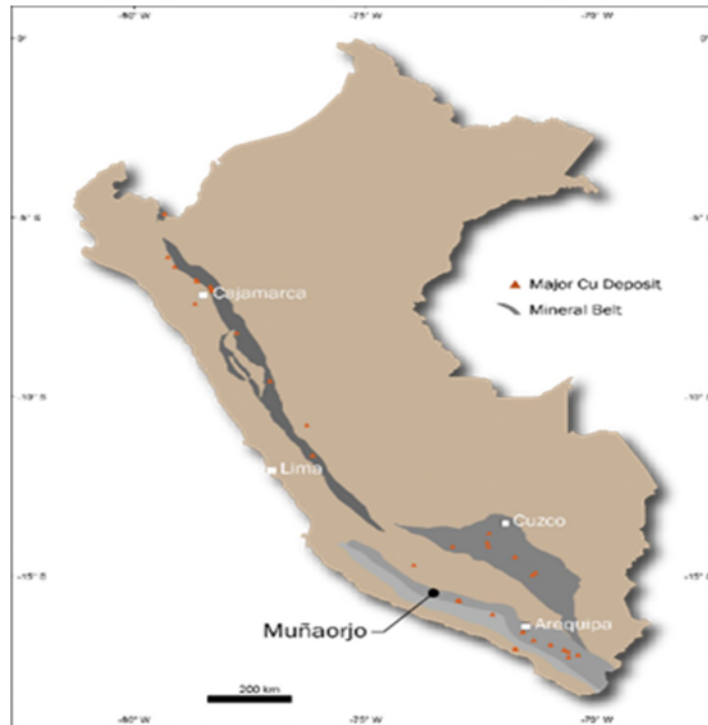
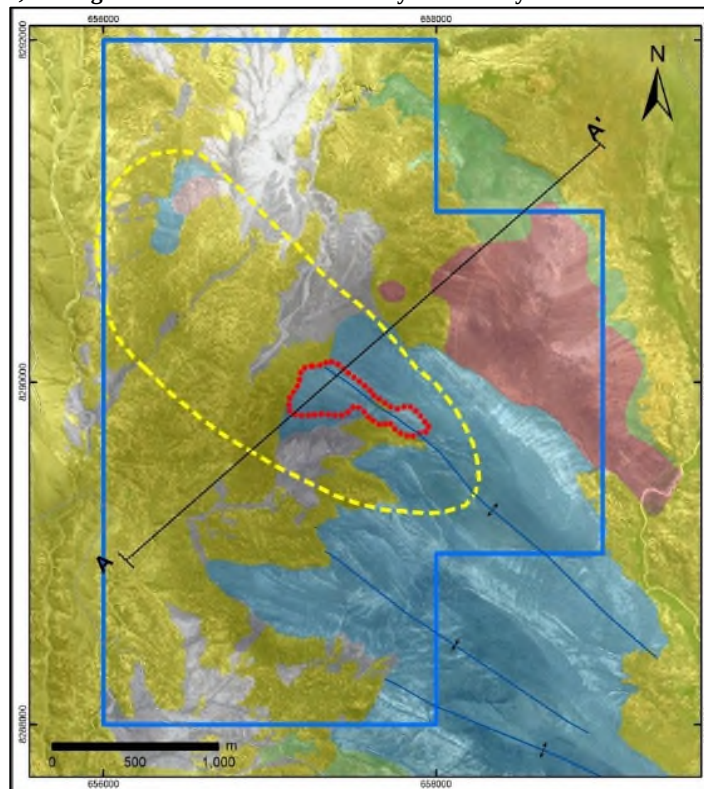


Figure 48: Muñaorjo Project Concession, Geology
 (Source: E29, Management's Discussion and Analysis for the year ended December 31, 2019)



USE OF PROCEEDS

Available Funds

Under the Offering, assuming the Agent does not exercise the Agent's Option, the Company will receive minimum net proceeds of \$4,340,000 and maximum net proceeds of \$9,040,000 after deduction of the Commission (assuming \$1,000,000 President's List Sales), estimated expenses of the Offering of \$350,000 and the Corporate Finance Fee.

If the Agent exercises the Agent's Option in full, the estimated net proceeds to the Company from the Offering will be a minimum of \$5,045,000 and a maximum of \$10,450,000 after deduction of the Commission (assuming \$1,000,000 is raised from President's List Sales), estimated expenses of the Offering of \$350,000 and the Corporate Finance Fee.

The Company held \$1,600,000 in cash as of July 30, 2020 and the working capital deficit of the Company on the last day of the month before filing the Prospectus was \$201,994⁽¹⁾. In the event the Offering is completed, the Company estimates it will have \$1,313,585 in adjusted working capital, and total available funds of \$5,653,585 if the minimum Offering is completed, and total available funds of \$10,353,585 if the maximum Offering is completed. The Company intends to use the funds available to it following completion of the Offering as follows:

Principal Purpose	Minimum Offering Estimated Amount to be Expended (CAD \$) ⁽²⁾⁽⁴⁾	Maximum Offering Estimated Amount to be Expended (CAD \$) ⁽³⁾⁽⁴⁾
Proposed budget recommended pursuant to the Flor de Cobre Technical Report		
Compile data, relog, re-evaluate potential	67,500	67,500
Minimum estimated amount includes historic resource validation drilling (3,700m, 9 diamond drill holes, 300 m depth for holes); maximum estimated amount includes other targets outside of known porphyries (3,000m 10 diamond drill holes, 300 m depth for holes). Both estimates include salaries, core drilling, assays, camp costs, mob-demob, roads and pads.	1,498,500	1,498,500
Geophysics follow-up IP – north east part of property	135,000	135,000
Geochem/geology/vein density mapping	135,000	135,000
Metallurgical analysis	40,500	40,500
Generation of a resources model	-	-
Property payment, property holdings costs (taxes) and community	877,500	877,500
Subtotal	2,754,000,	2,754,000
Contingency 10%	275,400	275,400
Total	3,029,400	3,029,400
Proposed budget recommended pursuant to the Elida Technical Report		
Infill and expansion drilling of the main zone (4,000m, 6 diamond drill holes, ~700m depth of holes; includes core drilling, assays, camp costs, mob-demob, road drill pads, permitting; all in costs USD\$350 per meter	-	1,890,000
Reporting of drill results, mineral inventory analysis	-	67,500
Metallurgical analysis	-	-
Property holding costs (taxes) and community	-	270,000
Subtotal	-	2,227,500

Principal Purpose	Minimum Offering Estimated Amount to be Expended (CAD \$)⁽²⁾⁽⁴⁾	Maximum Offering Estimated Amount to be Expended (CAD \$)⁽³⁾⁽⁴⁾
Contingency (10%)	-	222,750
Total	-	2,450,250
General and administrative expenses		
Rent	48,000	48,000
General	943,000	943,000
Travel expenses	200,000	200,000
Filing, accounting and audit costs	89,000	89,000
Legal costs	60,000	60,000
Property holding costs	120,000	-
Community costs	100,000	-
Subtotal	1,560,000	1,340,000
Unallocated working capital	1,064,185	3,533,935 ⁽⁵⁾
Total⁽⁶⁾	5,653,585	10,353,585

Notes:

(1) The working capital deficit includes the Senior Secured Convertible Debenture, the Debentures, embedded derivatives and interest payable as liabilities in the amount of \$1,515,579.

(2) The minimum estimated amounts correspond to the phase 1 program proposed in the Flor de Cobre Technical Report.

(3) The maximum estimated amounts encompasses the phase I programs proposed in the Flor de Cobre Technical Report and Elida Technical Report.

(4) The Flor de Cobre Technical Report and the Elida Technical Report reflect expenditures in U.S. dollars.

(5) The unallocated working capital from the proceeds raised under the maximum amount of the Offering will be allocated to all or a portion of the phase 2 program proposed in the Flor de Cobre Technical Report (\$3,950,100) or the Elida Technical Report (\$2,561,625), depending on the results of the phase I program at each property.

(6) Total amount assumes the Agent's Option is not exercised.

Upon completion of the minimum Offering, the Company will have sufficient funds for the next 12-month period to fund operations and to carry out the recommended exploration programs on the Flor de Cobre and Elida Projects as set out above. The Company expects to advance exploration on the Flor de Cobre and Elida Projects using the net proceeds of the Offering, as described above.

In response to the COVID-19 pandemic, exploration at the Flor de Cobre and Elida Projects may be impacted by provincial and federal government restrictions on the Company's operations. Potential stoppages on exploration activities could result in additional costs, project delays, cost overruns, and operational restart costs. The total amount of funds that the Company needs to carry out the Flor de Cobre and Elida Exploration Programs may increase from these and other consequences of the COVID-19 pandemic.

The Company's unallocated working capital will be available for further exploration work on the Flor de Cobre and Elida Projects, if such work is warranted based on results from the exploration programs currently planned. If not required for further work on the Flor de Cobre and Elida Projects, those funds will be available for acquisition, exploration or development of other mineral properties.

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, exploration results, property status and or for other circumstances, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives. Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds, including the net proceeds of the Offering, if necessary. If management determines that a reallocation of funds is

necessary, the Company may redirect its available funds, including the net proceeds of the Offering, to purposes other than as described in this Prospectus. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “*Risk Factors*”.

Business Objectives and Milestones

The primary business objectives of the Company with respect to the use of its available funds over the next 12 months are as follows:

The Company anticipates completing the Flor de Cobre phase 1 program described above by 2021, the Elida project phase 1 program described above by 2021, and could potentially complete the Flor de Cobre phase 2 program described above by 2022 and the Elida phase 2 program described above by 2022, subject to the results of the phase 1 programs at each project meeting expectations. If the maximum amount under the Offering was completed, the Company would only have surplus funds to carry out phase 2 programs at one of its properties (either Flor de Cobre or Elida) and additional funds of approximately \$3.5 – 4 million would need to be raised to complete phase 2 at the second project. The total anticipated budget for completing both Phase 1 of the Flor de Cobre and Elida Projects over the next 12 months is approximately \$5,479,650.

Unutilized net proceeds of the Offering, if any, will be added to the working capital of E29.

Negative Operating Cash Flow

By the nature of its business as a mineral exploration company, the Company has negative cash flow from its operating activities and generates no revenue from the exploration activities on its mineral properties. The Company anticipates that it will continue to have negative cash flow until such time as commercial production may be achieved on one or more of its mineral properties. See “*Risk Factors – Negative Cash Flow from Operating Activities*”.

Since its inception in August 2017, the Company has generated negative operating cash flows. The Company does not expect to generate positive cash flows until one or more of its mineral properties enters into commercial production. The Company has to this date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Agency Agreement dated ●, 2020, among the Company and the Agent, the Company has appointed the Agent to act as its exclusive agent to offer for sale, on a commercially reasonable efforts basis, a minimum of ● and a maximum of ● Units for minimum gross proceeds \$5,000,000 and maximum gross proceeds of \$10,000,000, subject to the terms and conditions of the Agency Agreement. The Offering Price was determined by negotiation between the Company and the Agent.

The obligations of the Agent under the Agency Agreement may be terminated by it at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events, including industry standard “market out”, “material adverse change out”, “disaster out” and “regulatory proceedings out” provisions.

The Company has agreed to grant to the Agent the Agent’s Option to purchase that number of Agent’s Option Units as is equal to 15% of the number of Units sold pursuant to the Offering at a price of \$● per Agent’s Option Unit at any time up to two business days prior to the Closing Date, to cover the Agent’s over-allocation position, if any. This Prospectus qualifies the distribution of the Agent’s Option and the Agent’s Option Units.

In consideration for the services provided by the Agent in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Company will pay the Agent the Commission, equal to (i) 6% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agent’s Option), other than the gross proceeds raised from President’s List Sales, payable in cash from the proceeds of the sale of the Units and (ii) 2% of the gross proceeds raised from the President’s List Sales, payable in cash from the proceeds of the sale of Units. The Agent will also receive, as additional compensation, Broker

Warrants to purchase that number of Units that is equal to 6% of the Units sold pursuant to the Offering (including any Agent's Option Units sold pursuant to the exercise of the Agent's Option), but excluding the Units sold pursuant to President's List Sales. In connection with the President's List Sales, the Agent will receive Broker Warrants to purchase that number of Common Shares that is equal to 2% of the Units sold pursuant to the President's List Sales. Each Broker Warrant is exercisable to purchase one Common Share at a price of \$● for a period of ● months from the Closing Date. The Company will also pay the Agent the Corporate Finance Fee and the Corporate Finance Fee Shares at Closing. This Prospectus qualifies the distribution of the Broker Warrants and the Corporate Finance Fee Shares.

The Company has agreed to reimburse the Agent for certain costs and expenses in connection with the Offering, which are included in the estimated expenses of the Offering. See "*Use of Proceeds*".

In the event that the Company withdraws from the Offering, in order to complete an Alternative Transaction (as defined hereinafter) (which transaction is completed within 12 months of the withdrawal from the Offering), the Company shall pay to the Agent promptly upon closing of the Alternative Transaction a fee equal to the maximum amount of fees otherwise payable under the Agency Agreement calculated on the basis of the maximum offering of Units proposed hereunder.

For the purposes thereof, "Alternative Transaction" means the issuance of securities of the Company or a business transaction, either of which involve a change in control of the Company, or any material subsidiary including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Company, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, excluding an issuance of securities pursuant to the exercise of securities of the Company outstanding on the date hereof or in connection with a bona fide acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities or financial in nature or an acquisition that is structured primarily to defeat the intent of this provision)..

The Agent, or registered sub-agents who assist the Agent in the distribution of the Units offered hereunder, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Blake, Cassels & Graydon LLP, and on behalf of the Agent by DuMoulin Black LLP. Subscriptions for Units will be payable to the Company against delivery of the Unit Shares and Warrants underlying the Units.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about ●, 2020 or such other date as is mutually agreed by the Company and the Agent, but, in any event, not later than ●, 2020. There will be no closing unless a minimum of ● Units are sold. If subscriptions for a minimum of ● Units have not been received within 90 days after a receipt is obtained for this Prospectus, this Offering may not continue and subscription proceeds will be returned to subscribers, without interest or deduction, unless consent is obtained from those who have subscribed for Units on or before such date. It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold the Unit Shares and Warrants underlying the Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. After a reasonable effort has been made to sell all of the Units at the price stated above, the Agent may offer the Units at a price lower than that stated above. Any such reduction will not affect the net proceeds to be received by the Company under the Offering.

Pursuant to the Agency Agreement, the Company has agreed that it will not issue, announce any issue or agree to issue any securities of the Company, other than issuances (i) under existing director or employee stock option, bonus or purchase plans, as detailed in this Prospectus, (ii) under director or employee stock options or bonuses granted subsequently in accordance with regulatory approval, or (iii) as a result of the exercise of currently outstanding share purchase warrants or options or previously scheduled property payments or pursuant to any outstanding contractual obligation, during the 120 days following the Closing Date without the written consent of the Agent, such consent not to be unreasonably withheld. The Company's officers and directors have agreed, not to sell, or agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares of the Company for a period of 120 days from Closing without the prior written consent of the Agent, such consent not to be unreasonably withheld.

One of the directors of Haywood is also a director of GlobeTrotters. GlobeTrotters is considered an “influential securityholder” of the Company (as such term is defined in NI 33-105). Consequently, the Company may be considered a “connected issuer” of Haywood (as such term is defined in NI 33-105) in connection with the Offering. The decision to complete the Offering and the determination of the terms of the Offering have been made through negotiations between the Company and the Agent. Except for the Commission, the Broker Warrants, the Corporate Finance Fee, the Corporate Finance Fee Shares and the reasonable fees and expenses of the Agent payable by the Company in accordance with the Agency Agreement, the proceeds of the Offering will not be applied for the benefit of Haywood.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the U.S. (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Company has applied to the TSXV to have the Common Shares and Unit Shares listed on the TSXV under the symbol “ECU”. The listing of the Common Shares and Unit Shares on the TSXV will be conditional upon the Company fulfilling all of the listing requirements and conditions of the TSXV.

Minimum Subscription and Conditions of Closing

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- A minimum of ● Units for gross proceeds of \$5,000,000 must be sold under the Offering.
- The TSXV must approve the Common Shares and Unit Shares for listing. Listing of the Common Shares and Unit Shares will be subject to the Company fulfilling all of the listing requirements and conditions of the TSXV, which cannot be guaranteed.

The Company has agreed to indemnify and hold harmless the Agent, and their subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents, Shareholders, each other person, if any, controlling the Agent, or any of their respective subsidiaries and affiliates, from and against certain liabilities and expenses.

Pursuant to policy statements of certain securities regulators, the Agent may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agent may over-allot or effect transactions that stabilize or maintain the market price of Units at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agent at any time. The Agent may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

The Units, the Unit Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Each Agent has agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time in the United States as part of its distribution. The Agency Agreement permits the Agent, by or through their U.S. registered broker-dealer affiliates, to offer and sell Units in the United States to “accredited investors”, as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act or “qualified institutional buyers” within the meaning of Rule 144A, provided such offers and sales are made in transactions in accordance with Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable state securities laws. Moreover, the Agency Agreement provides that the Agent will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending attainment of the minimum subscription of Units and fulfillment of the other conditions set out in the Agency Agreement. The Agent will release those funds to the Company on closing of the Offering.

If subscriptions for the minimum Offering are not received within 90 days following the issuance of a receipt for this Prospectus, the Offering will not continue unless each person or company which has subscribed to the Offering during that period consents to the continuation. During the 90 day period referred to herein (or until the minimum Offering is subscribed for and the Offering is closed, if that should occur prior to the expiry of the 90 day period), all funds received from subscriptions will be held by the Agent. If the minimum Offering is not subscribed for in such period, the funds will be returned to the subscribers without any deductions unless the subscribers have otherwise instructed the Agent.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Units are offered at a price of \$● per Unit. Each Unit is comprised of one Unit Share and one half of one Warrant. Each Warrant is exercisable into one Warrant Share at an exercise price of \$● per Warrant Share at any time prior to the Warrant Expiry Date, subject to adjustment in certain events.

Common Shares

The Company's authorized common share capital consists of an unlimited number of Common Shares without par value. As at the date of this Prospectus, there were 44,945,833 Common Shares issued and outstanding.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of Shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Company's Articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company's Shareholders.

DIVIDEND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not currently pay dividends and does not intend to pay dividends in the foreseeable future. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and its subsidiaries and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Risks Related to the Company – Dividends*".

CONSOLIDATED CAPITALIZATION

Other than as disclosed below, there have been no material changes in the Company's share and loan capital since June 30, 2020, the date of its most recently completed financial period.

The Company anticipates issuing a minimum of ● and a maximum of ● Units pursuant to the Offering a minimum of ● and a maximum of ● Units if the Agent's Option is exercised in full. On completion of the Offering, the Company will have a minimum of ● and a maximum of ● Common Shares issued and outstanding and a minimum of ● and a maximum of ● Common Shares issued and outstanding if the Agent's Option is exercised in full). There will be no material change to the Company's loan capital that will result from the completion of the Offering.

The following table sets forth the consolidated share capitalization of the Company as at June 30, 2020 on an actual basis and on a pro forma basis as adjusted to give effect to the completion of the Offering. Investors should read the following information in conjunction with the Company's audited and unaudited consolidated financial statements and related notes thereto, along with the associated MD&A, included in this Prospectus.

Designation	Amount Authorized	Amount Outstanding as of June 30, 2020	Amount Outstanding as of the Date of this Prospectus after giving effect to the minimum Offering	Amount Outstanding as of the Date of this Prospectus after giving effect to the maximum Offering
Common Shares	Unlimited	44,945,833	●	●
Options	10% of the total number of issued and outstanding Common Shares	3,240,000	3,240,000	3,240,000
Warrants	N/A	Nil.	●	●

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets forth the aggregate number of Options which are outstanding as at the date of this Prospectus.

Holder of Options	Common Shares Under Options Granted	Exercise Price (C\$ per Common Share)	Grant Date	Vesting Conditions	Expiry Date
Executive and other officers of E29, as a group ⁽¹⁾	150,000	0.30	August 23, 2019	Immediate	August 23, 2024
	400,000	0.30	May 19, 2020	one third (1/3) per year	May 19, 2025
	500,000	0.30	June 25, 2020	one third (1/3) per year	June 25, 2025
Directors (who are not also executive	750,000	0.10	January 27, 2019	Immediate	January 31, 2021

Holder of Options	Common Shares Under Options Granted	Exercise Price (C\$ per Common Share)	Grant Date	Vesting Conditions	Expiry Date
officers) of E29, as a group ⁽²⁾					
	350,000	0.30	June 25, 2020	one third (1/3) per year	June 25, 2025
	150,000	0.30	June 29, 2020	one third (1/3) per year	June 29, 2025
Consultants of E29, as a group	690,000	0.10	January 27, 2019	Immediate	January 31, 2021
Any other person or company	100,000	0.30	May 19, 2020	one third (1/3) per year	December 6, 2020
	150,000	0.30	August 23, 2019	Immediate	December 6, 2020
TOTAL	3,240,000				

Notes:

- (1) Total of 3 persons, being the CEO, the CFO and the EVP Corporate Development.
(2) Total of 3 persons, being Patrick Elliott, Richard Osmond and Peter Espig.

Stock Option Plan

On June 29, 2020, the Shareholders of the Company approved the Stock Option Plan (the “SOP”). The purpose of the SOP is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long terms goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. Upon becoming a reporting issuer, the Company will be required to obtain Shareholder approval of the SOP on a yearly basis in accordance with the policies of the TSXV. The general terms and conditions of the SOP are reflected in the disclosure below.

Key Terms	Summary
Administration	The SOP will be administered by the Board, or such director or other senior officer or employee of the Company as may be designated as administrator by the Board. The Board or such committee may make, amend and repeal at any time, and from time to time, such regulations not inconsistent with the SOP.
Number of Common Shares	The maximum number of Common Shares issuable under the SOP shall not exceed 10% of the number of Common Shares issued and outstanding as of each date on which the Board grants the Option (the “ Award Date ”) with certain limits on grants to Participants (as defined in the SOP), Participants who are Insiders (as defined in the SOP), Eligible Employees (as defined in the SOP) and Participants conducting Investor Relations Activities (as defined in the SOP) in accordance with the rules and policies of the TSXV. The number of Common Shares underlying Options that have been cancelled, that have expired without being exercised in full, and that have been issued upon exercise of Options shall not reduce the number of Common Shares issuable under the Plan and shall again be available for issuance thereunder.
Securities	Each Option entitles the holder thereof (an “ Option Holder ”) to purchase one Common Share at an exercise price determined by the Board.

Participation	Any director, senior officer, management company, employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.
Exercise Price	The exercise price of an Option will be determined by the Board in its sole discretion, provided that the exercise price will not be less than the Discounted Market Price (as defined in the policies of the TSXV) (or, if the Common Shares are not listed for trading on the TSXV, then the permissible discounted market price on such exchange or quotation system on which the Common Shares are then listed or quoted for trading) or such other price as may be required or permitted by the TSXV from time to time.
Exercise Period	The exercise period of an Option will be the period from and including the award date through to and including the expiry date that will be determined by the Board at the time of grant (the “ Expiry Date ”), provided that the Expiry Date of an Option will be no later than the tenth anniversary of the Award Date of the Option, provided that such date does not fall within a Blackout Period (as defined in the SOP), and any Options granted to any Optionee (as defined in the SOP) who is a Director, Eligible Employee, or Other Participant (each as defined in the SOP) will expire within 12 months following the date that such Optionee ceases to be engaged in such role.
Cessation of Employment	Subject to certain limitations, in the event that an Option Holder ceases to be a director of the Company or of a Designated Affiliate (as defined in the SOP) or ceases to be employed by the Company, other than by reason of death, the Expiry Date of the Option will be 90 days after the date of such Termination (as defined in the SOP), except as otherwise provided in any employment contract. Notwithstanding the foregoing or any employment contract, in no event shall such right be extended beyond the Option Period or one year from the date of Termination. In the event that an Option Holder should die while he or she is still director, senior officer, management company, employee or consultant of the Company, the Expiry Date will be 12 months from the date of death of the Option Holder.
Acceleration Events	If the Company seeks shareholder approval for a transaction which would constitute an Acceleration Event (as defined in the SOP) or third party makes a bona fide formal offer to the Company or its shareholders which would constitute an Acceleration Event, the Board may (i) permit the Option Holders to exercise their Options, as to all or any of such Options that have not previously been exercised (regardless of any vesting restrictions), but in no event later than the Expiry Date of the Option, so that the Option Holders may participate in such transaction; and (ii) require the acceleration of the time for the exercise of the Options and of the time for the fulfilment of any conditions or restrictions on such exercise. Notwithstanding any other provision of the SOP or the terms of any Option, if at any time when Options remains unexercised and the Company completes any transaction which constitutes an Acceleration Event, all outstanding unvested Options will automatically vest. Any proposed acceleration of vesting provisions is subject to the policies and necessary approvals of the TSXV, if applicable.
Limitations	The maximum number of Common Shares which may be issued, within any one-year period, to Insiders under the SOP, together with any other share-based compensation arrangements of the Company, will be 10% of the total number of Common Shares issued and outstanding. The total number of Options awarded to any one individual in any twelve-month period will not exceed 5% of the issued and outstanding Common Shares of the Company at the Award Date unless the Company has obtained disinterested shareholder approval as required by the TSXV. The total number of Options awarded to any one consultant of the Company in any twelve-month period will not exceed 2% of the issued and outstanding Common Shares of the Company at the Award Date unless consent is obtained from the TSXV.

The total number of Options awarded to all persons retained by the Company to provide Investor Relations Activities will not exceed 2% of the issued and outstanding Common Shares of the Company, in any twelve-month period, calculated at the Award Date unless consent is obtained from the TSXV. Options granted to persons retained to provide Investor Relations Activities will vest in stages over not less than twelve months with no more than one quarter of the options vesting in any three-month period.

Amendments

Subject to certain exceptions and any applicable regulatory approval, the Board may amend the SOP to be awarded for the purpose of complying with any changes in any relevant law, TSXV policy, rule or regulation applicable to the SOP, any Option or the Common Shares, or for any other purpose which the Board may deem desirable or necessary and may be permitted by all relevant laws, rules and regulations, provided that any such amendment will not materially impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. The SOP may be amended, without obtaining the approval of the TSXV, to (i) reduce the number of Common Shares under an Option, or (ii) increase the exercise price or cancel an Option, provided the Company issues a news release outlining the terms of the amendment.

The Board may only amend the provisions of the SOP relating to the following if the Board obtains the approval of the shareholders of the Company: (i) persons eligible to be granted Options under the SOP; (ii) the maximum number or percentage of Common Shares reserved for issuance upon exercise of Options available under the SOP (iii) the limitations on grants of Options to any one person, Insiders, consultants, or persons involved in Investor Relations Activities; (iv) the method for determining the exercise price for Options; (v) the maximum term of Options; (vi) the expiry and termination provisions applicable to Options; or (vii) amendments to the amendment provisions of the SOP.

Disinterested shareholders of the Company must approve any amendment to Options held by an Insider at the time of the amendment that would have the effect of decreasing the exercise price of such Options.

Warrants

As of the date of this Prospectus there were no issued and outstanding Warrants.

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities that are convertible or exchangeable into Common Shares in the 12 months prior to the date of this Prospectus:

Issue Date	Type of Security	Number Issued	Issue Price	Exercise Price	Description of Issuance
June 29, 2020	Options	150,000	N/A	\$0.30	Options issued to a Director of the Company
June 25, 2020	Options	850,000	N/A	\$0.30	Options issued to Directors and an Officer of the Company
May 19, 2020	Options	500,000	N/A	\$0.30	Options issued to a Director and Officers of the Company
April 27, 2020	Convertible Debenture	1,500,000	\$1,500,000	20% discount to the Liquidity Event Price or	Secured Convertible Debentures issued pursuant to the April

Issue Date	Type of Security	Number Issued	Issue Price	Exercise Price Interim Financing Price	Description of Issuance 2020 Convertible Debenture Financing ⁽¹⁾
January 13, 2020	Convertible Debenture	295,000	\$295,000	\$1.00 or 20% discount to the Liquidity Conversion Price	Debentures issued pursuant to the January 2020 Convertible Debenture Financing ⁽²⁾
January 10, 2020	Common Shares	300,000	\$0.10	N/A	Common Shares issued pursuant to the exercise of Options
September 24, 2019	Common Shares	150,000	\$0.30	N/A	Common Shares issued pursuant to the March – September 2019 private placement

Notes:

- (1) Each Secured Convertible Debenture is convertible into one (1) Common Share and one half (1/2) of one Warrant. See “General Development and Business of the Company – Two-year History – Acquisitions, Financings and Issuances of the Company’s Securities – April 2020 Convertible Debenture Financing”.
- (2) Each Debenture is convertible into one (1) Common Share and one half (1/2) of one Warrant. See “General Development and Business of the Company – Two-year History – Acquisitions, Financings and Issuances of the Company’s Securities – January 2020 Convertible Debenture Financing”.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”) provides that all securities of an issuer owned or controlled by a Principal (as defined in NP 46-201) must be placed in escrow at the time the issuer distributes its securities or convertible securities to the public by prospectus pursuant to an initial public offering.

The following table sets forth, as of the date of this Prospectus, the number of securities of each class of securities of the Company held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	5,350,001	11.9%
Options	1,900,000	58.6%

On or before the Offering, Brian Booth, Aleksandra Bukacheva, Richard Osmond and Patrick Elliot (collectively, the “**Principals**”), will enter into an escrow agreement (the “**Escrow Agreement**”) with Computershare Trust Company of Canada, as escrow agent (the “**Escrow Agent**”), pursuant to which the Principals will collectively deposit 5,350,001 Common Shares and 1,900,000 Options (the “**Escrowed Securities**”) with the Escrow Agent, representing 11.9% of the issued and outstanding Common Shares prior to giving effect to the Offering (or ● % of the issued and outstanding Common Shares after giving effect to the to the Minimum Offering or ● % of the issued and outstanding Common Shares after giving effect to the Maximum Offering, assuming the Agent’s Option is not exercised) and 58.6% of the issued and outstanding Options.

In accordance with NP 46-201, the Escrowed Securities will be subject to a three-year escrow and subject to the following release scheduled:

Date	Amount of Escrowed Securities Released
On the Offering Date	1/10 th of the Escrowed Securities

6 months after the Offering Date	1/6 th of the remaining Escrowed Securities
12 months after the Offering Date	1/5 th of the remaining Escrowed Securities
18 months after the Offering Date	1/4 th of the remaining Escrowed Securities
24 months after the Offering Date	1/3 rd of the remaining Escrowed Securities
30 months after the Offering Date	1/2 of the remaining Escrowed Securities
36 months after the Offering Date	the remaining Escrowed Securities

Seed Share Resale Restrictions

Securities that are issued to “Non-Principals” (as that term is defined in the policies of the TSXV) of the Company prior to the Offering at a price which is below the price of the Offering are subject to hold periods in accordance with seed share resale restrictions under the policies of the TSXV. The purchase price of such securities, and the time of purchase relative to the date of the receipt for the preliminary prospectus in respect of the Offering, determine which TSXV hold periods apply. Seed share resale restrictions will be imposed on the securities by imprinting legends on the applicable certificates representing such securities, and do not apply to persons who are subject to the Escrow Agreement.

Statutory Hold Periods

In addition to the foregoing, securities legislation imposes certain resale restrictions on securities issued within the four months preceding the Offering, such hold periods are governed by NI 45-102 – *Resale of Securities*. All certificates representing securities subject to these restrictions will bear legends indicating the applicable hold periods.

Securities Subject to Lock-Up Agreement

Pursuant to the Agency Agreement, the Company shall use commercially reasonable efforts to obtain lock up agreements from (i) shareholders of the Company who participated in and acquired greater than 200,001 shares of the Company’s \$0.10 seed round financing and (ii) in consultation with Haywood and Globetrotters, any shareholders of GlobeTrotters who are receiving Common Shares of the Company through a distribution to the extent not already covered by an exchange mandated escrow, with the terms of such escrow or lock-up agreement to be negotiated between Haywood, the Company and GlobeTrotters, each acting reasonably.

PRINCIPAL SECURITYHOLDERS

The following table sets forth information regarding ownership of the Common Shares as at the date of this Prospectus by (i) each person or company who, to the Company’s knowledge, beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares.

Name	Number and type of securities	Type of Ownership	Percentage of Class ⁽¹⁾	Percentage of Class (fully diluted) ⁽²⁾
GlobeTrotters Resource Group Inc. ⁽³⁾	28,112,501 Common Shares ⁽⁴⁾	Beneficial and of record	62.5%	●

Notes:

- (1) Based on 44,945,833 outstanding Common Shares as of the date of this Prospectus
- (2) Based on ● outstanding Common Shares on a fully diluted basis, assuming the exercise of all outstanding Options, the automatic conversion of the Secured Convertible Debenture and the Debentures, and the issuance of the Consideration Shares.
- (3) There are no principal securityholders of GlobeTrotters.
- (4) GlobeTrotters has advised the Company that it intends to distribute 18,128,733 Common Shares to its shareholders concurrently with the closing of the Offering.

DIRECTORS AND EXECUTIVE OFFICERS

To the Company's knowledge as at the date of this Prospectus, following completion of the Offering, its directors and executive officers as a group (excluding the purchase of any Units by any directors and executive officers under the Offering) will beneficially own, or control or direct, directly or indirectly, 5,350,001 Common Shares, representing approximately ●% of the outstanding Common Shares on a non-diluted basis following the completion of the Offering (or approximately ●% on a non-diluted basis, assuming the Agent's Option is exercised in full).

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the first annual meeting of Shareholders of the Company.

Name and Residence	Position(s) and Office(s) with E29⁽¹⁾	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held
Brian Booth, Vancouver, BC	President and CEO of the Company (January 2019 to present) and Executive Director	President and CEO of Pembroke Mining Corp. (Private Exploration Company) from 2009-2018.	March 7, 2019	2,000,000 ⁽²⁾ 4.45%
Duane Lo, Kelowna, BC	Chief Financial Officer	CFO of Entrée Resources Ltd. and Ridgeline Minerals Corp. and previously, the CFO of Mason Resources Corp. (January 2017 – December 2018) and CFO of Luna Gold Corp. (August 2009 – June 2015).	-	N/A ⁽³⁾
Aleksandra Bukacheva Toronto, Ontario	Executive Vice President Corporate Development	Executive Vice President Corporate Development of the Company (December 2018 to present); Director of Battle North Gold Corporation (May 2018 to present); Director of Gippsland Prospecting (August 2018 to Present); self-employed Consultant (September 2017 to present); Equity Research Analyst, BMO Capital Markets (July 2013 to October 2016)	-	1,500,000 ⁽⁴⁾ 3.34%
Richard Osmond ⁽⁵⁾ Maple Ridge, BC	Non-Executive Chairman	Element 29 Resources Inc. – Director (December 2018 – Present); Element 29 Resources Inc. – Interim CEO (October 2017 – December 2018); GlobeTrotters Resource Group Inc. – President (November 2009 – Present); GeoVision Geosciences Inc. – President (May 2007 – Present) – Private consulting company; Rio Maranon Minerals Inc. – President (September 2010 – Present) – Subsidiary of GlobeTrotters Resource Group Inc.; Paleocene Copper Resources Inc. – President	August 30, 2017	1,100,001 ⁽⁵⁾ 2.45%

<u>Name and Residence</u>	<u>Position(s) and Office(s) with E29⁽¹⁾</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Director Since</u>	<u>Number and Percentage of Common Shares Held</u>
		(August 2019 – Present) – Subsidiary of GlobeTrotters Resource Group Inc.		
Patrick Elliott ⁽⁶⁾ Vancouver, BC	Director	Chief Executive Officer, President and Director of PacRoots Cannabis Corp. (CSE: PACR) since May 2020; Chief Executive Officer and President of Forte Copper Corp. since June 2017; Vice President Corporate Development and Strategy of GlobeTrotters Resource Group Inc. since February 2017; Vice President Finance and Director of Ecovatec Solutions (September 2015 – June 2018); Vice President Business Development of Plan B Minerals (March 2009 – June 2017).	March 7, 2019	750,000 ⁽⁷⁾ 1.67%
Peter Espig ⁽⁷⁾ Vancouver, BC	Director	President and CEO of Nicola Mining Inc. (TSX.V: NIM) since November 2013; CEO of Sweet Earth Holdings (CSE: SE) since May 2019; Founder TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized company and pre-initial public offering investment and consulting; Founding director of Phosplatin Therapeutics, a private biopharmaceutical company since November 2010.	June 29, 2020	N/A ⁽⁸⁾

Notes:

- (1) Brian Booth is a full-time employee of E29 and Duane Lo and Aleksandra Bukacheva are consultants.
- (2) Mr. Booth holds 500,000 Options entitling him to acquire an additional 500,000 Common Shares
- (3) Mr. Lo holds 250,000 Options entitling him to acquire 250,000 Common Shares.
- (4) Ms. Bukacheva holds 300,000 Options entitling her to acquire an additional 300,000 Common Shares.
- (5) Mr. Osmond also holds 200,000 Options entitling him to acquire an additional 200,000 Common Shares. He is also a shareholder of GlobeTrotters and his indirect ownership of Common Shares through GlobeTrotters is not reflected above.
- (6) Mr. Elliott also holds 900,000 Options entitling him to acquire 900,000 Common Shares. He is also a shareholder of GlobeTrotters and his indirect ownership through GlobeTrotters is not reflected above.
- (7) Mr. Espig holds 150,000 Options entitling him to acquire 150,000 Common Shares.
- (8) The Audit Committee is comprised of Mr. Espig (as chair), Mr. Elliot and Richard Osmond.

Director and Executive Officer Biographies

Brian Booth, P.Geo., President, Chief Executive Officer and Executive Director (60 years of age)

Mr. Booth brings more than 30 years of experience in mineral exploration throughout Canada, Europe and southeast Asia with mid-cap/junior companies. Brian was previously CEO and Board Member of Pembroke Mining Corp., when they developed the copper resource at Peco in Peru. Mr. Booth also served as the CEO, President and Director of Lake Shore Gold Corp., where he completed an acquisition of the Bell Creek mine and mill and led the team that discovered the Timmins West, Thunder Creek and Bell Creek deep deposits. Mr. Booth began his career as a geologist on the Casa Berardi gold discoveries in Quebec. He opened Inco's exploration office in Val d'Or, Quebec and is credited with the discovery of the Douay West gold deposit in 1990 and was subsequently appointed to the board of Societe D'Exploration Miniere Vior Inc. In 1994, as Inco's Manager Exploration, Eastern North America, he conducted the preliminary assessment of the Voisey's Bay Ni-Cu-Co discovery. He later managed Inco's exploration office in Jakarta and was involved, through a JV with Highlands Gold, in the discovery of the

Beutong copper porphyry in Sumatra. He holds a B.Sc. in Geology from McGill University and is also a member of the Professional Geoscientists of Ontario. Brian is also a director of SSR Mining Inc. and GFG Resources Inc.

Aleksandra Bukacheva, CFA, MSc. Executive VP Corporate Development, (39 years of age)

Aleksandra brings a wealth of capital markets and finance expertise, with 15 years of industry experience in capital markets and finance. She spent seven years in investment research, with coverage of more than 40 mining companies where she was a top-ranked base metals Equity Research Analyst for BMO Capital Markets, and a Vice President for Stans Energy Corp., a uranium/rare earth resource development company. Aleksandra holds a Master of Science (MSc.) from the London School of Economics and Political Science (LSE) and earned a Certificate in Mining Studies at the UBC. She is a CFA charterholder. Aleksandra is also a Director of Battle North Gold Corp. and a Co-founder and Director of Gippsland Prospecting.

Duane Lo, Chief Financial Officer (46 years of age)

Mr. Lo is a Chartered Professional Accountant with over 20 years of experience in accounting and financial management, including over 15 years in the financing, management and administration of mining operations and development projects in Brazil, Africa, USA and other jurisdictions. He is currently the CFO of Entrée Resources Ltd. and Ridgeline Minerals Corp. and was the CFO of Mason Resources Corp. from January 2017 to December 2018. Prior to that, Mr. Lo was the CFO of Luna Gold Corp. from August 2009 to June 2015; the corporate controller for First Quantum Minerals Ltd. from May 2004 to August 2009 and employed at Deloitte in the assurance and advisory practice. He is also currently a director of Golden Ridge Resources Ltd. Mr. Lo holds a Canadian Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia.

Richard Osmond, Non-Executive Chairman (53 years of age)

Mr. Osmond has over 25 years of experience in the mining sector including experience with INCO (VBNC), Falconbridge and Anglo American. He was involved in exploration discoveries at Vale's Voisey's Bay deposit and Glencore's Raglan mine. He was later hired as a senior technical leader with Anglo American responsible for North America and Europe focused on Ni exploration in northern Canada, Alaska and Scandinavia as well as IOCG and porphyry Cu-Mo exploration in Mexico and Alaska. Richard is currently the President of GlobeTrotters.

Patrick Elliott, MSc. Director

Mr. Elliott is an accomplished economic geologist with an M.Sc. in Mineral Economics and an MBA in Mining Finance from Curtin University of Technology in Perth, Australia. He is currently President & CEO of Lexore Capital Corp, and President & CEO of Forte Copper Corp., a private Peruvian copper company. Mr. Elliott completed his undergraduate B.Sc. Geology degree at the University of Western Ontario and has spent over 10 years in copper and gold exploration in South America and the US.

Peter Espig, Director

Mr. Espig is the President and CEO of Nicola Mining Inc. He is experienced in the analysis of investment opportunities, raising capital, deal sourcing, financial structuring and corporate turnaround. Mr. Espig has structured over US\$2.0 billion in private equity and pre-IPO investment transactions from the principal side.

Mr. Espig has served as a Director of Starbulk Carriers, a dry shipping company and as Vice-President of the Principal Finance and Securitization Group and Asia Special Situations Group for Goldman Sachs Japan. Prior to joining Goldman Sachs, Mr.

Espig served as Vice-President of Olympus Capital Asia, a New York private equity firm, where he participated in corporate restructurings, investment analysis and financing negotiations for both domestic and international investments.

In 1989, Mr. Espig received his B.A. from the University of British Columbia and later received his MBA from Columbia Business School. Mr. Espig has been active in the turnaround of mining projects and has functioned in management roles and as a director for numerous mining companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company's directors or executive officers, nor, to its knowledge, any Shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or Shareholder.

None of the Company's directors or executive officers, nor, to its knowledge, any Shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

See also "*Interest of Management and Others in Material Transactions*".

DIRECTOR AND EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in Qualifying Jurisdictions, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. “Named Executive Officer” is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- Brian Booth, Chief Executive Officer, President and Director of the Company;
- Duane Lo, Chief Financial Officer; and
- Aleksandra Bukacheva, Executive Vice President Corporate Development.

Compensation Governance

Philosophy

In determining the compensation to be paid or awarded to its executives, the Board seeks to encourage the advancement of the Company’s exploration projects, with a view to enhancing Shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its Shareholders. In addition, as E29, currently, has no revenues from operation and operates with limited financial resources, the Board needs to consider not only the Company’s financial situation at the time of determining executive compensation but also the Company’s estimated financial situation in the mid and long term.

The Company’s executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Stock Option Plan. In making its determinations regarding the various elements of executive Option grants, the Company will seek to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain E29’s continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Company’s Shareholders; and
- (c) to incent extraordinary performance from our key personnel.

The Company is an early stage exploration company and may not generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of its executive officers.

Base Salary

The base salary for each executive is established by the Board, on the recommendation of the Board, based upon the position held by such executive, competitive market conditions, such executive’s related responsibilities, experience and the NEO’s

skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

Cash Bonuses

Cash bonuses do not form a normal part of E29's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on Shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the Board may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the Shareholder value creation embodied in the pre-agreed milestones.

Options

Options are a key compensation element for E29. Because many of the most capable individuals in the mining industry work for companies who can offer attractive cash and bonus compensation and a high level of employment security, Options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a junior exploration company such as E29. Options are also an important component of aligning the objectives of E29's executive officers and consultants with those of its Shareholders, while encouraging them to remain associated with the Company. E29 expects to provide significant Option positions to its executive officers and consultants. The precise amount of Options to be offered will be governed by the importance of the role within the Company, by the competitive environment within which E29 operates, and by the regulatory limits on Option grants that cover organizations such as E29. When considering an award of Options to an executive officer, consideration of the number of Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

See "*Options to Purchase Securities - Stock Option Plan*" for a summary of the key terms of the Stock Option Plan.

Compensation Risks

In making its compensation-related decisions, the Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (a) that the Company will be forced to raise additional funding (causing dilution to Shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that the Company will have insufficient funding to achieve its objectives.

Executive Compensation-Related Fees

For the financial year ended December 31, 2019, no fees were billed to the Company by any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers or for any other services.

Hedging Named Executive Officers or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

Compensation, excluding Options and Compensation Securities

The following table sets out the compensation, excluding options and compensation securities, paid to the individuals who were directors or NEOs during the year ended December 31, 2019 and during 2020, to date. The table sets out the total compensation paid during the year ended December 31, 2019 and the total compensation expected to be paid during the year ended December 31, 2020. The anticipated compensation for 2020 set out herein is based on current conditions in the mining industry and on the associated approximate allocation of time for each NEO, and is as such subject to adjustments based on changing market conditions and corresponding changes to required time commitments.

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)		Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Brian Booth, President, Chief Executive Officer and Director	2019	263,542 ⁽¹⁾	Nil.	Nil.	Nil.	Nil.	Nil.	263,542
	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Duane Lo, Chief Financial Officer	2019	47,954	Nil.	Nil.	Nil.	Nil.	Nil.	47,954
	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Aleksandra Bukacheva, Executive Vice President Corporate Development	2019	150,000	Nil.	Nil.	Nil.	Nil.	Nil.	150,000
	2018	12,500	Nil.	Nil.	Nil.	Nil.	Nil.	12,500
Richard Osmond, Non-Executive Chairman and Director	2019	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Ricardo Labó Fossa, Former Director	2019	Nil.	Nil.	Nil.	7,875	Nil.	Nil.	7,875
	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Patrick Elliott Director	2019	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2019	150,000	Nil.	Nil.	Nil.	Nil.	Nil.	150,000

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)		Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Neil O’Brien, Former Chairman and Director ⁽²⁾	2018	37,000	Nil.	Nil.	Nil.	Nil.	Nil.	37,000

Notes:

- (1) In 2019, Mr. Booth received \$263,542 in compensation for his position as President and CEO and Nil as compensation for acting as a director of the Company.
- (2) Mr. O'Brien resigned as a chairman and director of the Company on June 5, 2020.

Stock Options and Other Compensation Securities

The following table sets forth information with respect to the Options granted under the Stock Option Plan or other rights to acquire securities of the Company to NEOs and directors during the year ended December 31, 2019.

Compensation Securities							
Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security as at date of this Prospectus (\$)	Expiry date
Brian Booth, President, Chief Executive Officer and Director	Nil.	N/A	N/A	N/A	N/A	N/A	N/A
Aleksandra Bukacheva, Executive Vice President Corporate Development	Nil.	N/A	N/A	N/A	N/A	N/A	N/A
Duane Lo, Chief Financial Officer	Options	150,000 Common Shares	August 23, 2019	0.30	N/A	N/A	August 23, 2024
Richard Osmond, Non-Executive Chairman and Director	Nil.	N/A	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security as at date of this Prospectus (\$)	Expiry date
Ricardo Labó Fossa, Former Director	Options	150,000 Common Shares	August 23, 2019	0.30	N/A	N/A	August 23, 2024
Patrick Elliott Director	Options	750,000 Common Shares	January 27, 2019	0.10	N/A	N/A	January 31, 2021
Neil O'Brien, Former Chairman and Director ⁽¹⁾	Nil.	N/A	N/A	N/A	N/A	N/A	N/A

Note:

(1) Mr. O'Brien resigned as chairman and a director of the Company on June 5, 2020.

Exercise of Options and Compensation Securities by Directors and NEOs

During the year ended December 31, 2019, there was no exercise of Options granted under the Stock Option Plan or other rights to acquire securities of the Company by NEOs and directors of the Company.

External Management Companies

Other than as disclosed below under “Employment, Consulting and Management Agreements”, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or Directors and, other than as disclosed below, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Employment, Consulting and Management Agreements

As of the date hereof, other than as described below, the Company does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a director or Named Executive Officer's responsibilities.

For the purposes of this section “**Change of Control**” means change in control of the Company, which includes the acquisition by a person of 50% or more of the voting securities of the Company, the removal of 50% or more of the incumbent members of the Board, or a transaction the result of which is that the current voting Shareholders of the Company own less than 50% of the voting shares of the resulting or successor corporation, or the sale of all or substantially all of the Company's assets.

Brian Booth Employment Agreement

The Company entered into an employment agreement with Brian Booth dated January 15, 2019, with respect to the provision of services to the Company as Chief Executive Officer, President and a member of the Board (the “**Booth Employment Agreement**”). Pursuant to the terms and conditions of the Booth Employment Agreement, Mr. Booth provides the Company with certain services consisting of key responsibilities, including: corporate vision; financial planning; management system; management team; marketing and investor strategy; and corporate development.

The Company pays Mr. Booth a base salary of \$22,916.67 per month and pursuant to the Booth Employment Agreement, granted Mr. Booth the right to purchase an aggregate of 2,000,000 Common Shares at a price of \$0.10 per Common Share, to be purchased in four equal annual instalments beginning on January 15, 2019. Mr. Booth is also entitled to an annual Performance Bonus (as defined in the Booth Employment Agreement) of up to 50% of annual salary subject to the Board's discretionary approval of Mr. Booth's achievement of annual Key Performance Objectives (as defined in the Booth Employment Agreement), and an additional annual Performance Bonus of up to 50% of annual salary subject to the Board discretionary approval of Mr. Booth's achievement of Significant Value Creation Events (as defined in the Booth Employment Agreement).

The Booth Employment Agreement may be terminated by the Company, without just cause on or after January 15, 2020, upon the Company's payment to Mr. Booth, in lump sum, of the following: (i) 12 months' base salary in lieu of notice, (ii) any earned but unpaid Performance Bonus for a prior calendar year, and (iii) a pro-rated portion, determined by the Board, acting reasonably, of the Performance Bonus which would have been earned in the calendar year in which termination of employment occurs. In the event of termination, the Company shall continue Mr. Booth's eligibility for health and dental benefits for a period of 12 months. In the event of an Involuntary Termination (as defined in the Booth Employment Agreement) which occurs within six (6) months of a Change of Control the Company shall pay Mr. Booth, no later than thirty (30) days from the date that the Involuntary Termination occurs, a lump sum payment of \$550,000 as a severance payment.

Aleksandra Bukacheva Consulting Agreement

The Company entered into a consulting agreement with Aleksandra Bukacheva, Executive Vice President, Corporate Development (the "**Consultant**") dated December 1, 2018, with respect to the provision of certain management and administrative consulting services provided to the Company (the "**Bukacheva Consulting Agreement**"). Pursuant to the terms and conditions of the Bukacheva Consulting Agreement, the Consultant provides certain management consulting services to the Company and its subsidiaries as may be requested by and at the direction of the Chief Executive Officer and the Board from time to time, including (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day to day operation and business of the Company; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations, (iv) guidance and advice concerning any material properties owned by the Company or interests in mineral properties acquired by the Company and other mutually agreed services.

The Company pays the Consultant a base fee of \$12,500 per month, subject to annual review by the Board. The Consultant was also granted the right to purchase 1,500,000 Common Shares at a price of \$0.10 per Common Share.

Under the terms of the Bukacheva Consulting Agreement, if, within the 3 month period following a Change of Control, an Involuntary Termination (as defined in the Bukacheva Consulting Agreement) occurs, the Company shall pay the Consultant no later than 30 days from the date of the Involuntary Termination, a lump sum payment as severance, if any, as determined by the Board or Compensation Committee. In connection with a Change of Control, if the acquiring party so wishes and requests, the Consultant will complete a 3 month period at the end of which Involuntary Termination from the Company is automatically triggered and the Consultant has the option to either (i) stay on (in which case no severance payment is made to the Consultant); or (ii) decide to be terminated, in which case a severance payment is made. Upon a Change of Control, if the acquiring party does not request the Consultant to stay on, or subsequently complete the 3 month period, the Involuntary Termination is triggered and a severance payment is made (as determined by the Board or Compensation Committee).

Kaman Capital Corp. Service Agreement

Duane Lo, Chief Financial Officer of the Company provides his services to the Company through Kaman Capital Corp. ("**Kaman**"). The Company and Kaman entered into a service agreement effective January 20, 2019 (the "**Kaman Services Agreement**"), with respect to the provision of services which include, monthly accounting and bookkeeping services, tax filings and assistance and guidance on other corporate financial matters in exchange for an hourly rate of \$100 per hour.

The Company may terminate the Kaman Services Agreement immediately upon Kaman's substantial negligence or misconduct in the provision of the services, as determined in the sole discretion of the Company. Upon such a termination, Kaman will receive only the Service Fees (as defined in the Kaman Services Agreement) and reimbursement for expenses accrued up to the date of termination. Upon termination by the Company other than for non-performance, misconduct or negligence of

Kaman, the Company will provide Kaman with all Service Fees accrued to the date of termination and five days of advance notice of termination or payment of Service Fees in lieu of such notice.

Pension Plan Benefits

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

Director Compensation

The Board approved a policy in respect of director compensation on July 25, 2020, which entitles each director, except for the CEO and Chair, to an annual retainer equal to \$15,000. E29 contemplates that each director, will be entitled to participate in the Stock Option Plan and any other security-based compensation arrangement or plan adopted by E29 with the approval of the Board and/or E29's Shareholders, as may be required by applicable law or TSXV policies.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof, except as disclosed below. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs, except as disclosed below.

AGGREGATE INDEBTEDNESS (\$) ⁽¹⁾		
Purpose	To the Company or its subsidiaries	To another entity
Common Share purchases	228,291	Nil
Other	Nil	Nil

Note (1): As at September 9, 2020

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding during the year ended December 31, 2019	Amount Outstanding ⁽²⁾	Financially Assisted Securities Purchases during the year ended December 31, 2019	Security for Indebtedness	Amount Forgiven During the year ended December 31, 2019
Brian Booth, President and CEO	The Company is the lender.	\$153,000	\$72,791	2,000,000 Common Shares	Security Interest in the common shares granted pursuant to a	Nil.

					Securities Pledge Agreement	
Aleksandra Bukacheva, Executive VP Corporate Development	The Company is the lender.	\$153,000	\$154,500	1,500,000 Common Shares	Security Interest in the common shares granted pursuant to a Securities Pledge Agreement	Nil.
Neil O'Brien ⁽¹⁾	The Company is the Lender.	\$153,000	Nil.	1,500,000 ⁽³⁾ Common Shares	Security Interest in the common shares granted pursuant to a Securities Pledge Agreement	Nil.

Notes:

- (1) Neil O'Brien was a director of the Company during the year ended December 31, 2019 but is no longer a director of the Company as of June 5, 2020.
- (2) As at September 9, 2020
- (3) In June 2020, the Company repurchased 1,000,000 Common Shares from Neil O'Brien therefore only 500,000 Common Shares remain issued and outstanding.

In exchange for cash consideration, the Company issued 1,500,000 Common Shares and 2,000,000 Common Shares (the “**Executive Shares**”) at a price of \$0.10 per Common Share in February 2019, to the EVP Corporate Development and CEO of the Company (the “**Executives**”) respectively. In connection with the cash consideration, the Company received two promissory notes which bear interest at 2% per annum, pursuant to which the Executive Shares are held in escrow and only released in pre-determined numbers to each Executive, upon the Executive repaying an equivalent portion of the principal amount outstanding under their promissory note on certain pre-designated dates, provided the Executive remains engaged by the Company on such pre-designated dates. The promissory notes have a maturity date of June 1, 2022 and June 15, 2022 respectively, and were secured pursuant to a securities pledge agreement between the Company and each Executive. In November 2018, the Company issued 1,500,000 Common Shares at a price of \$0.10 per Common Share to a director of the Company in return for cash consideration and subject to a promissory note on substantially similar terms. However, only 500,000 of those Common Shares issued to the director remain outstanding as of the date hereof as the Company repurchased 1,000,000 Common Shares in June 2020, pursuant to the terms of the promissory note.

AUDIT COMMITTEE

The Company has formed an Audit Committee comprised of Peter Espig (chair), Patrick Elliot and Richard Osmond all of whom are “financially literate” as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Peter Espig, Patrick Elliot and Richard Osmond are considered “independent”, pursuant to NI 52-110.

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee’s primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor’s report thereon) and unaudited interim financial statements and any related management’s discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company’s external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company’s external auditor, overseeing the Company’s internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing with management and the Company’s external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (v) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company’s compliance policies; and (vi) maintain, review and update the Company’s whistleblowing procedures as set forth in the Company’s whistleblower policy.

The full text of the Audit Committee Charter is attached to this Prospectus as Schedule “E”

Relevant Education and Experience

Each proposed member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Peter Espig

Mr. Espig has over 15 years of capital market experience and has been involved in publicly traded companies since 2006. In this time, Mr. Espig has served on the audit committee of several public companies, including NXGold Ltd. (TSXV: NXN) (previously Long Harbour Exploration Corp.), Canada One Mining Corp. (TSXV: CONE) (previously Anglo-Canadian Mining Corp.) and Nicola Mining Inc. (TSXV: NIM). Mr. Espig is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Mr. Espig has experience with various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Espig has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Patrick Elliot

Mr. Elliot is an accomplished economic geologist with over 10 years of experience in copper and gold exploration in South American and the U.S. Mr. Elliot has experience with budgeting, economic assessments and financial reporting throughout roles at various private and publicly traded companies. Based on his experience, Mr. Elliot has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Richard Osmond

Mr. Osmond has over 25 years of experience in the mining sector. Mr. Osmond has been a board member of several private companies and has experience with various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Osmond has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Pre-Approval Policies and Procedures

The Audit Committee mandate requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

Reliance on Certain Exemptions

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees by Category

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
December 31, 2019	Nil.	Nil.	\$3,000	Nil
December 31, 2018	Nil.	Nil.	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

STATEMENT ON CORPORATE GOVERNANCE

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of Shareholder value. The Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company's approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company's approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company's Code of Business Conduct and Ethics; and
- (e) upholding a comprehensive policy for communications with Shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of E29. The Board intends to meet at least annually and at each meeting there is a review of the business of E29.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Board is composed of four directors, three of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with E29, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Richard Osmond, Patrick Elliot and Peter Espig are considered independent for the purposes of NI 58-101. Brian Booth, as Chief Executive Officer and President is not considered independent for the purposes of NI 58-101.

Inter-locking Directorships

Some of the directors of the Company serve on the same boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The following table lists the directors of the Company who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

<u>Name of Director</u>	<u>Reporting Issuers (or the Equivalent)</u>
Brian Booth	SSR Mining Inc. GFG Resources Inc.
Patrick Elliot	PacRoots Cannabis Corp.
Peter Espig	Nicola Mining Inc. Sweet Earth Holdings Meridius Resources Limited

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for conflicts of interest. However, certain of the Company’s directors are, or may become, directors, officers or shareholders of other companies with businesses which may conflict with the Company’s business.

See also “*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*”, “*Directors and Executive Officers – Conflicts of Interest*” and “*Interest of Management and Others in Material Transactions*”.

Orientation and Education

Each new director participates in the Company’s initial orientation program and each director participates in the Company’s continuing director development programs. The Board reviews the Company’s initial orientation program and continuing director development programs. E29 provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company’s records.

Ethical Business Conduct

E29 has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour.

Other Board Committees

As of the date hereof, the Board has no committees other than the Audit Committee. The Board will consider the formation of other committees, as necessary, following completion of the Offering.

Director Assessment

The Board responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant factors.

RISK FACTORS

Investing in the Common Shares and Warrants comprising the Units is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the Units should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates and projections contained in this Prospectus. Investors should carefully consider the risks described below and elsewhere in this Prospectus. The risks described below and elsewhere in this Prospectus do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company. Please see "Management's Discussion and Analysis" for a description of additional risks affecting the Company.

Risks Related to the Company

Exploration Stage Company

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

No Mineral Resources

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

No Mineral Reserves

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

Reliability of Historical Information

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

Mineral Exploration and Development

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

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

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

Competition and Mineral exploration

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

Additional Funding

The exploration and any development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing Shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing Shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment

banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the copper industry in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Acquisition of Additional Mineral Properties

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

Government or Regulatory Approvals

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

Permits and Government Regulation

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

Limited Operating History

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

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

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of

the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration and any development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

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

Uninsured and Underinsured Risks

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

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

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

Public Health Crises such as the COVID-19 Pandemic

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

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

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or

obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

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

Environmental Risks

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

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

Social and Environmental Activism

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

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

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

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

- cancellation or renegotiation of contracts;
- changes in foreign laws or regulations;
- changes in tax laws;
- royalty and tax increases or claims by governmental entities;
- retroactive tax or royalty claims;
- expropriation or nationalization of property;
- inflation of costs that is not compensated by a currency devaluation;
- high rates of inflation;
- restrictions on the ability of local operating companies to sell copper or other minerals offshore for U.S. dollars, and on the ability of companies to hold U.S. dollars or other foreign currencies;
- restrictions on the purchase of foreign currencies and on the remittance of dividend and interest payments offshore;
- limitations on the repatriations of earnings;
- import and export regulations;
- environmental controls and permitting;
- opposition from local community members or non-governmental organizations;
- civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- unenforceability of contractual rights and judgements; and
- other risks arising out of foreign sovereignty over the areas in which the Company's operations are conducted.

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

Dependence on Management and Key Personnel

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

Claims and Legal Proceedings

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

Conflicts of Interest

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

Copper and Metal Prices

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

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

Negative Cash Flow from Operating Activities

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

Going Concern Risk

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

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Reporting Issuer Status

On becoming a reporting issuer, the Company will be subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements

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

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

Risks Associated with Acquisitions

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

Force Majeure

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

Infrastructure

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

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

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency

is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

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

E29's Operations Depend on Information Technology ("IT") Systems

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. E29's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact E29's reputation and results of operations. Although to date E29 has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that E29 will not incur such losses in the future. E29's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, E29 may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

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

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

Risks Related to the Offering and the Company's Securities

No Established Market for Securities

It is proposed that the Common Shares will be listed on the TSXV; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Unit Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire

investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

The Common Shares do not currently trade on any exchange or stock market and the Company has applied to list the Common Shares on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in copper or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares. The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the price of the Common Shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute Shareholders' voting power and reduce future potential earnings per Common Share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the

Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. See "*Dividend Policy*".

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Offering, a summary of the principal Canadian federal income tax considerations generally applicable to an investor who acquires a Unit, consisting of one Unit Share and one half of one Warrant pursuant to the Offering and Warrant Shares upon the exercise of Warrants.

This summary applies only to a holder who is a beneficial owner of Unit Shares or Warrants acquired pursuant to this Offering, and who, for the purposes of the Tax Act and Regulations and at all relevant times, deals at arm's length with the Company and the Agent, is not affiliated with the Company and the Agent and who acquires and holds the Unit Shares and any Warrant Shares acquired on the exercise of Warrants (for the purpose of this section, sometimes collectively referred to as "**Shares**") and Warrants as capital property (a "**Holder**"). Generally, the Shares and Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use the Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; (v) that is exempt from tax under the Tax Act; or (vi) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Unit Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Unit Shares and Warrants.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada or a corporation that does not deal at arm's length, for purposes of the Tax Act, with a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Units.

This summary is based upon the current provisions of the Tax Act and the Regulations, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted substantially as

proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Purchase Price of Units

The Offering Price must be allocated on a reasonable basis between the Unit Share and the one half of one Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act. For its purposes, the Company intends to allocate \$● of the Offering Price as consideration for the issue of each Unit Share and \$● of the Offering Price of each Unit as consideration for the issue of each one half of one Warrant. Although we believe that our allocation is reasonable, it is not binding on the CRA or the Holder, and counsel expresses no opinion with respect to such allocation. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Dividends

Dividends received or deemed to be received on the Shares (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by a member of the public in an open market) will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from a corporation resident in Canada. An enhanced dividend tax credit will be available to individuals (other than certain trusts) in respect of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received on the Shares by a Resident Holder that is a corporation must be included in computing its income but generally will be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation

as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing taxable income for the year.

Dispositions of Shares and Warrants

Upon a disposition or a deemed disposition of a Share or a Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Capital Gains and Capital Losses*”.

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares, to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year which will include taxable capital gains.

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act (i) have not been and will not be deemed to be resident in Canada at any time while they hold the Shares or Warrants; and (ii) do not use or hold the Shares or Warrants in carrying on a business in Canada (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty

and fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares).

Dispositions of Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Warrant constitutes “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the TSX-V), at the time of disposition, the Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Share may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

A Non-Resident Holder’s capital gain (or capital loss) in respect of a disposition of Shares or Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not “treaty-protected property” as defined in the Tax Act) will generally be computed in the manner described above under the subheading “*Holders Resident in Canada — Dispositions of Shares and Warrants*” and “*Holders Resident in Canada – Capital Gains and Capital Losses*”.

Non-Resident Holders whose Shares or Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

RELATIONSHIP BETWEEN THE COMPANY AND AGENT

The Company may be a “connected issuer” of Haywood (as such term is defined in NI 33-105). See “*Plan of Distribution*”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the Company’s knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no director, executive officer or Shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company or any subsidiary of the Company.

In November 2019, the Company acquired 100% of the shares of Pahuay SAC, which holds the Pahuay Project and the Muñaorjo Project, from GlobeTrotters for \$1,500,000 to be paid by the Company issuing Common Shares equal to the price per Common Share which is established for the purposes of an initial public offering, reverse merger or other transaction whereby the Company’s securities are listed for trading on a recognized stock exchange, less a discount of twenty percent

(20%). GlobeTrotters also retained a 2% NSR on the Pahuay Project and the Muñaorjo Project. GlobeTrotters acquired the Muñaorjo Project and the Pahuay Project for an aggregate purchase price equal to USD\$25,071.59 in 2016 and 2018, respectively.

In April 2019, pursuant to a share purchase agreement between the Company and GlobeTrotters, the Company acquired 100% of the shares of Candelaria SAC and Elida SAC, which hold the Flor de Cobre and Elida Projects, respectively, for \$2,811,250, which was paid by the issuance of 28,112,501 Common Shares. GlobeTrotters retained a 2% net smelter royalty on the Flor de Cobre and Elida Projects. The Company owns 100% of the Flor de Cobre and Elida Projects, with the exception of certain claims at Flor de Cobre, where it has an option to earn a 100% interest. GlobeTrotters acquired the Flor de Cobre project in 2017 for an aggregate purchase price equal to USD\$1,000,000.

Richard Osmond and Patrick Elliott have a material interest in the transactions described above by virtue of their positions as directors of the Company and as shareholders and executives of GlobeTrotters.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Davidson & Company LLP, located at 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6.

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of its subsidiaries are a party entered into prior to or since the date of incorporation of the Company and which still remain in effect and material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

- Agency Agreement between E29 and the Agent, dated ●, 2020;
- Secured Convertible Debenture in the aggregate principal amount of \$1,500,000 dated April 27, 2020;
- Debentures in the aggregate principal amount of \$295,000 dated January 13, 2020 and February 10, 2020; and
- Candelaria SPA dated February 1, 2019.

See “*Plan of Distribution – The Offering*” for a summary of the key terms of the Agency Agreement. See also “*General Development and Business of the Company – Two-year History*” for a summary of the key terms of the Secured Convertible Debenture, the Debentures and the Candelaria SPA.

EXPERTS

Information of a scientific or technical nature in respect of the Flor de Cobre and Elida Projects included in this Prospectus is based upon the Flor de Cobre Technical Report, with an effective date of March 15, 2020, and the Elida Technical Report, with an effective date of February 15, 2020, each prepared by Derrick Strickland, who is an independent Qualified Person under NI 43-101.

To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individual and his firm do not beneficially own, directly or indirectly, any Common Shares.

Davidson & Company LLP, the auditor of the annual financial statements of E29 included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters in respect of this Prospectus have been passed upon on behalf of E29 by Blake, Cassels & Graydon LLP and on behalf of the Agent by DuMoulin Black LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

SCHEDULE “A” – AUDITED FINANCIAL STATEMENTS

**Audited Consolidated financial statements for the year ended December 31, 2019 and the year ended
December 31, 2018**

(See attached)

E29

a copper company

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

Years Ended December 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Element 29 Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Element 29 Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has accumulated deficit of \$1,211,120 since inception and has a working capital deficiency of \$1,165,428 as at December 31, 2019. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, Canada

Chartered Professional Accountants

DATE

Element 29 Resources Inc.

Consolidated Statements of Financial Position

As at December 31, 2019 and 2018

(expressed in Canadian dollars, except where indicated)

	Note	2019	2018
Assets			
Current assets			
Cash and cash equivalents		\$ 424,562	\$ 47,614
Receivables	5	45,314	-
Prepaid expenses		15,123	-
		484,999	47,614
Non-current assets			
Promissory notes receivable	9	459,000	150,000
Property and equipment		2,790	-
Exploration and evaluation assets	6	5,512,308	-
Deferred acquisition costs	6	-	225,897
		5,974,098	375,897
Total assets		\$ 6,459,097	\$ 423,511
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 150,427	\$ 50,000
Acquisition price payable	6	1,500,000	-
Total liabilities		1,650,427	50,000
Shareholders' equity			
Share capital	7	5,929,000	452,000
Reserves	7	90,790	-
Deficit		(1,211,120)	(78,489)
Total shareholders' equity		4,808,670	373,511
Total liabilities and shareholders' equity		\$ 6,459,097	\$ 423,511

Nature of operations (Note 1)

Subsequent events (Note 14)

The accompanying notes are an integral part of these consolidated financial statements.

Element 29 Resources Inc.**Consolidated Statements of Comprehensive Loss**

For the years ended December 31, 2019 and 2018

(expressed in Canadian dollars, except where indicated)

	Note	2019	2018
General and administrative expenses			
Administration and office		\$ 69,853	\$ -
Consulting		14,330	-
Investor relations, communications and travel		151,769	-
Personnel costs	9	635,344	50,000
Professional fees		178,550	28,489
Foreign exchange gain		13,249	-
Stock-based compensation	7, 9	90,790	-
Other		1,166	-
Operating loss		1,155,051	78,489
Interest income		(22,420)	-
Loss and comprehensive loss for the year		\$ 1,132,631	\$ 78,489
Loss per common share			
Basic and fully diluted		\$ (0.037)	\$ (0.04)
Weighted average number of common shares outstanding		35,640,292	1,761,206
Total common shares issued and outstanding		45,645,833	4,520,001

The accompanying notes are an integral part of these consolidated financial statements.

Element 29 Resources Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2019 and 2018

(expressed in Canadian dollars, except where indicated)

	Number of Shares (000's)	Share capital	Reserves	Deficit	Total
Balance at January 1, 2018	1	\$ -	\$ -	\$ -	\$ -
Issuance of share capital – private placement at \$0.10 per common share	4,520,000	452,000	-	-	452,000
Loss and comprehensive loss	-	-	-	(78,489)	(78,489)
Balance at December 31, 2018	4,520,001	452,000	-	(78,489)	373,511
Issuance of share capital – acquisition of mineral property	28,112,501	2,811,250	-	-	2,811,250
Issuance of share capital – private placement at \$0.10 per common share	5,967,000	596,700	-	-	596,700
Issuance of share capital – private placement at \$0.30 per common share	7,046,331	2,113,899	-	-	2,113,899
Share issuance costs	-	(44,849)	-	-	(44,849)
Loss and comprehensive income	-	-	-	(1,132,631)	(1,132,631)
Stock-based compensation			90,790		90,790
Balance at December 31, 2019	45,645,833	\$ 5,929,000	\$ 90,790	\$ (1,211,120)	\$ 4,808,670

The accompanying notes are an integral part of these consolidated financial statements.

Element 29 Resources Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(expressed in Canadian dollars, except where indicated)

	2019	2018
Cash flows used in operating activities		
Loss for the year	\$ (1,132,631)	\$ (78,489)
Items not affecting cash:		
Accrued interest	(9,000)	-
Share-based compensation	90,790	-
	(1,050,841)	(78,489)
Changes in non-cash operating working capital:		
Increase in receivables	(1,672)	-
Increase in prepaid expenses	(14,676)	
Increase in accounts payable and accruals	61,072	50,000
	(1,006,117)	(28,489)
Cash flows used in investing activities		
Purchase of equipment	(2,790)	-
Cash assumed on acquisitions	51,516	-
Deferred acquisition costs	-	(225,897)
Payment for exploration and evaluation assets	(1,023,890)	-
Exploration and evaluation assets transaction costs	(7,521)	
	(982,685)	(225,897)
Cash flows from financing activities		
Proceeds from issuance of common shares	2,360,599	302,000
Promissory note receivable	50,000	-
Share issuance costs	(44,849)	-
	2,365,750	302,000
Increase in cash and cash equivalents	376,948	47,614
Cash and cash equivalents - beginning of year	47,614	-
Cash and cash equivalents - end of year	\$ 424,562	\$ 47,614
Cash and cash equivalents is represented by:		
Cash	\$ 110,734	\$ 47,614
Cash equivalents	313,828	-
Total cash and cash equivalents	\$ 424,562	\$ 47,614

Supplemental cash flow information (Note 11)

The accompanying notes are an integral part of these consolidated financial statements.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

1 Nature of operations

Nature of operations

Element 29 Resources Inc. together with its subsidiaries (collectively referred to as the “Company” or “E29”), is focused on the exploration of mineral property interests in Peru. The Company is in the process of completing an Initial Public Offering (“IPO”) and listing on the TSX Venture Exchange (“TSX-V”).

The Company was incorporated on August 30, 2017 in British Columbia. The Company’s registered office is at 1900-1040 West Georgia Street, Vancouver, BC, V6E 4H3, Canada.

All amounts are expressed in Canadian dollars, except for certain amounts denoted in United States dollars (“US\$”).

The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has not generated revenues from its operations to date. As at December 31, 2019, the Company has accumulated net losses of \$1,211,120 since inception and has a working capital deficit of \$1,165,428. The operations of the Company have primarily been funded by the issuance of common shares. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2 Basis of presentation

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared on a going concern basis, and in making the assessment that the Company is a going concern, management have taken into account all available information about the future, which is at least, but is not limited to, the year ended December 31, 2019.

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at fair value.

The Board of Directors of the Company approved these consolidated financial statements and authorized them for issue on September 10, 2020.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

2 Basis of presentation (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

- Candelaria Resources S.A.C. (“Candelaria”)
- Elida Resources S.A.C. (“Elida”)
- Pahuay Resources S.A.C. (“Pahuay”)

All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

3 Use of estimates and judgements

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

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

- i. The determination of the fair value of the shares of the Company for the calculation of the share-based compensation.
- ii. The assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.
- iii. The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- iv. The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Candelaria, Elida and Pahuay was determined to constitute an acquisition of assets (Note 6).

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

4 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiaries and to the period presented in these consolidated financial statements.

a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's cash and cash equivalents, receivables, promissory notes receivables, accounts payables and accrued liabilities and acquisition price payable are classified as amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss.

Financial assets at FVTOCI

Financial assets at FVTOCI are initially recorded at fair value adjusted for transaction costs. Dividends are recognized as income in the consolidated statements of comprehensive income (loss) unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of FVOTCI investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

4 Significant accounting policies (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive income (loss).

b) Cash and cash equivalents

Cash and cash equivalents include cash in banks and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

c) Exploration and evaluation assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and general exploration costs are expensed as incurred.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation costs are tested for impairment and subsequently transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

d) Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related asset. Amounts capitalized are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in the consolidated statement of comprehensive loss.

e) Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

4 Significant accounting policies (continued)

f) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred taxes are recognized in the consolidated statements of comprehensive income (loss) except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws at the reporting date.

The Company computes the provision for deferred income taxes under the liability method. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are estimated using an income forecast derived from cash flow projections, based on detailed life-of-mine plans and corporate forecasts. Where applicable, the probability of utilizing tax losses or credits is evaluated by considering risks relevant to future cash flows, and the expiry dates after which these losses or credits can no longer be utilized.

Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently from the Company. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. Such differences are accounted for based on management's best estimate of the probable outcome of these matters.

The Company must make significant estimates and judgments in respect of its provision for income taxes and the composition and measurement of its deferred income tax assets and liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities; those adjustments may be material.

g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issued date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as reserves.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

4 Significant accounting policies (continued)

h) Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. 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 options vest. Compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

j) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

j) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars. The functional currency and reporting currency of the Company and its subsidiaries is the Canadian dollar. Accordingly, monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the statement of financial position date while non-monetary assets and liabilities denominated in a foreign currency are translated at historical rates. Revenue and expense items denominated in a foreign currency are translated at exchange rates prevailing when such items are recognized in the statement of comprehensive loss. Exchange gains or losses arising on translation of foreign currency items are included in profit or loss.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

4 Significant accounting policies (continued)

k) Right-of-use assets and lease liability

The Company adopted IFRS 16, Leases since its inception. The Company assess whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company uses its incremental borrow rate. The lease liability is subsequently measure by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 to record a right-of-use assets and lease liability.

5 Receivables

The Company's receivable balance consists of the following:

	2019	2018
Goods and service tax receivable	\$ 45,314	\$ -
	\$ 45,314	\$ -

6 Exploration and evaluation assets

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 mineral properties. The Company has investigated title to its mineral properties, to the best of its knowledge, title to the mineral property assets remains in good standing.

In April 2019, the Company acquired from Globetrotters Resource Group Inc. ("Globetrotters"), a private company incorporated under the laws of British Columbia, Canada, two copper projects, the Flor de Cobre Project ("Flor de Cobre") and the Elida Project ("Elida") located in Peru for a purchase price of \$2,811,250 which was paid for with 28,112,501 common shares of the Company. The acquisition of the Flor de Cobre and Elida projects were effected by way of purchase of 100% interest in the shares of Candelaria and Elida respectively. As at December 31, 2018, the Company had also advanced a total of \$225,897 to Candelaria and Elida that is considered a cost of the acquisition. Globetrotters also retained 2% net smelter royalty ("NSR") on the projects. The Company and Globetrotters share certain directors in common.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

6 Exploration and evaluation assets (continued)

The Company's acquisition of Candelaria and Elida is being accounted for as acquisition of net assets of these entities. Total consideration for the acquisition and the allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration	Flor de Cobre Project	Elida Project
Value of shares	\$ 467,598	\$ 2,343,652
Transaction costs	1,251	6,270
Deferred acquisition costs	49,367	176,530
Total consideration	\$ 518,216	\$ 2,526,452
Net assets acquired		
Cash	\$ 10,196	\$ 40,433
Prepaid expenses	55	-
Receivable	21,308	21,595
Exploration and evaluation assets	487,764	2,496,832
Accounts payable and accrued liabilities	(1,107)	(32,408)
	\$ 518,216	\$ 2,526,452

In November 2019, the Company acquired the Pahuay Copper Skarn Project ("Pahuay") and the Munaorjo Copper Skarn Porphyry Project ("Munaorjo") from Globetrotter for \$1,500,000. The acquisition of the Pahuay and Munaorjo projects were effected by the way of purchase of 100% interest in the shares of Pahuay. Subsequent to December 31, 2019, the Company entered into an amended agreement with the vendor of the Pahuay Project whereby the purchase price of \$1,500,000 will be paid by the Company by way of issuing common shares of the Company equal to the price per common share which is established for the purpose of an initial public offering, reverse merger or other transaction whereby the Company's securities are listed for trading on a recognized stock exchange, less a discount of twenty percent (20%). Globetrotters also retained 2% NSR on the project.

The Company's acquisition of Pahuay is being accounted for as acquisition of net assets of Pahuay. Total consideration for the acquisition and the allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration	Pahuay Project
Acquisition price payable	\$ 1,500,000
Total consideration	\$ 1,500,000
Net assets acquired	
Cash	\$ 887
Prepaid expenses	392
Receivable	739
Exploration and evaluation assets	1,503,822
Accounts payable and accrued liabilities	(5,840)
	\$ 1,500,000

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

6 Exploration and evaluation assets (continued)

Flor de Cobre copper project

The Company owns 100% of the Flor de Cobre copper project, with the exception of certain claims ("Candelaria claims"), where it has an option to earn 100%.

The Company can earn 100% interest in certain claims ("Candelaria claims") at Flor de Cobre by making payments to the vendor in the total amount of approximately US\$ 5 million over five years between 2020 and 2024. An additional US\$6M payment would be due on the positive feasibility study for the claim area.

During the year ended December 31, 2019, the Company acquired several claims as the San Jose Property through a government auction. The San Jose Property forms part of the Flor de Cobre Project.

Elida copper project

The Company owns 100% of the Elida copper project, subject to 2% NSR to Globetrotters.

Pahuay copper skarn project

The Company owns 100% of the Pahuay copper skarn project, subject to 2% NSR to Globetrotters. The property is located 270 kilometres south of Lima, Peru.

Munaorja copper skarn project

The Company owns 100% of the Munaorjo copper skarn porphyry project, subject to 2% NSR to Globetrotters. The project is located approximately 200 kilometres northeast of Arequipa, Peru.

Expenditures for the year ended related to exploration and evaluation assets were as follows:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -
Additions:				
Property acquisition cost	487,764	2,496,832	1,503,822	4,488,418
Option payments	165,803	-	-	165,803
Geological and mapping	14,190	318	-	14,508
Geophysics	116,808	-	-	116,808
Permitting	17,887	38,058	-	55,945
Community, health, safety and environment	7,626	6,598	-	14,224
Concessions and taxes	46,120	148,029	741	194,890
Technical report	23,310	-	-	23,310
Property maintenance and administration	268,991	169,411	-	438,401
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

7 Share capital

a) Common shares

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2019, the Company had 45,645,833 (December 31, 2018 – 4,520,001) shares issued and outstanding.

b) Issued share capital

The Company issued share capital in the year ended December 31, 2019 as follows:

- the Company issued 28,112,501 common shares at a price of \$0.10 per common share with a value of \$2,811,250 to Globetrotter (Note 6).
- the Company completed a non-brokered private placement of 2,467,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$246,700.
- the Company issued 3,500,000 common shares of the Company at a price of \$0.10 per share to the CEO and VP Corporate Development of the Company in return for a promissory note receivable (Note 9).
- the Company completed a non-brokered private placement of 7,046,331 common shares at a price of \$0.30 per common share for gross proceeds of \$2,113,899. Commissions in the amount of \$44,849 were paid in connection with this private placement.

The Company issued share capital in the year ended December 31, 2018 as follows:

- the Company completed a non-brokered private placement of 3,020,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$302,000.
- the Company issued 1,500,000 common shares of the Company at a price of \$0.10 per share to a director of the Company in return for a promissory note receivable (Note 9).

c) Stock 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 Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted. For employees, the compensation expense is amortized on a graded vesting basis over the requisite service period which approximates the vesting period. Compensation expense for stock options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the 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 expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the expense recorded in the accompanying Statements of Comprehensive Loss.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

7 Share capital (continued)

Share option transactions are summarized as follows:

	Number of share options	Weighted average exercise price \$
Outstanding – December 31, 2018 and 2017	-	-
Granted	2,040,000	0.13
Outstanding – December 31, 2019	2,040,000	0.13

At December 31, 2019, the following share options were outstanding:

Number of share options	Number of share options vested	Exercise price per share option \$	Expiry date
1,740,000	1,740,000	0.10	January 31, 2021
300,000	300,000	0.30	August 23, 2024
2,040,000	2,040,000		

	December 31, 2019
Weighted average exercise price for exercisable options	\$ 0.13
Weighted average share price for options exercised	-
Weighted average years to expiry for exercisable options	1.61 years

For the year ended December 31, 2019, the total share-based compensation charges relating to 2,040,000 options granted to officers, employees, directors and consultants was \$90,790.

The weighted average fair value at date of grant for the options granted during the year ended December 31, 2019 was \$0.05 per option. The following weighted average assumptions were used for the Black-Scholes valuation of share options granted:

	December 31, 2019
Risk-free interest rate	1.62%
Expected life of options (years)	2.44 years
Expected volatility	55.79%
Expected dividend	0.00%

a) Net loss per common share

Net loss per common share information in these consolidated financial statements is computed by dividing the net loss attributable to common shares by the weighted average number of common shares outstanding during the period. All share options and share purchase warrants outstanding at each period end have been excluded from the weighted average share calculation as they are anti-dilutive.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

8 Income tax

	2019	2018
Loss for the year before income taxes	\$ 1,132,631	\$ 78,489
Statutory rate	27.00%	27.00%
Expected income tax recovery	(306,000)	(21,000)
Change in statutory, foreign tax exchange rates and other	(32,000)	-
Permanent differences	24,000	-
Share issue costs	(12,000)	(1,000)
Change in unrecognized deductible temporary differences	326,000	22,000
Total income tax recovery	\$ -	\$ -

The significant components of the Company's deferred income tax assets that have not been recognized in these consolidated financial statements is as follows:

	2019	2018
Deferred income tax assets:		
Exploration and evaluation assets	\$ -	\$ -
Property and equipment	-	-
Share issuance costs	11,000	2,000
Non-capital losses available for future periods	337,000	20,000
	348,000	22,000
Unrecognized tax assets	(348,000)	(22,000)
Net deferred income tax	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$1.1 million in Canada and \$0.1 million in Peru. These losses, if not utilized, will expire through 2039. Subject to certain restrictions, the Company also has foreign resource expenditures available to reduce taxable income in future years. Deferred tax benefits which may arise as a result of these losses, resource expenditures, equipment, share issue and legal costs have not been recognized in these consolidated financial statements.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

9 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 and corporate officers, including the Company's Non-executive Chairman, Chief Executive Officer, Chief Financial Officer and Vice President of Business Development.

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

	2019	2018
Salaries and benefits – personnel costs	\$ 279,515	\$ -
Consulting fees – personnel costs	347,954	50,000
Directors fees – personnel costs	7,875	-
Share-based compensation	60,501	-
	\$ 695,845	50,000

As at December 31, 2019, an amount of \$6,600 was due to the Company's Chief Financial Officer and included in accounts payable.

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

In November 2018, the Non-Executive Chairman was issued 1,500,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Non-Executive Chairman subject to the terms of a Promissory Note reflecting a principal balance 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 a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow.

In February 2019, the Executive Vice President of Corporate Development was issued 1,500,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Executive Vice President of Corporate Development subject to the terms of a Promissory Note with a principal balance of \$150,000. The Vice President of Corporate Development's Promissory Note bears interest at 2% per annum, matures on June 1, 2022 and is secured by a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow.

In January 2019, the Chief Executive Officer was issued 2,000,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Chief Executive Officer subject to the terms of a Promissory Note reflecting a principal balance of \$200,000. The Chief Executive Officer's Promissory Note bears interest at 2% per annum, matures on June 15, 2022 and is secured by a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow. During the 2019 year, the Chief Executive Officer repaid \$50,000 of their respective Promissory Note.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

9 Related party transactions (continued)

	2019	2018
Opening principal balance	\$ 150,000	\$ -
Principal advance	350,000	150,000
Repayments	(50,000)	-
Interest	9,000	-
Total	\$ 459,000	\$ 150,000
Current portion	\$ -	\$ -
Non-current portion	459,000	150,000

Name	Position	Initial Loan	Interest	Payments	Balance December 31, 2019
Brian Booth	Director and CEO	\$ 200,000	\$ 3,000	\$ (50,000)	\$ 153,000
Neil O'Brien	Director and Chairman	150,000	3,000	-	153,000
Aleksandra Bukacheva	VP Exploration	150,000	3,000	-	153,000
		\$ 500,000	\$ 9,000	\$ (50,000)	\$ 459,000

10 Segmented information

The Company has one business segment, the exploration of mineral properties. As at December 31, 2019 and 2018, all the Company's significant non-current non-financial assets are located in Peru.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

11 Supplemental cash flow information

	Note	2019	2018
Non-cash investing activities	(i)	\$ 3,966,514	-
Non-cash financing activities	(ii)	\$ 350,000	\$ 150,000

- i) The Company acquired the net assets of Candelaria and Elida by issuing common shares with a value of \$2,811,250 (Note 6).
The Company acquired the net assets of Pahuay in exchange for an acquisition price payable of \$1,500,000 (Note 6).
Deferred acquisition costs of \$225,897 as at December 31, 2019 were applied to the acquisition of the net assets of Candelaria and Elida (Note 6).
- ii) The certain key executives and directors were provided with related party promissory notes to acquire common shares of the Company (note 8).

12 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, promissory notes receivables, accounts payable and accrued liabilities and acquisition price payable. The carrying values of these financial instruments approximate their fair value due to their short terms to maturity.

b) Financial risk management

i) *Credit risk*

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

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions. The credit risk with notes receivables is low given the amounts are owing from related parties and are secured.

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

ii) *Liquidity risk*

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

12 Financial instruments (continued)

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

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

i) Market risks

Interest rate risk

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

As at December 31, 2019, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

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

As at December 31, 2019, the Company has not entered into contracts to manage foreign exchange risk.

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

	December 31, 2019
Cash	\$ 91,263
Accounts payable and accrued liabilities	21,191

As at December 31, 2019, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C\$) would result in an insignificant change in net loss.

13 Capital management

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

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

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

14 Subsequent events

Convertible Debenture Financing

In January 2020, the Company completed a convertible debenture (the “Debenture”) financing for gross proceeds of \$295,000. Commissions in the amount of \$13,140 were paid in connection with this convertible debenture.

The Debentures are convertible into units of the Company (“Units”) consisting of one (1) common share of the Company (a “Common Share”) and one half (0.5) of one common share purchase warrant of the Company (a “Warrant”).

Interest equal to 8.0% of the par value of a Debenture outstanding per year will be accrued quarterly and added to the principal (with interest deemed to be satisfied) and will be payable in Common Shares on Maturity (as hereinafter defined) or on a Liquidity Event (as hereinafter defined).

The Debentures are convertible at any time until Maturity at the holder’s option into Units at \$1.00 per Unit (the “Holders’ Conversion Price”). Upon a Liquidity Event (as hereinafter defined), the Debentures will automatically convert at a 20% discount to the applicable Liquidity Event price per security issued under the Liquidity Event (the “Liquidity Conversion Price”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of one year following the Liquidity Event closing date.

The Debentures mature in two (2) years from the Closing Date (“Maturity”).

The Debentures, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders’ Conversion Price.

For the purposes of the Debentures, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange.

Senior Secured Convertible Debenture Financing

In April 2020, the Company completed a senior secured convertible debenture financing (the “Senior Secured Debenture”) for proceeds of \$1,500,000.

The Senior Secured Debenture is secured by a pledge to the holder of the original share certificates of the Company’s subsidiaries, Candelaria Resources S.A.C. (Peru) and Elida Resources S.A.C. (Peru).

Interest equal to a rate of 8% (eight percent) per annum, being a 365 day year, compounded quarterly; provided, however, that (a) if the Pledge Execution has not occurred by the Pledge Execution Date or (b) if the Pledge Registration has not occurred by Pledge Registration Date the rate shall be 10% (ten percent) per annum from the Pledge Execution Date or the Pledge Registration Date, as the case may be, being a 365 day year, compounded quarterly.

The Senior Secured Debenture is convertible immediately prior to the occurrence of a Liquidity Event, all or any of the Indebtedness at that time remains unpaid, then such Indebtedness shall automatically convert into Units at a twenty percent (20%) discount to the Liquidity Event Price (the “Liquidity Conversion Price”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of three years following the Liquidity Event closing date.

The Senior Secured Debenture matures on April 24, 2021 (“Maturity”).

The Senior Secured Debenture, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders’ Conversion Price.

Element 29 Resources Inc.

Notes to Consolidated Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

14 Subsequent events (continued)

For the purposes of the Senior Secured Debenture, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange acceptable to the holder, together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000 (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000.

COVID - 19

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

Stock option grants

Subsequent to December 31, 2019, there was 300,000 stock options that were exercised for common shares at a price of \$0.10 per common share. In addition, the Company granted 1,500,000 stock options with an exercise price of \$0.30 expiring between May and June 2025 to directors and officers of the Company.

Promissory Notes

In May 2020, the Non-Executive Chairman resigned from the Company and cancelled the remaining balance of the Promissory Note of \$100,000. As a result, 1,000,000 common shares in relation to the Promissory Note were returned to treasury and cancelled.

SCHEDULE “B” – MD&A

Management’s discussion and analysis for the year ended December 31, 2019 and the year ended December 31, 2018

(See attached)



Management's Discussion and Analysis Year Ended December 31, 2019

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

September 10, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019 and related notes thereto which have been prepared under the continuity of interest basis of accounting, as described in the section below, and with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including IAS 34, Interim Financial Reporting and IFRS 1, First-time Adoption of International Financial Reporting Standards. References to "Element 29", "E29" and the "Company" are to Element 29 Minerals 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 property, the Flor de Cobre Project (the "Flor de Cobre Project"), is contained in the technical report titled "43-101 Technical Report Flor de Cobre Property Arequipa and Moquegua Regions, Peru" with an effective date of March 15, 2020, and the Elida Project ("Elida Project") is contained in the technical report titled "43-101 Technical Report Elida Property, Peru" with an effective date of February 15, 2020, 2020 prepared for the Company by Derrick Strickland (P.Geol.). The disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Brian R. Booth (P.Geol.), the President and Chief Executive Officer of the Company. Each of Mr. Strickland 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 a commercial development or production stage. The Company's objective is to confirm, delineate, expand and develop the historic copper resources at its Flor de Cobre (Candelaria) property. At the Elida copper porphyry project, the Company plans to explore and expand on the Cu,Mo,Ag mineralization intersected in the Central/Area 1 and drill test the three other porphyry targets located on the project.

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

The Company was incorporated in British Columbia on August 30, 2017. The Company's corporate headquarters are located in Vancouver, British Columbia, Canada. Field operations are conducted out of a local office in Peru. 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.

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").

HIGHLIGHTS

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

Corporate

- In April 2020, the Company completed a senior secured convertible debenture financing for proceeds of \$1,500,000.
- In January 2020, the Company completed a convertible debenture financing for gross proceeds of \$295,000.
- On November 2019, the Company acquired the Pahuay and Muñaorjo copper projects from GlobeTrotter for a \$1.5 million dollars in a convertible debenture at a 20% discount to the share price of a liquidity event.
- In September 2019, the Company completed a private placement at \$0.30 share for gross proceeds of \$2,113,899.

- In April 2019, the Company acquired the Flor de Cobre and Elida Copper projects from GlobeTrotter Resources Inc. (“GlobeTrotter”) for 28,112,501 shares of Element 29 Resources Inc. and a net smelter returns royalty of 2% on each project.
- In February 2019, the Company completed a private placement at \$0.10 per common share for gross proceeds of \$246,700.

Peru

Flor de Cobre Copper Project

- The project contains a shallow historic resource at Candelaria of 57.4 Mt of 0.67% Copper, at a 0.2% Copper cut-off in a supergene enrichment copper zone.
- The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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 is should not be relied upon. The Company is not treating the historical estimate as a current mineral resource.
- In 2019, a second porphyry copper target is located 1.5 kilometres to the northeast of Candelaria called Atravezado. This porphyry target has a 1.0 X 1.2 kilometres geophysical anomaly coincident with strong rock sample copper geochemistry, porphyry style phyllic alteration and quartz stockwork veining.
- An additional 2 concessions were applied for in 2019, through the Peru government auction process, on the northeast part of the Flor de Cobre property near the San Jose porphyry. Final receipt of the concessions is pending.
- In 2019, a 28.9 kilometre Induced Polarization (IP) geophysical survey was completed over the property to evaluate the Candelaria supergene copper zone and Atravezado copper porphyry target at depth. Strong IP anomalies were detected associated over the two target areas.
- The drill permit application was completed and submitted to the government in the 4th quarter of 2019. Final approval is pending.

Elida Copper Project

- The diamond drill permit was received for the Elida project in July 2019 for the FTA. The process to Activate the permit to begin drilling is underway along with the renewal of the Aco community agreement which has been declared Indigenous.
- The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.
- Six diamond drill holes in the Central/Area 1 returned significant intersections (DDH-15 ELID-012) up to 503 metres of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag.
- Three additional target areas have been identified within the 2.0 X 2.0 kilometre phyllic alteration zone.

Pahuay Copper Project

- The Pahuay project covers a 1.7 X 2.8 kilometre copper mineralized hydrothermal alteration zone that returned Cu-Mo-Zn rock sample assays up to 4.4% Cu and 0.05% Mo from the central area and up to 6.5% Zn from the distal areas.

Muñaorjo Copper Project

- The Muñaorjo property is centered on a large (4.3 X 1.3 kilometres) hydrothermal alteration zone. Skarn related copper mineralization is developed in the limestone over a 480 metre X 280 metre area at surface. Rock sample results are highly anomalous and returned assay results up to 4% Cu.

OUTLOOK

E29's key objective in 2020-21 is to complete an Initial Public Offering ("IPO"). Proceeds from the IPO financing will be used to validate and expand on the historic copper resource at Flor de Cobre ("Candelaria Deposit"), complete infill and expansion drilling at the central/Area 1 at Elida, NI 43-101 resource estimates, metallurgical and engineering studies for a Preliminary Economic Assessment ("PEA"). The Company anticipates completing the IPO process in the second half of 2020.

The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

Flor de Cobre

The drill permit under an EIA (currently in application) is in progress for Flor de Cobre copper porphyry in Southern Peru is expected at the end of 2020. Once the permit is received, the Company plans a 9 hole diamond drill program for a total of 3,700 metres at Candelaria to complete a NI 43-101 resource estimate and to evaluate the potential for additional resources at depth of the primary sulphide which has been intercepted in historical drilling. The Company subsequently plans to carry out preliminary metallurgical and engineering studies in 2021.

Elida

In July 2019, the Company received an Environmental Evaluation ("FTA") approval for Elida property from the Ministry of Energy and Mines ("MINEM") of Peru. The FTA enables the Company to commence its drilling program at Elida subject to filing a notice for permit activation and obtaining the local water permit which began in June 2020 and is ongoing. The Company plans on drilling the Elida project following receipt of additional funds through the IPO financing. This exploration program will consist of 8,000 metres in-fill drilling in and around the known copper intersections to complete a NI 43-101 resource and testing new target areas on the property.

The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.

PROJECT ACQUISITIONS

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 mineral properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, including Ingemmet public records, title to the mineral properties remains in good standing.

In April 2019, the Company acquired from Globetrotters, a private company incorporated under the laws of British Columbia, Canada, two advanced copper projects located in Peru. The projects acquired were the Flor de Cobre copper

project (“Flor de Cobre”) and the Elida copper project (“Elida”). The purchase price of \$2,811,250 was settled through an issuance of 28,112,501 common shares of the Company. Globetrotters also retained 2% net smelter royalty (“NSR”) on the projects. Company and Globetrotters share certain directors in common.

In September 2019, the Company was successful in acquiring an additional three claims through a government auction process located to the north east of Flor de Cobre, which was named the San Jose property.

In November 2019, the Company acquired the Pahuay Copper Skarn Project (“Pahuay”) and the Munaorjo Copper Skarn Porphyry Project (“Munaorjo”) from Globetrotter for \$1,500,000 to be paid by the Company issuing common shares of the Company equal to the price per common share which is established for the purpose of an initial public offering, reverse merger or other transaction whereby the Company’s securities are listed for trading on a recognized stock exchange, less a discount of twenty percent (20%). Globetrotters also retained 2% NSR on the project.

PROJECT DETAILS - PERU

FLOR DE COBRE COPPER PROJECT

The Company owns 100% of the Flor de Cobre copper property, with the exception of certain concessions (“Candelaria concessions”), where it has an option to earn 100% from a Peruvian vendor.

The Company can earn 100% interest in the Candelaria claims 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 the positive feasibility study for the claim area.

Cerro Verde, operated by Freeport McMoran; Cuajone and Toquepala, operated by Southern Copper; and Quellaveco, under construction by Anglo American (Figure 1). The Flor de Cobre property is 8 kilometres northeast of the Chapi mine and ~30 kilometres southeast of the Cerro Verde copper mine with excellent infrastructure for mine development with respect to roads, power lines and port access (Figure 2). The property contains the Candelaria historic copper resource first identified in the 1960’s and the was the site of a historical small-scale copper mining operation since that time.

Flor de Cobre is a low altitude copper porphyry project located 45 kilometres southeast of Arequipa in the Southern Peru Copper belt which is a Paleocene age magmatic arc that hosts multiple copper mines and deposits.

Figure 1 - Project Location Map

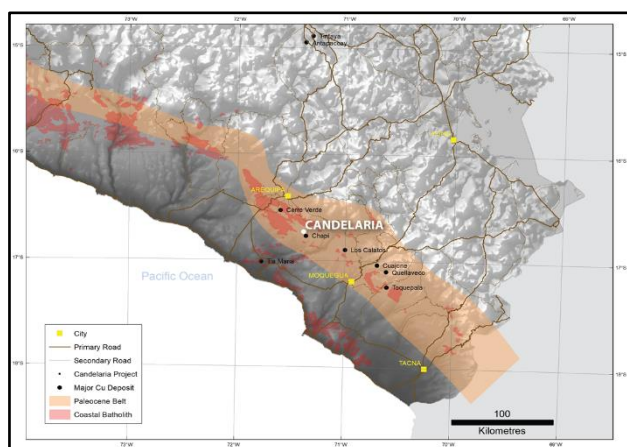
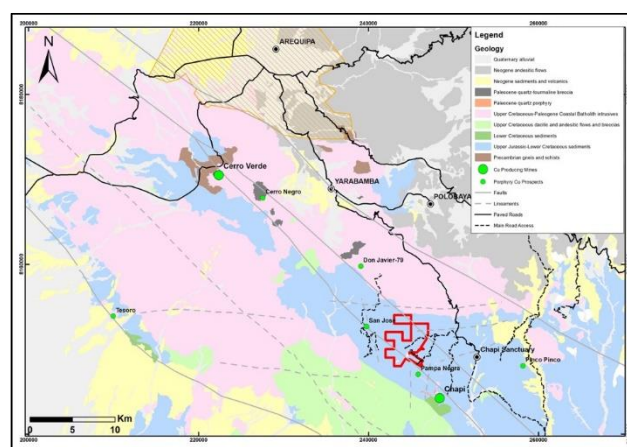
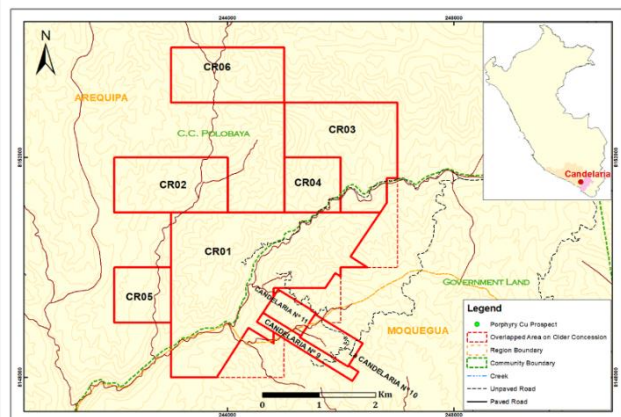


Figure 2 – Regional Geology and Location map



The Flor de Cobre property is made up of seven mining concessions and two applications totaling 1,927 ha. Individual concessions are shown in (Figure 3).

Figure 3 – 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 a historic resource of 57.4 million tonnes at a grade of 0.67% Cu, using a 0.2% Cu cut-off grade in the near-surface oxide copper supergene enrichment zone, the majority of which is on the Property. The property also covers a second porphyry copper target (“Atravezado”) that is located 1.5 kilometres northeast of Candelaria.

The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

The Flor de Cobre area is interpreted as host to a porphyry copper-molybdenum (Cu-Mo) system called the “Candelaria Porphyry”, with characteristics similar to other porphyry deposits in the Southern Peru Copper Belt. Mineralization is found in two distinct forms as:

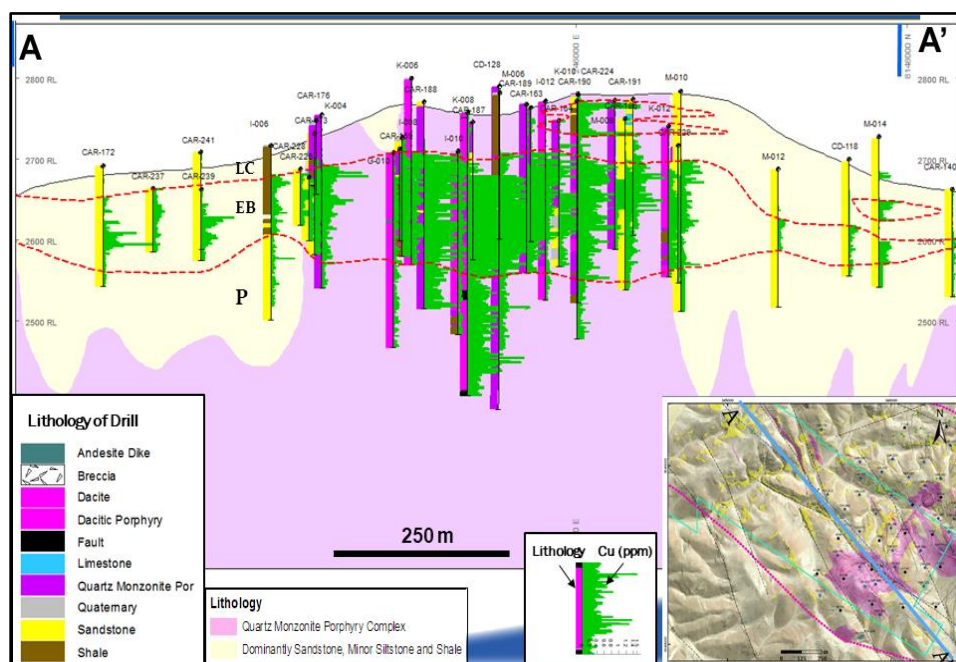
- a) Hypogene sulfide mineralization including disseminated and veinlet-controlled chalcopyrite and molybdenite distributed within quartz monzonite porphyry stocks and their immediate wall rocks; and
- b) Supergene mineralization of secondary copper oxides and sulfides formed by weathering and redistribution 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.

Originally explored as a supergene deposit, the Candelaria Porphyry had little attention given to its hypogene deposit potential. The Flor de Cobre property was acquired on the premise that a sizeable hypogene resource might be outlined, and this exploration work might be funded by exploiting the relatively small supergene mineralization. cursory work completed on the Property supports the hypothesis that a large porphyry copper system exists beneath the supergene mineralization targeting grades similar to the Cerro Verde system. Drill-testing this hypogene component of the Flor de Cobre system will be part of the exploration strategy.

The Candelaria Porphyry mineralization itself was outlined by two drilling campaigns in the 1990’s and includes a supergene enriched zone with dimensions of 850 x 1,000 metre elongated in a northeast direction. This zone has an average thickness of 20 metres and reaches a maximum thickness of 126 metres. The drilling also intercepted a mineralized hypogene zone underneath to a depth of 350 metres, where a drill hole ended in mineralization. The

supergene zone is centred on a small cluster of quartz monzonite porphyry stocks mapped on the southeast end of the Property. Drill section through the Candelaria mineralization is shown on Figure 4.

Figure 4 – Candelaria Drill hole cross section

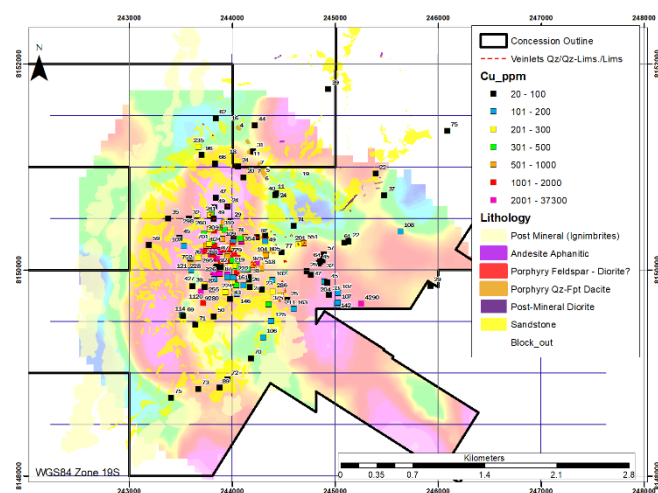


The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. The 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

Altravezada Copper Target

Geological mapping of Atravezado Area illustrates the existence of a potential Cu-Mo porphyry system covering an area approximately 1.2 x 1.0 kilometres that coincides with strong Cu and Mo geochemical anomalies. The recently completed Induced Polarization geophysical survey was completed over the Property and showed a strong geophysical anomaly (resistivity and chargeability) coincident with the area of strong surface copper rock geochemistry, quartz stockworks and phyllic alteration consistent with porphyry copper systems (Figure 5).

Figure 5 – Atravezado - Surface Geology, Resistivity and Rock Sample results Cu



Bedding orientation in the sequence of quartzite, sandstone, limonite and shale define small open anticlines and synclines with a fold axes azimuth's ranging from 320° to 325° in the central Candelaria area. These small fold structures appear to be elements of a regional anticline with a northwest oriented axis passing through Huacacón hill.

Structural alignments of faults and visible local fractures of N-NW orientation affect sedimentary sequences and partly control some porphyry dikes. In general, a large part of the population of veins and fractures have a north-west tendency.

As at August 31, payments in the amount of US\$ 1,117,018 have been made towards the option.

ELIDA COPPER PROJECT

The Elida project is located in the province of Ocos, 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 a 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, totaling 19,210 ha, as shown in Figure 2 with concession details listed in Table 2. 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 – Property Location Map

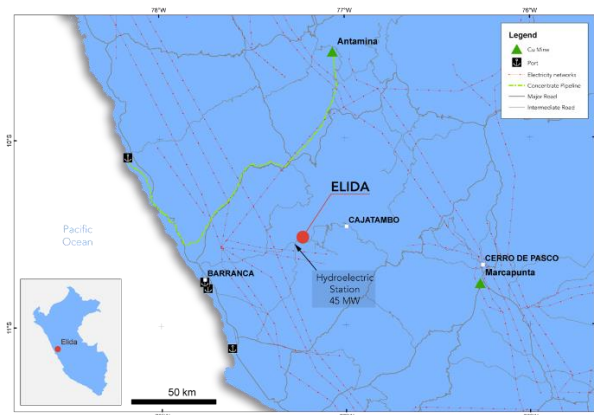
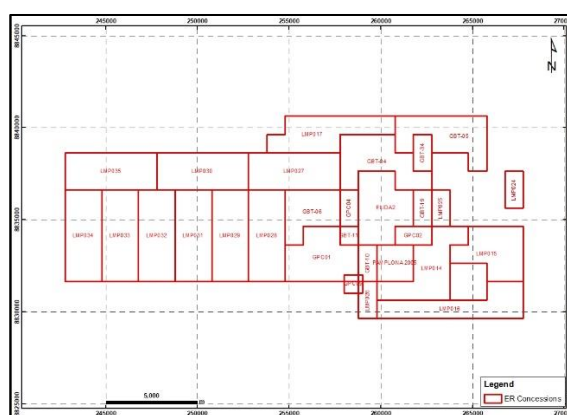


Figure 7 - Property Concession Map



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 Cu-Mo centre that is part of a porphyry cluster enclosed by a 2 x 2 kilometre alteration zone. The porphyry system is a

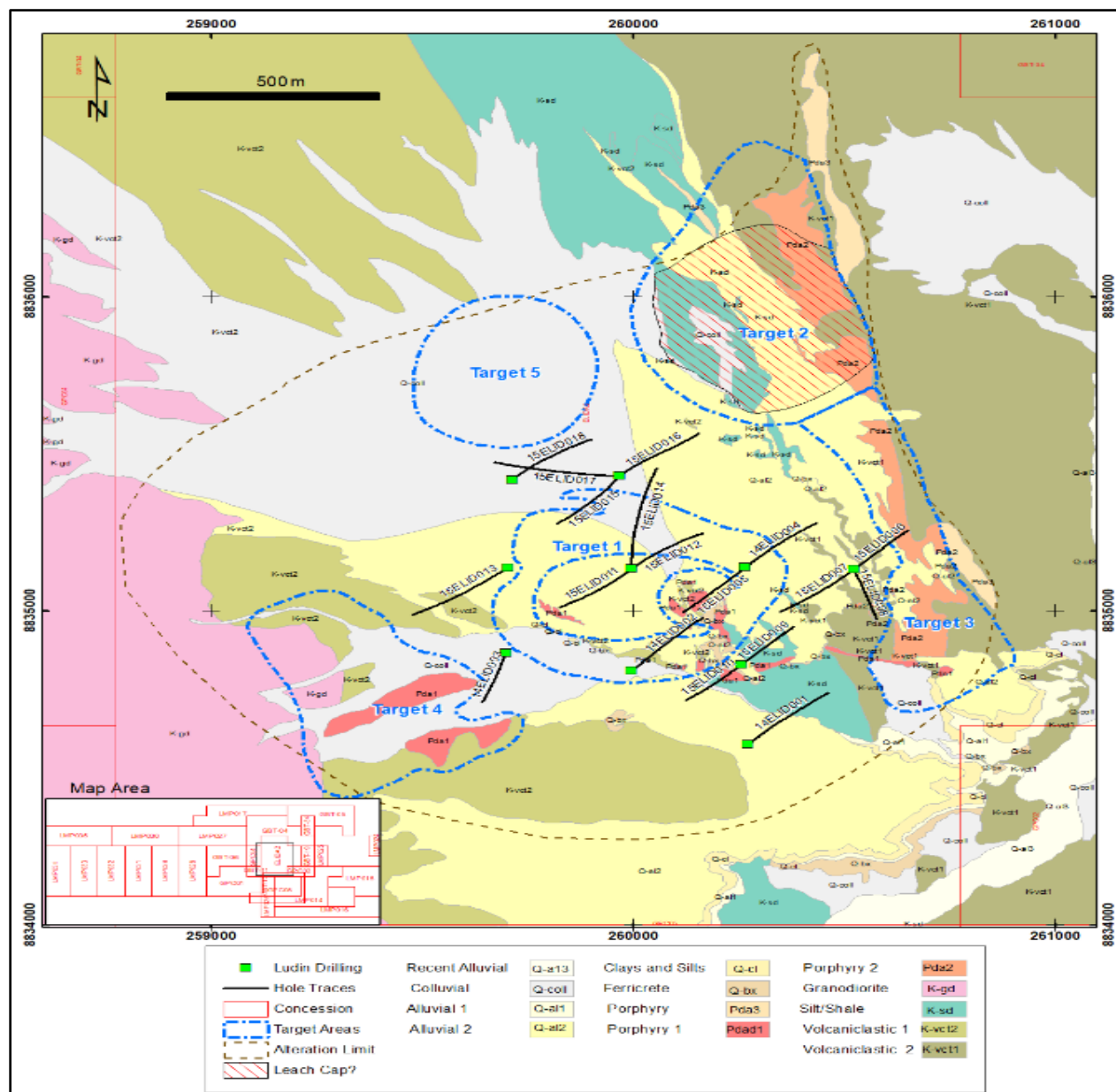
multiphase complex of porphyry stocks and dikes, composed of quartz monzonite intruded into Cretaceous Casma volcanic, volcanoclastic and sedimentary rocks as well as the eastern margin of the Coastal Batholith. In the central part of the system, the Casma Group is a sequence of intercalated volcanic and volcanoclastic rocks intercalated with sandstone, calcareous sandstone, siltstone, and shales.

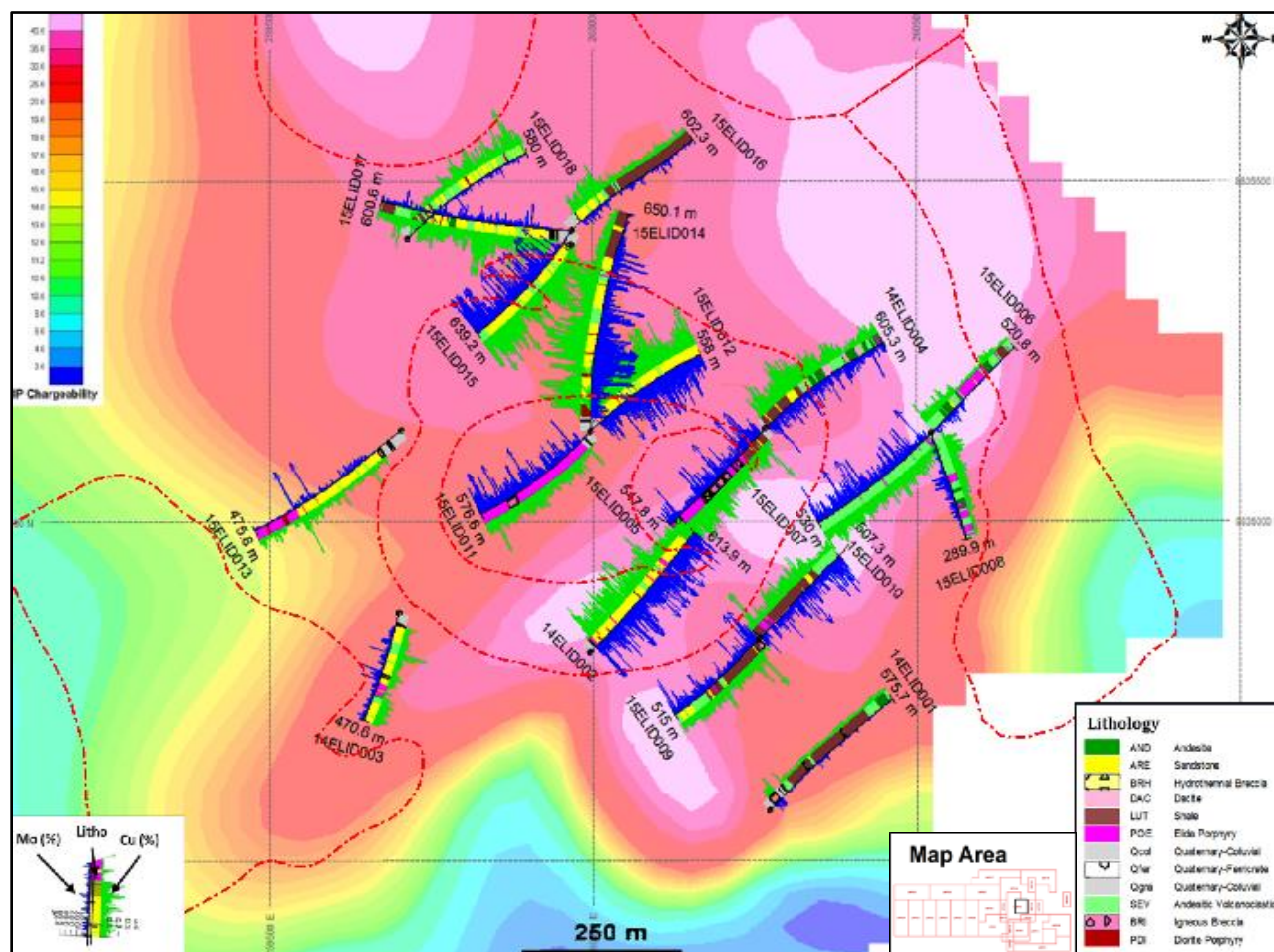
The Paleocene and Early Eocene belt hosts numerous copper mines in southern Peru. Porphyry intrusions of this age are temporally and spatially associated with porphyry Cu-Mo mineralization at Cerro Verde, Quellaveco, Toquepala and Cuajone.

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, ground induced polarization ("IP"), and ultimately the drilling of 18 diamond drill holes ("DDH") (Figure 8 and Figure 9).

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 U238/Pb206 method on magmatic zircon. Eight lines of ground magnetics with a total coverage of 19.5 kilometre and 12 induced polarization/resistivity lines using a pole-dipole configuration, at 100 metre spacing along NW-SE oriented survey lines were conducted from January to March, 2014. Thirty additional lines of ground magnetic surveying, at 100 metre spacing, again with NE-SW oriented lines totalling 76.26 kilometres was carried out in July 2014.

Figure 8 – Elida Geology, Drill hole location and Cu Target Areas **Figure 9 – Elida, Central Area/1, Drill holes - Geophysics**





A total of 9,880 metres of diamond drilling in 18 drill holes was completed by Lundin in 2015. All holes intercepted Cu-Mo mineralization and six of the holes intercepted significant Cu-Mo mineralization. DDH 15ELID012 returned the best assay results, which returned 503 metres of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag (Table 2). Some mineralized intercepts begin immediately below colluvial cover, demonstrating the mineralized system sub-crops beneath the post-mineral unconsolidated cover sequence.

Table 2: 2014-2015 Drilling Summary Assays

Hole-ID	No of Samples	Length (m)		Ag ppm	Cu %	Cd ppm	Mo %	Mn ppm	Pb ppm	Zn ppm
14ELID001	265	523.65	AVG	0.56	0.0512	1.62	0.0037	477	11.9	205
			MAX	7.20	0.3240	37.00	0.0266	7010	160.0	4340
			MIN	0.25	0.0106	0.25	0.0002	43	1.0	3
14ELID002	304	590.3	AVG	2.52	0.2808	2.24	0.0485	738	13.5	334
			MAX	11.70	0.9520	44.30	0.2300	7220	212.0	4640
			MIN	0.25	0.0511	0.25	0.0049	56	1.0	19
14ELID003	230	439.1	AVG	0.49	0.0974	1.39	0.0081	197	67.9	169
			MAX	13.50	0.5400	59.50	0.0690	1620	6440.0	6420
			MIN	0.25	0.0055	0.25	0.0008	56	1.0	12
14ELID004	317	618.35	AVG	1.56	0.2222	1.31	0.0195	292	7.6	214
			MAX	5.10	0.6970	28.70	0.1190	2410	70.0	1750
			MIN	0.25	0.0008	0.25	0.0001	43	1.0	11
15ELID005	285	543.7	AVG	2.01	0.2401	1.35	0.0245	220	11.7	161
			MAX	9.30	1.1400	169.50	0.1755	1025	100.0	1430
			MIN	0.25	0.0225	0.25	0.0023	40	1.0	17
15ELID006	276	529.15	AVG	0.96	0.0798	2.50	0.0043	463	55.0	449
			MAX	10.20	0.4150	28.30	0.0389	1810	1265.0	3310
			MIN	0.25	0.0112	0.25	0.0001	54	5.0	63
15ELID007	277	534.45	AVG	1.57	0.1812	1.84	0.0263	338	19.1	321
			MAX	6.50	0.5010	34.30	0.2280	806	289.0	3750
			MIN	0.25	0.0526	0.25	0.0013	91	3.0	63
15ELID008	157	297.8	AVG	1.28	0.1062	3.57	0.0080	526	41.2	459
			MAX	3.70	0.3190	74.30	0.0440	1975	290.0	1760
			MIN	0.25	0.0052	0.25	0.0001	62	2.0	73
15ELID009	268	528.05	AVG	1.19	0.1724	1.15	0.0237	244	18.6	165
			MAX	8.78	1.5100	62.60	0.1340	1820	416.0	2740
			MIN	0.14	0.0291	0.02	0.0000	53	1.0	13
15ELID010	277	538.55	AVG	0.93	0.1399	1.20	0.0199	306	5.9	172
			MAX	5.33	1.9950	49.40	0.4030	4840	67.7	6410
			MIN	0.26	0.0054	0.02	0.0005	35	1.3	11
15ELID011	286	582.6	AVG	1.09	0.1517	0.31	0.0257	177	20.8	53
			MAX	4.89	0.6740	2.56	0.2110	1300	250.0	371
			MIN	0.26	0.0021	0.03	0.0002	33	6.4	11
15ELID012	281	540.95	AVG	3.12	0.4046	1.77	0.0454	644	16.1	248
			MAX	29.60	4.2400	18.00	0.2460	6760	356.0	2440
			MIN	0.31	0.0033	0.02	0.0002	54	1.7	24
15ELID013	211	417.7	AVG	4.62	0.0873	0.76	0.0076	348	44.6	185
			MAX	794.00	0.7820	34.40	0.3850	3420	5160.0	3600
			MIN	0.11	0.0089	0.03	0.0000	29	1.2	9
15ELID014	328	642.5	AVG	2.31	0.2743	2.51	0.0381	679	19.6	350
			MAX	21.10	1.4400	66.70	0.2560	4370	1145.0	8080
			MIN	0.06	0.0048	0.02	0.0002	63	0.9	14
15ELID015	321	618.7	AVG	3.40	0.3058	13.36	0.0386	1846	19.9	1749
			MAX	78.70	1.5600	185.50	0.2690	7850	354.0	26300
			MIN	0.25	0.0079	0.04	0.0001	128	2.5	39
15ELID016	295	575.6	AVG	2.99	0.1137	8.10	0.0057	901	44.6	1120
			MAX	411.00	0.5640	124.00	0.0323	9130	3620.0	17000
			MIN	0.10	0.0103	0.02	0.0001	37	1.2	2
15ELID017	299	577.65	AVG	3.40	0.1993	19.88	0.0082	2439	55.5	2603
			MAX	42.40	1.2600	183.00	0.0660	10100	4320.0	25000
			MIN	0.18	0.0134	0.06	0.0001	144	2.0	32
15ELID018	281	540.1	AVG	2.75	0.1429	16.98	0.0045	1269	83.2	2129
			MAX	38.40	1.1000	193.50	0.0535	7520	2130.0	24900
			MIN	0.27	0.0055	0.05	0.0001	91	3.5	38

In July 2019, the Company received an FTA approval for Elida property from the MINEM of Peru. The FTA enables the Company to commence its drilling program at Elida subject to filing a notice for permit activation and obtaining the local water permit which is expected to be received prior to Q3 2020. The company plans on drilling the Elida project following receipt of additional funds through the IPO financing. This exploration program will consist of 8,000 metres in-fill drilling in and around the known copper mineralization in order to complete a NI 43-101 compliant resource (anticipated completion in 2021) and testing new target areas on the property.

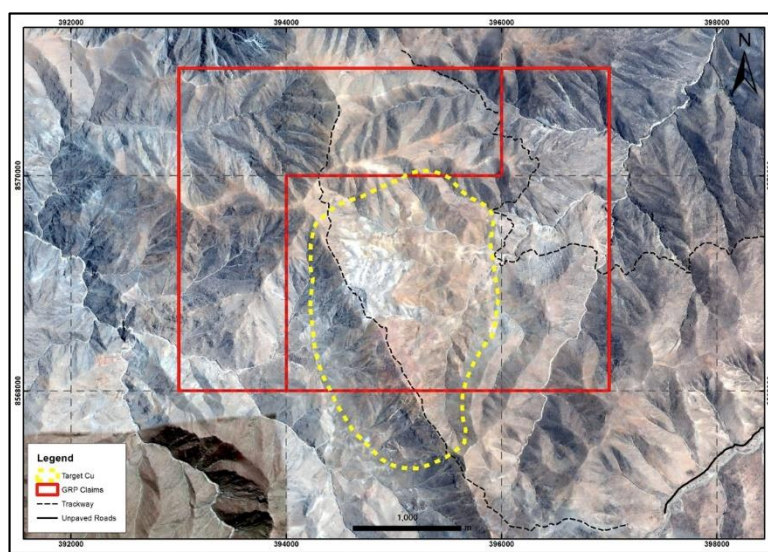
The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.

PAHUAY COPPER SKARN PROJECT

Figure 10 – Property Location



Figure 11 – Property Concessions and Copper target



The Pahuay copper project is 100% owned by the Company, subject to 2% NSR to Globetrotters, and consists of 700 hectares. The property is located 270 kilometres south of Lima within the eastern margin of the coastal batholith, Paleocene Copper belt of southern Peru and approximately 15 kilometres north of the Cerro Lindo polymetallic (Zn,Pb,Cu,Au,Ag) mine controlled by Nexa. Paleocene porphyry intrusions are emplaced into Cretaceous volcanoclastic 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 development in the limestones and phyllic alteration of the volcanoclastic 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 Cu-Mo returned assays up to 4.4% Cu and 0.05% Mo and the distal areas (Zn,Cu,Ag) returned assays up to 6.5% Zn. The project has not been drill tested and is scheduled for preliminary geological mapping, rock sampling and geophysical surveys to help develop the drill targets (Figures 10, 11).

MUÑAORJO COPPER-SKARN-PORPHYRY PROJECT

Figure 12 – Property Location

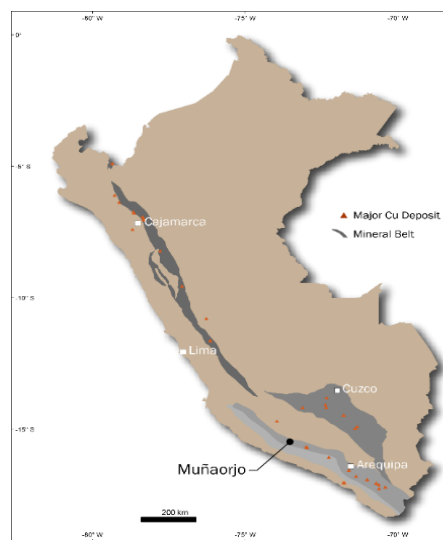
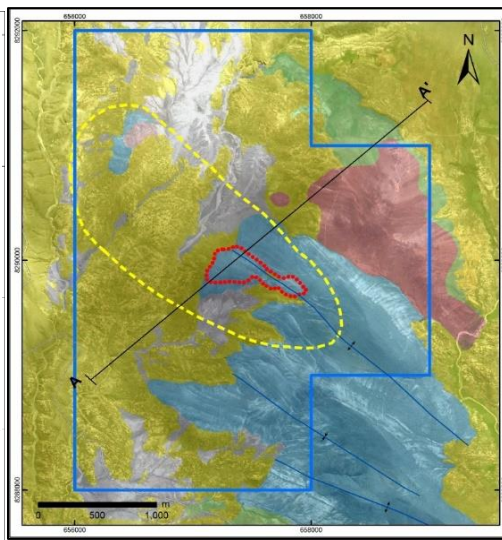


Figure 13 – Property Concession, Geology



The Muñaorjo project consists of 1,000 hectares and is 100% owned by Element 29, subject to 2% NSR with Globetrotters. The project is located approximately 200 kilometres northeast of Arequipa, Peru within the Paleocene Southern Copper belt which is host to several large world class copper deposits including Cerro Verde (Freeport) and Toquepala (Southern Copper). The property covers limestone sequences and batholithic diorite and granodioritic rock units. The property covers the majority of and is centered on a large (4.3 X 1.3 kilometres) hydrothermal alteration zone. Skarn development and marbling in the limestone is extensive on the property with a central area containing strong copper mineralization over a 480 metre X 280 metre zone at surface. The skarn copper (oxide) mineralization is associated with strong limonitic-quartz stockwork and brecciation. 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 cover. The porphyry related alteration continues to the northeast for another 1.5 kilometres. The plan is to complete detailed geological mapping, rock chip sampling and geophysical surveys (magnetics and an IP survey) to identify diamond drill targets (Figure 12, 13).

EXPLORATION AND EVALUATION ASSET EXPENDITURE

The Company spent the following amounts on each project:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -
Additions:				
Property acquisition cost	487,764	2,496,832	1,503,822	4,488,418
Option payments	165,803	-	-	165,803
Geological and mapping	14,190	318	-	14,508
Geophysics	116,808	-	-	116,808
Permitting	17,887	38,058	-	55,945
Community, health, safety and environment	7,626	6,598	-	14,224
Concessions and taxes	46,120	148,029	741	194,888
Technical report	23,310	-	-	23,310
Property maintenance and administration	268,991	169,411	-	438,402
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308

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 were related to modeling of the historical drill data (5,960 metres in 31 diamond drill holes and 29 reverse circulation holes) to generate optimal drill targets for cost-efficient validation of historical copper inventory in the Candelaria target area. In parallel, the Company undertook permitting activities which included completion of an EIA required for a Category II permit that allows for over 20 drill holes on the Flor de Cobre property. The Company also incurred expenditures related to property tax payments, payments to the optionor of the Candelaria concessions towards its earn-in on those claims, legal costs related to Candelaria Resources S.A.C. subsidiary transfer to the Company from Globetrotters, and property site visits by third parties.

In addition, the Company completed a 28.9 line-kilometre ground geophysical induced polarization (“IP”) survey, along with the collection of 157 samples in a mapping program on the Atravezado Area in the northwestern part the property, which is fully within claims that are 100% owned by the Company. The results of these surveys identified a strong 1.0 X 1.2 kilometre geophysical anomaly coincident with strong surface copper geochemistry and porphyry style alteration.

Elida Copper Project

Expenditures were incurred on modeling historical drill data (9,880 metres in 18 holes) in order to develop drill targets to facilitate delineation of mineral inventory in and around the known deposit. In parallel, the Company undertook permitting activities and entered into discussions for extension of the community agreement with the Aco community beyond its current term of 2020. The Company received an FTA approval for Elida from MINEM in July 2019. FTA approval allows Element 29 to commence drilling on the property subject to receipt of the activation to the permit and receipt of the water rights permit. The Company also incurred modest legal costs related to Elida Resources S.A.C. subsidiary transfer to the Company from Globetrotters and costs related to property site visits by third parties.

Pahuay and Muñaorjo Copper Project

The Company acquired the project in November 2019. No work has been done on the project since the acquisition.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

The Company's operating results for the year ended December 31, 2019 and 2018 as follows:

	2019	2018
General and administrative expenses		
Administration and office	\$ 69,853	\$ -
Consulting	14,330	-
Investor relations, communications and travel	151,769	-
Personnel costs	635,344	50,000
Professional fees	178,550	28,489
Foreign exchange gain	13,249	-
Stock based compensation	90,790	-
Other	1,166	-
Operating loss	1,155,051	78,489
Interest income	(22,420)	-
Loss and comprehensive loss for the year	\$ 1,132,631	\$ 78,489

General and administration expenses were primarily related to the set up of the Company, marketing the Company to finance the payments for property maintenance and exploration works as well as preparing for an IPO which includes accounting and administrative expenses and legal fees.

Quarterly Financial Data

	Q4 19	Q3 19	Q2 19	Q1 19
Administration and office	\$ 14,343	\$ 36,491	\$ 15,550	\$ 3,469
Consulting	-	-	14,330	-
Investor relations	54,258	22,028	46,669	28,814
Personnel costs	174,855	168,316	205,928	86,245
Professional fees	72,054	19,101	59,498	27,897
Other	271	378	280	237
Foreign exchange gain	32,754	(2,850)	9,600	(26,255)
Stock based compensation	-	38,635	-	52,155
Operating loss	\$ 348,535	\$ 282,099	\$ 351,855	\$ 172,562

	Q4 18	Q3 18	Q2 18	Q1 18
Administration and office	\$ -	\$ -	\$ -	\$ -
Consulting	-	-	-	-
Investor relations	-	-	-	-
Personnel costs	-	-	-	50,000
Professional fees	1,039	5,141	7,347	14,962
Other	-	-	-	-
Foreign exchange gain	-	-	-	-
Stock based compensation	-	-	-	-
Operating loss	\$ \$1,039	\$ 5,141	\$ 7,347	\$ 64,962

LIQUIDITY AND CAPITAL RESOURCES

	2019	2018
Cash flows used in operating activities before working capital movements	\$ (1,050,841)	\$ (78,489)
Increase in receivables and prepaid expenses	(16,348)	-
Increase in accounts payable and accruals	61,072	50,000
Cash flows used in investing activities	\$ (1,006,117)	\$ (28,489)
Cash flows from financing activities	2,365,750	302,000
Increase in cash and cash equivalents	376,948	47,614
Cash and cash equivalents - beginning of year	47,614	-
Cash and cash equivalents - end of year	\$ 424,562	\$ 47,614

The Company raised \$2.4 million during the year ended December 31, 2019 and spent approximately \$932,000 on investment activities related to the acquisition, property maintenance and exploration on the properties acquired during the year.

Operating activities consisted of general administrative items of approximately which was in relation to setting up the Company, investor relation activities to finance the Company and other administrative costs such as legal and accounting.

Contractual Obligations

As at December 31, 2019, the Company had no contractual obligations outstanding.

SENIOR SECURED DEBENTURE FINANCING

In April 2020, the Company completed a senior secured convertible debenture financing (the “Senior Secured Debenture”) for proceeds of \$1,500,000.

The Senior Secured Debenture is secured by a pledge to the holder of the original share certificates of the Company’s subsidiaries, Candelaria Resources S.A.C. (Peru) and Elida Resources S.A.C. (Peru).

Interest equal to a rate of 8% (eight percent) per annum, being a 365 day year, compounded quarterly; provided, however, that (a) if the Pledge Execution has not occurred by the Pledge Execution Date or (b) if the Pledge Registration has not occurred by Pledge Registration Date the rate shall be 10% (ten percent) per annum from the Pledge Execution Date or the Pledge Registration Date, as the case may be, being a 365 day year, compounded quarterly.

The Senior Secured Debenture is convertible immediately prior to the occurrence of a Liquidity Event, all or any of the Indebtedness at that time remains unpaid, then such Indebtedness shall automatically convert into Units at a twenty percent (20%) discount to the Liquidity Event Price (the “Liquidity Conversion Price”). The Units consist of one (1) common share of the Company (a “Common Share”) and one half (0.5) of one common share purchase warrant of the Company (a “Warrant”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of three years following the Liquidity Event closing date.

The Senior Secured Debenture matures on April 24, 2021 (“Maturity”).

The Senior Secured Debenture, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders ‘Conversion Price.

For the purposes of the Senior Secured Debenture, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange acceptable to the holder, together with a concurrent financing from arm’s length third party

investors of not less than \$5,000,000 (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange together with a concurrent financing from arm's length third party investors of not less than \$5,000,000.

CONVERTIBLE DEBENTURES

In January 2020, the Company completed a convertible debenture (the "Debentures") financing for gross proceeds of \$295,000. Commissions in the amount of \$13,140 were paid in connection with this convertible debenture.

The Debentures are convertible into units of the Company ("Units") consisting of one (1) common share of the Company (a "Common Share") and one half (0.5) of one common share purchase warrant of the Company (a "Warrant").

Interest equal to 8.0% of the par value of a Debenture outstanding per year will be accrued quarterly and added to the principal (with interest deemed to be satisfied) and will be payable in Common Shares on Maturity (as hereinafter defined) or on a Liquidity Event (as hereinafter defined).

The Debentures are convertible at any time until Maturity at the holder's option into Units at \$1.00 per Unit (the "Holders' Conversion Price"). Upon a Liquidity Event (as hereinafter defined), the Debentures will automatically convert at a 20% discount to the applicable Liquidity Event price per security issued under the Liquidity Event (the "Liquidity Conversion Price").

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of one year following the Liquidity Event closing date.

The Debentures mature in two (2) years from the Closing Date ("Maturity").

The Debentures, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders' Conversion Price.

For the purposes of the Debentures, a "Liquidity Event" means (i) the listing of the common shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange.

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2019, the Company had 45,645,833 (December 31, 2018 – 4,520,001) shares issued and outstanding.

The Company issued share capital in the year ended December 31, 2019 as follows:

- In April 2019, the Company issued 28,112,501 common shares at a price of C\$0.10 per common share with a value of \$2,811,250 to Globetrotter.
- In January and February 2019, the Company completed a non-brokered private placement of 2,467,000 common shares of the Company at a price of C\$0.10 per share for gross proceeds of \$246,700.
- In February 2019, the Company issued 3,500,000 common shares of the Company at a price of C\$0.10 per share to the CEO and VP Corporate Development of the Company in return for a promissory note receivable.
- Between March and September 2019, the Company completed a non-brokered private placement of 7,046,331 common shares at a price of \$0.30 per common share for gross proceeds of \$2,113,899. Commissions in the amount of \$44,849 were paid in connection with this private placement.

The Company issued share capital in the year ended December 31, 2018 as follows:

- In June 2018, the Company completed a non-brokered private placement of 3,020,000 common shares of the Company at a price of C\$0.10 per share for gross proceeds of \$302,000.
- In November 2018, the Company issued 1,500,000 common shares of the Company at a price of C\$0.10 per share to a director of the Company in return for a promissory note receivable.

Stock 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”) 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 Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted. For employees, the compensation expense is amortized on a graded vesting basis over the requisite service period which approximates the vesting period. Compensation expense for stock options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the 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 expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the expense recorded in the accompanying Statements of Comprehensive Loss.

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

Number of share options	Number of share options vested	Exercise price per share option C\$	Expiry date
1,440,000	1,440,000	0.10	January 31, 2021
300,000	300,000	0.30	August 23, 2024
500,000	166,667	0.30	May 19, 2025
850,000	283,333	0.30	June 25, 2025
150,000	50,000	0.30	June 29, 2025
3,240,000	2,240,000		

OTHER DISCLOSURES

Off-Balance Sheet Arrangements

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

Related Party Transactions

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

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

	2019	2018
Salaries and benefits – personnel costs	\$ 279,515	\$ -
Consulting fees	347,954	50,000
Directors fees – personnel costs	7,875	-
Share-based compensation	60,501	-
	\$ 695,845	\$ 50,000

As at December 31, 2019, an amount of \$6,600 was due to the Company's chief financial officer and included in accounts payable.

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

In October 2018, the Non-Executive Chairman was issued 1,500,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Non-Executive Chairman subject to the terms of a Promissory Note reflecting a principal balance 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 a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow.

In February 2019, the Executive Vice President of Corporate Development was issued 1,500,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Executive Vice President of Corporate Development subject to the terms of a Promissory Note with a principal balance of \$150,000. The Vice President of Corporate Development's Promissory Note bears interest at 2% per annum, matures on June 1, 2022 and is secured by a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow.

In January 2019, the Chief Executive Officer was issued 2,000,000 common shares of the Company in exchange for cash consideration. The cash consideration was loaned to the Chief Executive Officer subject to the terms of a Promissory Note reflecting a principal balance of \$200,000. The Chief Executive Officer's Promissory Note bears interest at 2% per annum, matures on June 15, 2022 and is secured by a pledge agreement in respect of the 1,500,000 common shares of the Company acquired in connection with the Promissory Note and are held in escrow. During the 2019 year, the Chief Executive Officer repaid \$50,000 of their respective promissory note.

	2019	2018
Opening principal balance	\$ 150,000	\$ -
Principal advance	350,000	150,000
Repayments	(50,000)	-
Interest	9,000	-
Total	\$ 459,000	\$ 150,000
Current portion	\$ -	\$ -
Non-current portion	459,000	150,000

Name	Position	Initial Loan	Interest	Payments	Balance December 31, 2019
Brian Booth	Director and CEO	\$ 200,000	\$ 3,000	\$ (50,000)	\$ 153,000
Neil O'Brien	Director and Chairman	150,000	3,000	-	153,000
Aleksandra Bukacheva	VP Exploration	150,000	3,000	-	153,000
		\$ 500,000	\$ 9,000	\$ (50,000)	\$ 459,000

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Use of Estimates and Judgements

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

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

- I. The determination of the fair value of the shares of the Company for the calculation of the share-based compensation.
- II. The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.
- III. The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in banks, and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

Exploration and evaluation assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and general exploration costs are expensed as incurred.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation costs are tested for impairment and subsequently transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related

property, plant and equipment asset. Amounts capitalized to the related property, plant and equipment are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in the consolidated statement of comprehensive loss.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred taxes are recognized in the consolidated statements of comprehensive income (loss) except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws at the reporting date.

The Company computes the provision for deferred income taxes under the liability method. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are estimated using an income forecast derived from cash flow projections, based on detailed life-of-mine plans and corporate forecasts. Where applicable, the probability of utilizing tax losses or credits is evaluated by considering risks relevant to future cash flows, and the expiry dates after which these losses or credits can no longer be utilized.

Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently from the Company. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. Such differences are accounted for based on management's best estimate of the probable outcome of these matters.

The Company must make significant estimates and judgments in respect of its provision for income taxes and the composition and measurement of its deferred income tax assets and liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities; those adjustments may be material.

Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire common shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. 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 options vest. Compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

Financial instruments

a) Fair value classification of financial instruments

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

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities.

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

b) Financial risk management

i) Credit risk

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

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions. The credit risks with notes receivables is low given the account are owing from related parties and are secured.

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

ii) Liquidity risk

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

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

iii) Market risks

Interest rate risk

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

As at December 31, 2019, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

The functional currency of the parent and its subsidiaries is C\$. A portion of the Company's operating expenses are in USD.

As at December 31, 2019, the Company has not entered into contracts to manage foreign exchange risk.

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

	December 31, 2019
Cash	\$ 91,263
Accounts payable and accrued liabilities	21,191

As at December 31, 2019, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C\$) would result in an insignificant change in net loss.

Capital management

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. As at December 31, 2019, the Company had a working capital deficit of \$1,165,428.

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

RISKS AND UNCERTAINTIES

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

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

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

Exploration Stage Company

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

find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

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

No Mineral Reserves

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

Reliability of Historical Information

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

Mineral Exploration and Development

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

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

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

Competition and Mineral exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's

competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and any development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

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

Acquisition of Additional Mineral Properties

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

Government or Regulatory Approvals

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

Permits and Government Regulation

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

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures

before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on Shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

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

Title Risks

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

Laws and Regulation

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

Uninsured and Underinsured Risks

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

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

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

Public Health Crises such as the COVID-19 Pandemic

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

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

Global Economy Risk

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

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

Environmental Risks

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

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

Social and Environmental Activism

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

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

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

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

- cancellation or renegotiation of contracts;
- changes in foreign laws or regulations;
- changes in tax laws;
- royalty and tax increases or claims by governmental entities;
- retroactive tax or royalty claims;
- expropriation or nationalization of property;
- inflation of costs that is not compensated by a currency devaluation;
- high rates of inflation;
- restrictions on the ability of local operating companies to sell copper or other minerals offshore for U.S. dollars, and on the ability of companies to hold U.S. dollars or other foreign currencies;
- restrictions on the purchase of foreign currencies and on the remittance of dividend and interest payments offshore;
- limitations on the repatriations of earnings;
- import and export regulations;
- environmental controls and permitting;
- opposition from local community members or non-governmental organizations;
- civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- unenforceability of contractual rights and judgements; and
- other risks arising out of foreign sovereignty over the areas in which the Company's operations are conducted.

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

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects.

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

Claims and Legal Proceedings

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

Conflicts of Interest

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

Copper and Metal Prices

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

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

Negative Cash Flow from Operating Activities

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

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the

Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Reporting Issuer Status

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

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

Risks Associated with Acquisitions

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

Force Majeure

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

Infrastructure

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

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

Climate Change Risks

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

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

Information Systems and Cyber Security

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

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

Risks Related to the Offering and the Company's Securities

No Established Market for Securities

It is proposed that the Common Shares will be listed on the TSXV; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Unit Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss

of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

The Common Shares do not currently trade on any exchange or stock market and the Company has applied to list the Common Shares on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in copper or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares. The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the price of the Common Shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute Shareholders' voting power and reduce future potential earnings per Common Share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices

for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. See "Dividend Policy".

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

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

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

E29's operations depend on information technology ("IT") systems

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. E29's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact E29's reputation and results of operations. Although to date E29 has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that E29 will not incur such losses in the future. E29's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, E29 may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

OVERSIGHT OF THE AUDIT COMMITTEE

The Audit Committee of the Board reviews, with management and the external auditors, the Company's annual MD&A and related annual audited consolidated financial statements. The Board approves the release of such information to shareholders. For each audit, the external auditors prepare a report for members of the Audit Committee summarizing key areas, significant issues and material internal control weaknesses encountered, if any.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "forward-looking statements"), which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the

Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the timing and closing of the Offering, including the receipt for the Prospectus, in a timely manner, and receipt of regulatory and other required approvals;
- the listing of the Unit Shares on the TSXV, including the Company fulfilling all applicable listing requirements;
- the size of the Offering and the terms and conditions of the Offering;
- the Flor de Cobre and Elida Projects (as such term is defined herein) and the Company's planned and future exploration on the Flor de Cobre and Elida Projects;
- the Company's goals regarding exploration and potential development of its projects;
- the use of available funds;
- the Company's future business plans;
- expectations regarding the ability to raise further capital;
- the market price of copper;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to obtain and/or maintain any required permits, licenses or other necessary approvals for the exploration or development of its mineral properties;
- government regulation of mineral exploration and development operations in Peru;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants;
- plans regarding future composition of the Board;
- effects of the novel coronavirus ("COVID-19") outbreak as a global pandemic; and
- the Escrow Agreement, and the escrow of the Escrowed Securities (as such terms are defined herein).

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

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company's mineral properties;
- future prices of copper and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and price of copper;
- that general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Flor de Cobre Project as described in the Flor de Cobre Technical Report (as such term is defined herein);
- the geology of the Elida Project as described in the Elida Technical Report (as such term is defined herein);
- the accuracy of budgeted exploration and development costs and expenditures;

- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required approvals, licenses and permits on favourable terms and any required renewals of the same;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets;
- expectations regarding the level of disruption to exploration at the Flor de Cobre and Elida Projects as a result of COVID 19; and
- availability of equipment.

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

- the Company may fail to find a commercially viable deposit at any of its mineral properties;
- there are no resources or mineral reserves on any of the properties in which the Company has an interest;
- the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- fluctuations in the demand for copper;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- risks associated with political instability and changes to the regulations governing the Company's business operations.
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;

- the Company's future profitability may depend upon the world market prices of copper;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Common Shares and an active and liquid one may never develop, which could impact the liquidity of the Unit Shares;
- the Common Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Common Shares;
- the Company may not use the funds available to it in the manner described in this Prospectus;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change; and
- other factors discussed under "Risk Factors".

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

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

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

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Flor de Cobre Project contained in this 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 this 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 this 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 this Prospectus and is a Qualified Person and "independent" of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Elida Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

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

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

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

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

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

SCHEDULE “C” – INTERIM FINANCIAL STATEMENTS

**Unaudited condensed interim consolidated financial statements for the six months ended June 30, 2020 and
2019**

(See attached)

The logo for E29, featuring the letters 'E29' in a large, bold, orange sans-serif font. The 'E' is composed of three horizontal bars. The '2' and '9' are also in a bold, rounded sans-serif style. The entire logo is set against a solid black rectangular background.

a copper company

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian dollars)

Three and six months ended June 30, 2020

Element 29 Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

As at June 30, 2020 and December 31, 2019 (Unaudited)

(expressed in Canadian dollars, except where indicated)

	Note	June 30, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		\$ 1,602,166	\$ 424,562
Receivables	3	12,737	45,314
Prepaid expenses		29,172	15,123
		1,644,075	\$ 484,999
Non-current assets			
Promissory notes receivable	9	228,291	459,000
Property and equipment		4,670	2,790
Exploration and evaluation assets	4	5,821,092	5,512,308
		6,054,053	5,974,098
Total assets		\$ 7,698,128	\$ 6,459,097
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 95,382	\$ 150,427
Acquisition price payable	4	-	1,500,000
Senior secured convertible debenture	5	1,474,976	-
Embedded derivative	5	20,548	-
Interest payable	5	20,055	-
		1,610,961	1,650,427
Non-current liabilities			
Convertible debentures	6	271,185	-
Embedded derivative	6	12,257	-
Interest payable	6	10,474	-
Loan payable	7	40,000	-
Total liabilities		1,944,877	1,650,427
Shareholders' equity			
Share capital	8	5,868,541	5,929,000
Commitment to issue shares	4	1,500,000	-
Reserves	8	248,188	90,790
Deficit		(1,863,478)	(1,211,120)
Total shareholders' equity		5,753,251	4,808,670
Total liabilities and shareholders' equity		7,698,128	\$ 6,459,097

Nature of operations (Note 1)

Subsequent events (Note 14)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Element 29 Resources Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and six months ended June 30, 2020 and 2019 (unaudited)

(expressed in Canadian dollars, except where indicated)

	Note	Three months ended June 30		Six months ended June 30	
		2020	2019	2020	2019
General and administrative expenses					
Administration and office		\$ 11,789	\$ 15,550	\$ 24,111	\$ 19,019
Consulting		698	14,330	698	14,330
Investor relations		20,414	46,669	34,634	75,482
Personnel costs	9	176,863	205,928	362,381	292,173
Professional fees		68,694	59,498	95,455	87,395
Foreign exchange gain		47,742	9,600	(58,848)	(16,655)
Stock-based compensation	8	166,939	-	166,939	52,155
Other		186	280	576	517
Operating loss		493,325	351,855	625,946	524,416
Interest income		(627)	(2,250)	(1,221)	(4,500)
Interest expense	5,6	26,003	-	30,529	-
Accretion expense	5,6	8,722	-	11,544	-
Change in fair value of embedded derivatives	5,6	(2,147)	-	(14,440)	-
Loss and comprehensive loss for the period		\$ 525,276	\$ 349,605	\$ 652,358	\$ 519,916
Loss per common share					
Basic and fully diluted		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding		45,945,833	41,522,022	45,929,258	24,976,001
Total common shares issued and outstanding		44,945,833	45,379,000	44,945,833	45,379,000

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Element 29 Resources Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2020 and 2019 (unaudited)

(expressed in Canadian dollars, except where indicated)

	Number of Shares (000's)	Share capital	Commitment to issue shares	Reserves	Deficit	Total
Balance at December 31, 2019	45,645,833	\$ 5,929,000	\$ -	\$ 90,790	\$ (1,211,120)	\$ 4,808,670
Issuance of share capital – stock option exercise	300,000	39,541	-	(9,541)	-	30,000
Commitment to issue shares	-	-	1,500,000	-	-	1,500,000
Cancellation of common shares	(1,000,000)	(100,000)	-	-	-	(100,000)
Loss and comprehensive income	-	-	-	-	(652,358)	(652,358)
Stock-based compensation	-	-	-	166,939	-	166,939
Balance at June 30, 2020	44,945,833	\$ 5,868,541	\$ 1,500,000	\$ 248,188	\$ (1,863,478)	\$ 5,753,251

	Number of Shares (000's)	Share capital	Commitment to issue shares	Reserves	Deficit	Total
Balance at January 1, 2019	4,520,001	\$ 452,000	\$ -	\$ -	\$ (78,489)	\$ 373,511
Issuance of share capital – acquisition of mineral property	28,112,501	2,811,250	-	-	-	2,811,250
Issuance of share capital – private placement at \$0.10 per common share	5,967,000	596,700	-	-	-	596,700
Issuance of share capital – private placement at \$0.30 per common share	6,779,498	2,033,849	-	-	-	2,033,849
Share issuance costs	-	(44,849)	-	-	-	(44,849)
Loss and comprehensive loss	-	-	-	-	(519,916)	(519,916)
Stock-based compensation	-	-	-	52,155	-	52,155
Balance at June 30, 2019	45,379,000	5,848,950	-	52,155	(598,405)	5,302,700
Issuance of share capital – private placement at \$0.30 per common share	266,833	80,050	-	-	-	80,050
Loss and comprehensive income	-	-	-	-	(612,715)	(612,715)
Stock-based compensation	-	-	-	38,635	-	38,635
Balance at December 31, 2019	45,645,833	\$ 5,929,000	\$ -	\$ 90,790	\$ (1,211,120)	\$ 4,808,670

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Element 29 Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2020 and 2019 (unaudited)

(expressed in Canadian dollars, except where indicated)

	2020	2019
Cash flows used in operating activities		
Net loss from operations	\$ (652,358)	\$ (519,916)
Items not affecting cash:		
Accretion	11,543	-
Interest	30,529	-
Change in fair value of derivatives	(14,439)	-
Share-based compensation	166,939	52,155
Unrealized foreign exchange losses (gains)	-	16,655
	(457,786)	(451,106)
Changes in non-cash operating working capital:		
Increase (decrease) in receivables and prepaid expenses	18,530	(1,199)
Increase in accounts payable and accruals	(53,295)	(15,927)
	(492,551)	(467,602)
Cash flows used in investing activities		
Purchase of equipment	(1,880)	(2,790)
Payment for exploration and evaluation assets	(308,784)	(496,998)
	(310,664)	(499,788)
Cash flows from financing activities		
Issuance of convertible debentures	295,000	-
Finance fees – convertible debentures	(13,140)	-
Issuance of senior secured convertible debentures	1,500,000	-
Proceeds from loan	40,000	-
Receipts from promissory notes receivable	128,959	-
Stock option exercise	30,000	-
Proceeds from issuance of common shares, net	-	2,291,700
	1,980,819	2,291,700
Increase in cash and cash equivalents	1,177,604	1,324,310
Cash and cash equivalents - beginning of period	424,562	47,614
Cash and cash equivalents - end of period	\$ 1,602,166	\$ 1,371,924

Cash and cash equivalents is represented by:

Cash	\$ 526,696	\$ 371,924
Cash equivalents	1,075,470	1,000,000
Total cash and cash equivalents	\$ 1,602,166	\$ 1,371,924

Supplemental cash flow information (Note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six month ended June 30, 2020 and 2019 (unaudited)

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

1 Nature of operations

Nature of operations

Element 29 Resources Inc. together with its subsidiaries (collectively referred to as the “Company” or “E29”), is focused on the exploration of mineral property interests in Peru. The Company is in the process of completing an Initial Public Offering (“IPO”) and listing on the TSX Venture Exchange (“TSX-V”).

The Company was incorporated on August 30, 2017 in British Columbia. The Company’s registered office is at 1900-1040 West Georgia Street, Vancouver, BC, V6E 4H3, Canada.

All amounts are expressed in Canadian dollars, except for certain amounts denoted in United States dollars (“US\$”).

The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has not generated revenues from its operations to date. As at June 30, 2020, the Company has accumulated net losses of \$1,863,478 since inception and has working capital of \$33,114. The operations of the Company have primarily been funded by the issuance of common shares. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

COVID-19

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

2 Basis of presentation

Basis of presentation

The Company prepares its condensed consolidated interim financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”), under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation of the International Reporting Interpretations Committee (“IFRIC”). These should be read in conjunction with the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2019 (“annual financial statements”). The accounting policies and critical estimates and judgements applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements, unless otherwise stated.

The condensed consolidated interim financial statements were approved by the Audit Committee of the Board of Directors on September 10, 2020.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six month ended June 30, 2020 and 2019 (unaudited)

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

3 Receivables

The Company's receivable balance consists of the following:

	June 30, 2020	December 31, 2019
Goods and service tax receivable	\$ 12,737	\$ 45,314
	\$ 12,737	\$ 45,314

4 Exploration and evaluation assets

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 mineral properties. The Company has investigated title to its mineral properties, to the best of its knowledge, title to the mineral property assets remains in good standing.

In April 2019, the Company acquired from Globetrotters Resource Group Inc. ("Globetrotters"), a private company incorporated under the laws of British Columbia, Canada, two copper projects, the Flor de Cobre Project ("Flor de Cobre") and the Elida Project ("Elida") located in Peru for a purchase price of \$2,811,250 which was paid for with 28,112,501 common shares of the Company. The acquisition of the Flor de Cobre and Elida projects were effected by way of purchase of 100% interest in the shares of Candelaria and Elida respectively. As at December 31, 2018, the Company had also advanced a total of \$225,897 to Candelaria and Elida that is considered a cost of the acquisition. Globetrotters also retained 2% net smelter royalty ("NSR") on the projects. The Company and Globetrotters share certain directors in common.

The Company's acquisition of Candelaria and Elida is being accounted for as acquisition of net assets of these entities. Total consideration for the acquisition and the allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration	Flor de Cobre Project	Elida Project
Value of shares	\$ 467,598	\$ 2,343,652
Transaction costs	1,251	6,270
Deferred acquisition costs	49,367	176,530
Total consideration	\$ 518,216	\$ 2,526,452
Net assets acquired		
Cash	\$ 10,196	\$ 40,433
Prepaid expenses	55	-
Receivable	21,308	21,595
Exploration and evaluation assets	487,764	2,496,832
Accounts payable and accrued liabilities	(1,107)	(32,408)
	\$ 518,216	\$ 2,526,452

In November 2019, the Company acquired the Pahuay Copper Skarn Project ("Pahuay") and the Munaorjo Copper Skarn Porphyry Project ("Munaorjo") from Globetrotter for \$1,500,000. The acquisition of Pahuay and Munaorjo projects were effected by way of purchase of 100% interest in the shares of Pahuay. In June 2020, the Company entered into an amended agreement with the vendor of the Pahuay Project whereby the purchase price of \$1,500,000 will be paid by the Company by way of issuing common shares of the Company equal to the price per common share which is established for the purpose of an initial public offering, reverse merger or other transaction whereby the Company's securities are listed for trading on a recognized stock exchange, less a discount of twenty percent (20%). Accordingly, the acquisition price payable of \$1,500,000 has been reclassified to a commitment to issue shares. Globetrotters also retained 2% NSR on the project.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

The Company's acquisition of Pahuay is being accounted for as acquisition of net assets of Pahuay. Total consideration for the acquisition and the allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration	Pahuay Project
Acquisition price payable	\$ 1,500,000
Total consideration	\$ 1,500,000
Net assets acquired	
Cash	\$ 887
Prepaid expenses	392
Receivable	793
Exploration and evaluation assets	1,503,822
Accounts payable and accrued liabilities	(5,840)
	\$ 1,500,000

Flor de Cobre copper project

The Company owns 100% of the Flor de Cobre copper project, with the exception of certain claims ("Candelaria claims"), where it has an option to earn 100%.

The Company can earn 100% interest in certain claims ("Candelaria claims") at Flor de Cobre by making 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 the positive feasibility study for the claim area.

During the year ended December 31, 2019, the Company acquired several claims as the San Jose Property through a government auction. The San Jose Property forms part of the Flor de Cobre Project.

Elida copper project

The Company owns 100% of the Elida copper project, subject to 2% NSR to Globetrotters.

Pahuay copper skarn project

The Company owns 100% of the Pahuay copper skarn project, subject to 2% NSR to Globetrotters. The property is located 270 kilometres south of Lima, Peru.

Munaorja copper skarn project

The Company owns 100% of the Munaorjo copper skarn porphyry project, subject to 2% NSR to Globetrotters. The project is located approximately 200 kilometres northeast of Arequipa, Peru.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six month ended June 30, 2020 and 2019 (unaudited)

(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

Expenditures for the six months period ended June 30, 2020 were as follows:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308
Additions:				
Option payments	61,180	-	-	61,180
Geological and mapping	349	-	-	349
Geophysics	22,838	-	-	22,838
Permitting	3,112	-	-	3,112
Community, health, safety and environment	22,397	1,197	-	23,594
Concessions and taxes	25,088	33,927	5,560	64,575
Technical report	8,547	8,000	-	16,547
Property maintenance and administration	61,752	46,642	8,195	116,589
Balance, June 30, 2020	\$ 1,353,762	\$ 2,949,012	\$ 1,518,318	\$ 5,821,092

Expenditures for the year ended December 31, 2019 were as follows:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -
Additions:				
Property acquisition cost	487,764	2,496,832	1,503,822	4,488,418
Option payments	165,803	-	-	165,803
Geological and mapping	14,190	318	-	14,508
Geophysics	116,808	-	-	116,808
Permitting	17,887	38,058	-	55,945
Community, health, safety and environment	7,626	6,598	-	14,224
Concessions and taxes	46,120	148,029	741	194,890
Technical report	23,310	-	-	23,310
Property maintenance and administration	268,991	169,411	-	438,402
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

5 Senior secured convertible debenture

In April 2020, the Company completed a senior secured convertible debenture financing (the “Senior Secured Debenture”) for proceeds of \$1,500,000.

The Senior Secured Debenture is secured by a pledge to the holder of the original share certificates of the Company’s subsidiaries, Candelaria Resources S.A.C. (Peru) and Elida Resources S.A.C. (Peru).

Interest equal to a rate of 8% (eight percent) per annum, being a 365 day year, compounded quarterly; provided, however, that (a) if the Pledge Execution has not occurred by the Pledge Execution Date or (b) if the Pledge Registration has not occurred by Pledge Registration Date the rate shall be 10% (ten percent) per annum from the Pledge Execution Date or the Pledge Registration Date, as the case may be, being a 365 day year, compounded quarterly.

The Senior Secured Debenture is convertible immediately prior to the occurrence of a Liquidity Event, all or any of the Indebtedness at that time remains unpaid, then such Indebtedness shall automatically convert into Units at a twenty percent (20%) discount to the Liquidity Event Price (the “Liquidity Conversion Price”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of three years following the Liquidity Event closing date.

The Senior Secured Debenture matures on April 27, 2021 (“Maturity”).

The Senior Secured Debenture, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders ‘Conversion Price.

For the purposes of the Senior Secured Debenture, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange acceptable to the holder, together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000 (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000.

The following is a continuity schedule of the Senior Secured Debenture:

Opening balance	\$ -
Additions	1,500,000
Debt issue costs	-
Embedded derivatives	(30,000)
Accretion expense	4,976
Balance, June 30, 2020	\$ 1,474,976

As a result of the variability in the number of shares issuable under the convertible debentures, the cash received under each of the convertible debentures has been allocated between the fair value of the loan conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value ascribed to the loan conversion feature is determined using the Black Scholes option pricing model as at the loan date, and the residual amount has been allocated to the loan liability. The fair value of embedded derivative component of the convertible debt was estimated using the Black Scholes pricing model with weighted average assumptions as follows: risk free interest rate of 0.88%, expected life of 1 year, expected volatility of 75% and expected dividends of nil.

The fair value of the embedded derivative at June 30, 2020 was \$20,548. Accrued interest payable at June 30, 2020 was \$20,055.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

6 Unsecured convertible debentures

In January 2020, the Company issued unsecured convertible debentures (the “Debentures”) for gross proceeds of \$295,000. Commissions in the amount of \$13,140 were paid in connection with these Debentures.

The Debentures are convertible into units of the Company (“Units”) consisting of one (1) common share of the Company (a “Common Share”) and one half (0.5) of one common share purchase warrant of the Company (a “Warrant”).

Interest equal to 8.0% of the par value of a Debenture outstanding per year will be accrued quarterly and added to the principal (with interest deemed to be satisfied) and will be payable in Common Shares on Maturity (as hereinafter defined) or on a Liquidity Event (as hereinafter defined).

The Debentures are convertible at any time until Maturity at the holder’s option into Units at \$1.00 per Unit (the “Holders’ Conversion Price”). Upon a Liquidity Event (as hereinafter defined), the Debentures will automatically convert at a 20% discount to the applicable Liquidity Event price per security issued under the Liquidity Event (the “Liquidity Conversion Price”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of one year following the Liquidity Event closing date.

The Debentures mature in two (2) years from the Closing Date (“Maturity”).

The Debentures, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders’ Conversion Price.

For the purposes of the Debentures, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange.

The following is a continuity schedule of the Debentures:

Opening balance	\$ -
Additions	295,000
Debt issue costs	(13,140)
Embedded derivatives	(17,244)
Accretion expense	6,569
Balance, June 30, 2020	\$ 271,185

As a result of the variability in the number of shares issuable under the convertible debentures, the cash received under each of the convertible debentures has been allocated between the fair value of the loan conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value ascribed to the loan conversion feature is determined using the Black Scholes option pricing model as at the loan date, and the residual amount has been allocated to the loan liability. The fair value of embedded derivative component of the convertible debt was estimated using the Black Scholes pricing model with weighted average assumptions as follows: risk free interest rate of 0.88%, expected life of 1.56 year, expected volatility of 75% and expected dividends of nil.

The fair value of the embedded derivative at June 30, 2020 was \$12,257. Accrued interest payable at June 30, 2020 was \$10,474.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

7 Loan payable

The Company entered into an arrangement with its principal banker for a \$40,000 Canada Emergency Business Account (“CEBA”) interest free loan that was launched in April 2020. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% (\$10,000) of the balance outstanding.

8 Share capital

a) Common shares

The Company’s authorized share capital consists of unlimited common shares without par value. At June 30, 2020, the Company had 44,945,833 (December 31, 2019 – 45,645,833) shares issued and outstanding.

b) Issued share capital

The Company’s share capital transactions for the six months ended June 30, 2020 as follows:

- The Company issued 300,000 common shares at a price of \$0.10 per common share through the exercise of stock 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 (Note 9).

The Company issued share capital in the year ended December 31, 2019 as follows:

- the Company issued 28,112,501 common shares at a price of \$0.10 per common share with a value of \$2,811,250 to Globetrotter (Note 4).
- the Company completed a non-brokered private placement of 2,467,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$246,700.
- the Company issued 3,500,000 common shares of the Company at a price of \$0.10 per share to the CEO and VP Corporate Development of the Company in return for a promissory note receivable (Note 9).
- the Company completed a non-brokered private placement of 7,046,331 common shares at a price of \$0.30 per common share for gross proceeds of \$2,113,899. Commissions in the amount of \$44,849 were paid in connection with this private placement.

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

Element 29 Resources Inc.

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the expense recorded in the accompanying Statements of Comprehensive Loss.

Share option transactions are summarized as follows:

	Number of share options	Weighted average exercise price \$
Outstanding – December 31, 2018 and 2017	-	-
Granted	2,040,000	0.13
Outstanding – December 31, 2019	2,040,000	0.13
Exercised	(300,000)	0.10
Granted	1,500,000	0.30
Outstanding – June 30, 2020	3,240,000	0.21

At June 30, 2020, the following share options were outstanding:

Number of share options	Number of share options vested	Exercise price per share option \$	Expiry date
1,440,000	1,440,000	0.10	January 31, 2021
300,000	300,000	0.30	August 23, 2024
500,000	166,667	0.30	May 19, 2025
850,000	283,333	0.30	June 25, 2025
150,000	50,000	0.30	June 29, 2025
3,240,000	2,240,000		

	June 30, 2020
Weighted average exercise price for exercisable options	\$ 0.17
Weighted average share price for options exercised	0.10
Weighted average years to expiry for exercisable options	2.94 years

For the period ended June 30, 2020, the total share-based compensation charges relating to 1,500,000 options granted to officers, directors and consultants was \$166,939.

The weighted average fair value at date of grant for the options granted during the period ended June 30, 2020 was \$0.18 per option. The following weighted average assumptions were used for the Black-Scholes valuation of share options granted:

	June 30, 2020
Risk-free interest rate	0.88%
Expected life of options (years)	5 years
Expected volatility	75%
Expected dividend	0.00%

Element 29 Resources Inc.

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

d) Net loss per common share

Net loss per common share information in these consolidated financial statements is computed by dividing the net loss attributable to common shares by the weighted average number of common shares outstanding during the period. All share options and share purchase warrants outstanding at each period end have been excluded from the weighted average share calculation as they are anti-dilutive.

9 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 and corporate officers, including the Company's Non-executive Chairman, Chief Executive Officer, Chief Financial Officer and Vice President of Business Development.

Direct remuneration paid to the Company's directors and key management personnel during the period ended June 30, 2020 was as follows:

	2020	2019
Salaries and benefits – personnel costs	\$ 145,394	\$ 126,042
Consulting fees – personnel costs	181,250	166,131
Directors fees – personnel costs	31,500	-
Share-based compensation	166,939	52,155
	\$ 525,083	\$ 344,328

As at June 30, 2020, included in accounts payable was an amount of \$8,800 (December 31, 2019 - \$6,600) due to the Company's Chief Financial Officer and \$30,000 (December 31, 2019 – Nil) due to directors of the Company. Included in Debentures (Note 6) was an amount of \$26,000 owed to a director of the Company.

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

In November 2018, the 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 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 June 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 2019, the Chief Executive Officer 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 June 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. The Chief Executive Officer repaid \$50,000 in 2019 and \$80,209 in 2020 of the respective Promissory Note.

Element 29 Resources Inc.

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

Balance, January 1, 2019	\$ 150,000
Promissory note advances	350,000
Repayments	(50,000)
Interest	9,000
Balance, December 31, 2019	459,000
Repayments	(131,459)
Cancellation	(101,750)
Interest	2,500
Balance, June 30, 2020	\$ 228,291
Current portion	-
Non-current portion	228,291

Name	Position	Initial Loan	Interest	Repaid	Balance June 30, 2020
Brian Booth	Director and CEO	\$ 200,000	\$ 4,000	\$ (130,209)	\$ 73,791
Aleksandra Bukacheva	VP Exploration	150,000	4,500	-	154,500
		\$ 350,000	\$ 8,500	\$ (130,209)	\$ 228,291

10 Segmented information

The Company has one business segment, the exploration of mineral properties. As at June 30, 2020, all of the Company's significant non-current non-financial assets are located in Peru.

11 Supplemental cash flow information

	Note	June 30, 2020
Non-cash financing activities	(i)	\$ (101,750)
i) The Non-Executive Chairman resigned from the Company and cancelled the outstanding balance of the Promissory Note to acquire common stock of the Company. The related common stock was returned to the treasury of the Company (note 8).		

12 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

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

(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, promissory notes receivables, accounts payable and accrued liabilities, loan payable, convertible debentures and embedded derivatives.

The carrying values of these financial instruments approximate their fair value due to their short terms to maturity. The embedded derivatives are measured at fair value determined based on level 3 of the fair value hierarchy.

b) Financial risk management

i) *Credit risk*

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

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions. The credit risk with notes receivable is low since the amounts are owing from related parties and are secured.

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

ii) *Liquidity risk*

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

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

iii) *Market risks*

Interest rate risk

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

As at June 30, 2020, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

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

As at June 30, 2020, the Company has not entered into contracts to manage foreign exchange risk.

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

	June 30, 2020
Cash	\$ 364,860
Accounts payable and accrued liabilities	10

As at June 30, 2020, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C\$) would result in an insignificant change in net loss.

Element 29 Resources Inc.

Notes to Condensed Consolidated Interim Financial Statements

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(tabular amounts expressed in Canadian dollars, except per share amounts and where indicated)

13 Capital management

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

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

SCHEDULE “D” – INTERIM MD&A

Management’s discussion and analysis for the six months ended June 30, 2020

(See attached)



Management's Discussion and Analysis Second Quarter Ended June 30, 2020

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

September 10, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements for the period ended June 30, 2020 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, 2019, which are in accordance with IFRS, and the related MD&A. References to "E29" and the "Company" are to Element 29 Minerals Corp. 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 property, the Flor de Cobre Project (the "Flor de Cobre Project"), is contained in the technical report titled "43-101 Technical Report Flor de Cobre Property Arequipa and Moquegua Regions, Peru" with an effective date of March 15, 2020, and the Elida Project ("Elida Project") is contained in the technical report titled "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 disclosure in this MD&A of scientific and technical information regarding the Company's other mineral projects has been reviewed and approved by Brian R. Booth (P.Geo.), the President and Chief Executive Officer of the Company. Each of Mr. Strickland 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 a commercial development or production stage. The Company's objective is to confirm, delineate, expand and develop the historic copper resources at its Flor de Cobre (Candelaria) property. At the Elida copper porphyry project, the Company plans to explore and expand on the Cu,Mo,Ag mineralization intersected in the Central/Area 1 and drill test the three other porphyry targets located on the project.

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

The Company was incorporated in British Columbia on August 30, 2017. The Company's corporate headquarters are located in Vancouver, British Columbia, Canada. Field operations are conducted out of a local office in Peru. 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.

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").

HIGHLIGHTS

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

Corporate

- In April 2020, the Company completed a senior secured convertible debenture financing for proceeds of \$1,500,000.
- In January 2020, the Company completed a convertible debenture financing for gross proceeds of \$295,000. Peru

Flor de Cobre Copper Project

- The project contains a shallow historic resource at Candelaria of 57.4 Mt of 0.67% Copper, at a 0.2% Copper cut-off in a supergene enrichment copper zone.

- The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.
- In 2019, a second porphyry copper target is located 1.5 kilometres to the northeast of Candelaria on the 100% owned concessions on Flor de Cobre called Atravezado. This porphyry target has a 1.0 X 1.2 kilometres geophysical anomaly coincident with strong rock sample copper geochemistry, porphyry style phyllic alteration and quartz stockwork veining.
- An additional 2 concessions were applied for in 2019, through the Peru government auction process, on the northeast part of the Flor de Cobre property near the San Jose porphyry. Final receipt of the concessions is pending.
- In 2019, a 28.9 kilometre Induced Polarization (IP) geophysical survey was completed over the property to evaluate the Candelaria supergene copper zone and Atravezado copper porphyry target at depth. Strong IP anomalies were detected associated over the two target areas.
- The drill permit application was completed and submitted to the government in the 4th quarter of 2019. Discussions are ongoing with the company that owns the surface rights and the Final approval is pending.

Elida Copper Project

- The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.
- Six diamond drill holes in the Central/Area 1 returned significant intersections (DDH-15 ELID-012) up to 503 metres of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag.
- Three additional target areas have been identified within the 2.0 X 2.0 kilometre phyllic alteration zone.
- The diamond drill permit was received for the Elida project in July 2019 for the FTA. The process to Activate the permit to begin drilling is underway along with the renewal of the Aco community agreement which has been declared Indigenous.

Pahuay Copper Project

- The Pahuay project covers a 1.7 X 2.8 kilometre copper mineralized hydrothermal alteration zone that returned Cu-Mo-Zn rock sample assays up to 4.4% Cu and 0.05% Mo from the central area and up to 6.5% Zn from the distal areas.

Muñaoarjo Copper Project

- The Muñaoarjo property is centered on a large (4.3 X 1.3 kilometres) hydrothermal alteration zone. Skarn related copper mineralization is developed in the limestone over a 480 metre X 280 metre area at surface. Rock sample results are highly anomalous and returned assay results up to 4% Cu.

OUTLOOK

E29's key objective in 2020-21 is to complete an Initial Public Offering ("IPO"). Proceeds from the IPO financing will be used to validate and expand on the historic copper resource at Flor de Cobre ("Candelaria Deposit"), complete infill and expansion drilling at the central/Area 1 at Elida, NI 43-101 resource estimates, metallurgical and engineering studies for a Preliminary Economic Assessment ("PEA"). The Company anticipates completing the IPO process in the second half of 2020.

The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

Flor de Cobre

The drill permit under an EIA (currently in application) is in progress for Flor de Cobre copper porphyry in Southern Peru is expected at the end of 2020. Once the permit is received, the Company plans a 9 hole diamond drill program for a total of 3,700 metres at Candelaria to complete a NI 43-101 resource estimate and to evaluate the potential for additional resources at depth of the primary sulphide which has been intercepted in historical drilling. The Company subsequently plans to carry out preliminary metallurgical and engineering studies in 2021.

Elida

In July 2019, the Company received an Environmental Evaluation ("FTA") approval for Elida property from the Ministry of Energy and Mines ("MINEM") of Peru. The FTA enables the Company to commence its drilling program at Elida subject to filing a notice for permit activation, renewal of the Aco community agreement, recently declared Indigenous and obtaining the local water permit which began in June 2020 and is ongoing. The Company plans on drilling the Elida project following receipt of additional funds through the IPO financing. This exploration program will consist of 8,000 metres in-fill drilling in and around the known copper intersections to complete a NI 43-101 resource and testing new target areas on the property. The Company's preliminary exploration target is at the Elida Central/Area 1 which has the potential of 200 million to 500 million tonnes of mineralized material, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. In parallel, the Company will undertake preliminary metallurgical studies.

PROJECT ACQUISITIONS

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 mineral properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, including Ingemmet public records, title to the mineral properties remains in good standing.

In April 2019, the Company acquired from Globetrotters, a private company incorporated under the laws of British Columbia, Canada, two advanced copper projects located in Peru. The projects acquired were the Flor de Cobre copper project ("Flor de Cobre") and the Elida copper project ("Elida"). The purchase price of \$2,811,250 was settled through an issuance of 28,112,501 common shares of the Company. Globetrotters also retained 2% net smelter royalty ("NSR") on the projects. Company and Globetrotters share certain directors in common.

In September 2019, the Company was successful in acquiring an additional three claims through a government auction process located to the north east of Flor de Cobre, which was named the San Jose property.

In November 2019, the Company acquired the Pahuay Copper Skarn Project ("Pahuay") and the Munaorjo Copper Skarn Porphyry Project ("Munaorjo") from Globetrotter for \$1,500,000 to be paid by the Company issuing common shares of the Company equal to the price per common share which is established for the purpose of an initial public

offering, reverse merger or other transaction whereby the Company's securities are listed for trading on a recognized stock exchange, less a discount of twenty percent (20%). Globetrotters also retained 2% NSR on the project.

PROJECT DETAILS - PERU

FLOR DE COBRE COPPER PROJECT

The Company owns 100% of the Flor de Cobre copper property, with the exception of certain concessions ("Candelaria concessions"), where it has an option to earn 100% from a Peruvian vendor.

The Company can earn 100% interest in the Candelaria claims 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 the positive feasibility study for the claim area.

Cerro Verde, operated by Freeport McMoran; Cuajone and Toquepala, operated by Southern Copper; and Quellaveco, under construction by Anglo American (Figure 1). The Flor de Cobre property is 8 kilometres northeast of the Chapi mine and ~30 kilometres southeast of the Cerro Verde copper mine with excellent infrastructure for mine development with respect to roads, power lines and port access (Figure 2). The property contains the Candelaria historic copper resource first identified in the 1960's and the was the site of a historical small-scale copper mining operation since that time.

Flor de Cobre is a low altitude copper porphyry project located 45 kilometres southeast of Arequipa in the Southern Peru Copper belt which is a Paleocene age magmatic arc that hosts multiple world class copper mines and deposits.

Figure 1 - Project Location Map

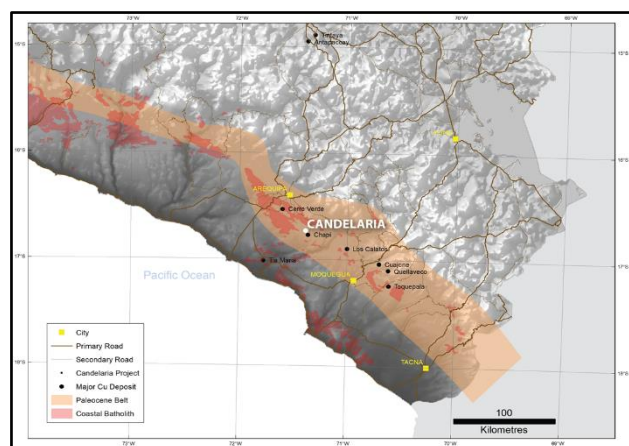
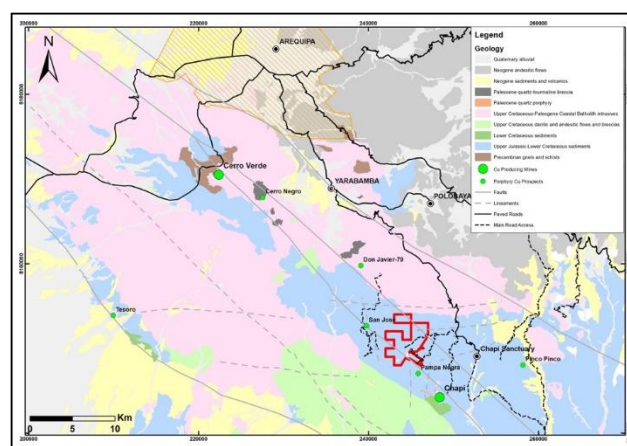
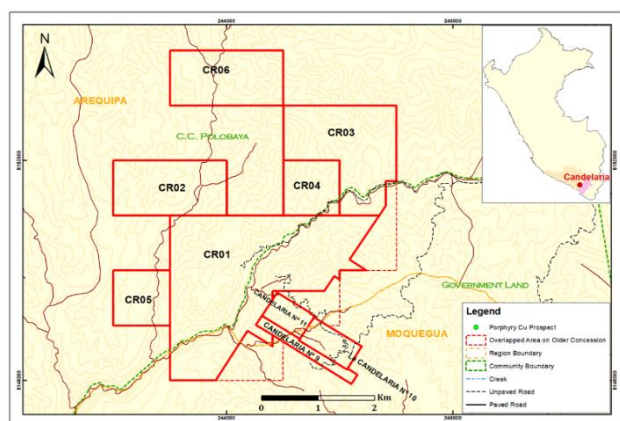


Figure 2 – Regional Geology and Location map



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

Figure 3 – 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 a historic resource of 57.4 million tonnes at a grade of 0.67% Cu, using a 0.2% Cu cut-off grade in the near-surface oxide copper supergene enrichment zone, the majority of which is on the Property. The property also covers a second porphyry copper target (“Atravezado”) that is located 1.5 kilometres northeast of Candelaria.

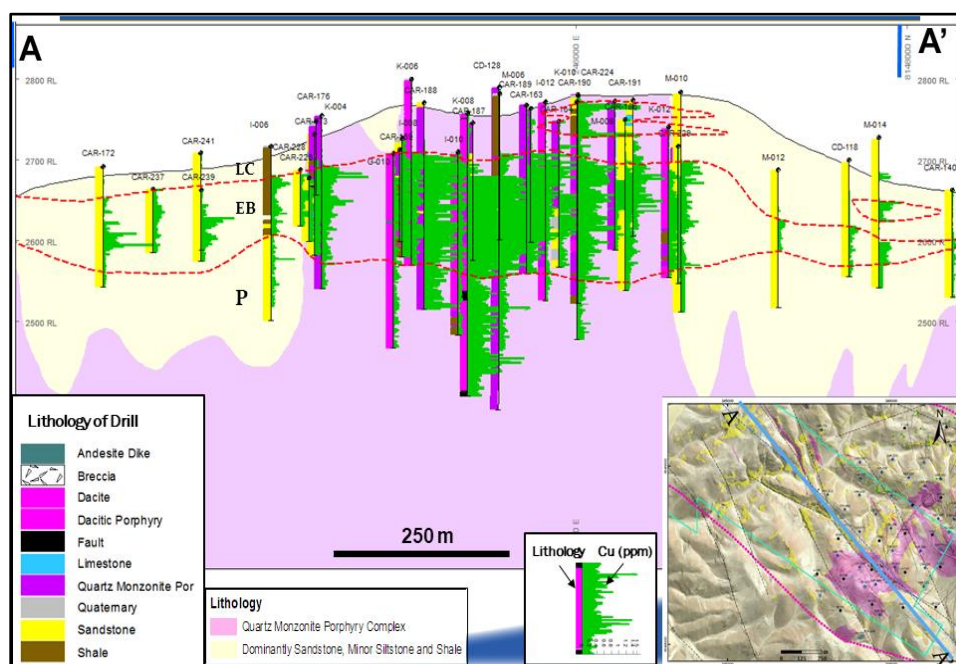
The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. The 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

The Flor de Cobre area is interpreted as host to a porphyry copper-molybdenum (Cu-Mo) system called the “Candelaria Porphyry”, with characteristics similar to other porphyry deposits in the Southern Peru Copper Belt. Mineralization is found in two distinct forms as:

- 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 of 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.

Originally explored as a supergene deposit, the Candelaria Porphyry had little attention given to its hypogene deposit potential. The Flor de Cobre property was acquired on the premise that a sizeable hypogene resource might be outlined, and this exploration work might be funded by exploiting the relatively small supergene mineralization. cursory work completed on the Property supports the hypothesis that a large porphyry copper system exists beneath the supergene mineralization targeting grades similar to the Cerro Verde system. Drill-testing this hypogene component of the Flor de Cobre system will be part of the exploration strategy.

The Candelaria Porphyry mineralization itself was outlined by two drilling campaigns in the 1990’s and includes a supergene enriched zone with dimensions of 850 x 1,000 metre elongated in a northeast direction. This zone has an average thickness of 20 metres and reaches a maximum thickness of 126 metres. The drilling also intercepted a mineralized hypogene zone underneath to a depth of 350 metres, where a drill hole ended in mineralization. The supergene zone is centred on a small cluster of quartz monzonite porphyry stocks mapped on the southeast end of the Property. Drill section through the Candelaria mineralization is shown on Figure 4.

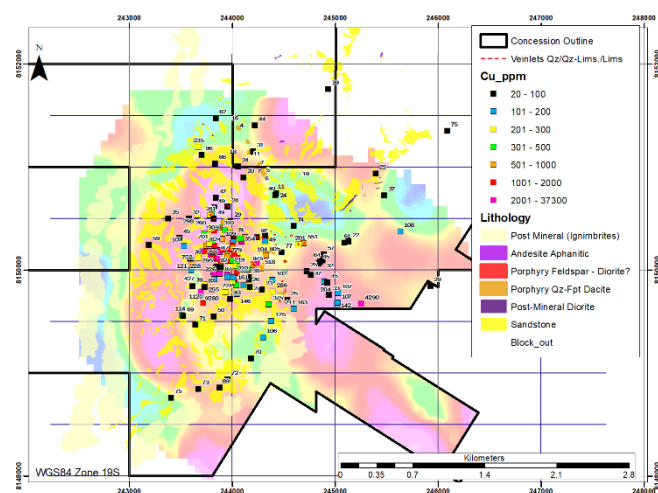
Figure 4 – Candelaria Drill hole cross section

The original source of the historical estimate is a press release of Rio Amarillo Mining Ltd. dated November 15, 1996: This historical estimate is relevant to the Flor de Cobre property as it suggests the porphyries in the area are mineralized and there may be mineralization of interest present. 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 2014 Definition Standards; and the difference to the CIM categories are not known. It is also unclear what portion of this historical resource estimate is on the current Flor de Cobre property configuration. The 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.

Altravezada Copper Target

Geological mapping of Atravezado Area illustrates the existence of a potential Cu-Mo porphyry system covering an area approximately 1.2 x 1.0 kilometres that coincides with strong Cu and Mo geochemical anomalies. The recently completed Induced Polarization geophysical survey was completed over the Property and showed a strong geophysical anomaly (resistivity and chargeability) coincident with the area of strong surface copper rock geochemistry, quartz stockworks and phyllic alteration consistent with porphyry copper systems (Figure 5).

Figure 5 – Atravezado - Surface Geology, Resistivity and Rock Sample results Cu



Bedding orientation in the sequence of quartzite, sandstone, limonite and shale define small open anticlines and synclines with a fold axes azimuth's ranging from 320° to 325° in the central Candelaria area. These small fold structures appear to be elements of a regional anticline with a northwest oriented axis passing through Huacacón hill.

Structural alignments of faults and visible local fractures of N-NW orientation affect sedimentary sequences and partly control some porphyry dikes. In general, a large part of the population of veins and fractures have a north-west tendency.

As at August 31, payments in the amount of US\$ 1,117,018 have been made towards the option.

ELIDA COPPER PROJECT

The Elida project is located in the province of Ocos, 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 a 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, totaling 19,210 ha, as shown in Figure 2 with concession details listed in Table 2. 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 – Property Location Map

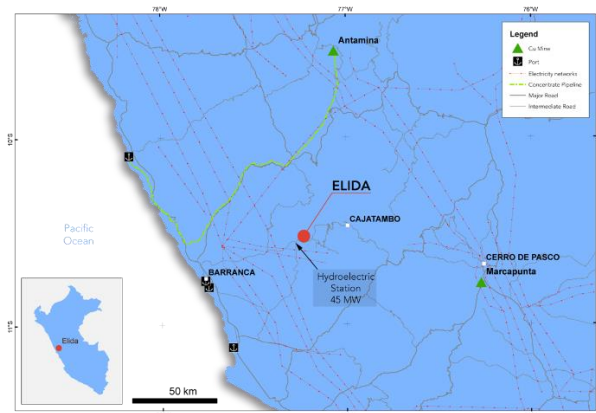


Figure 7 - Property Concession Map



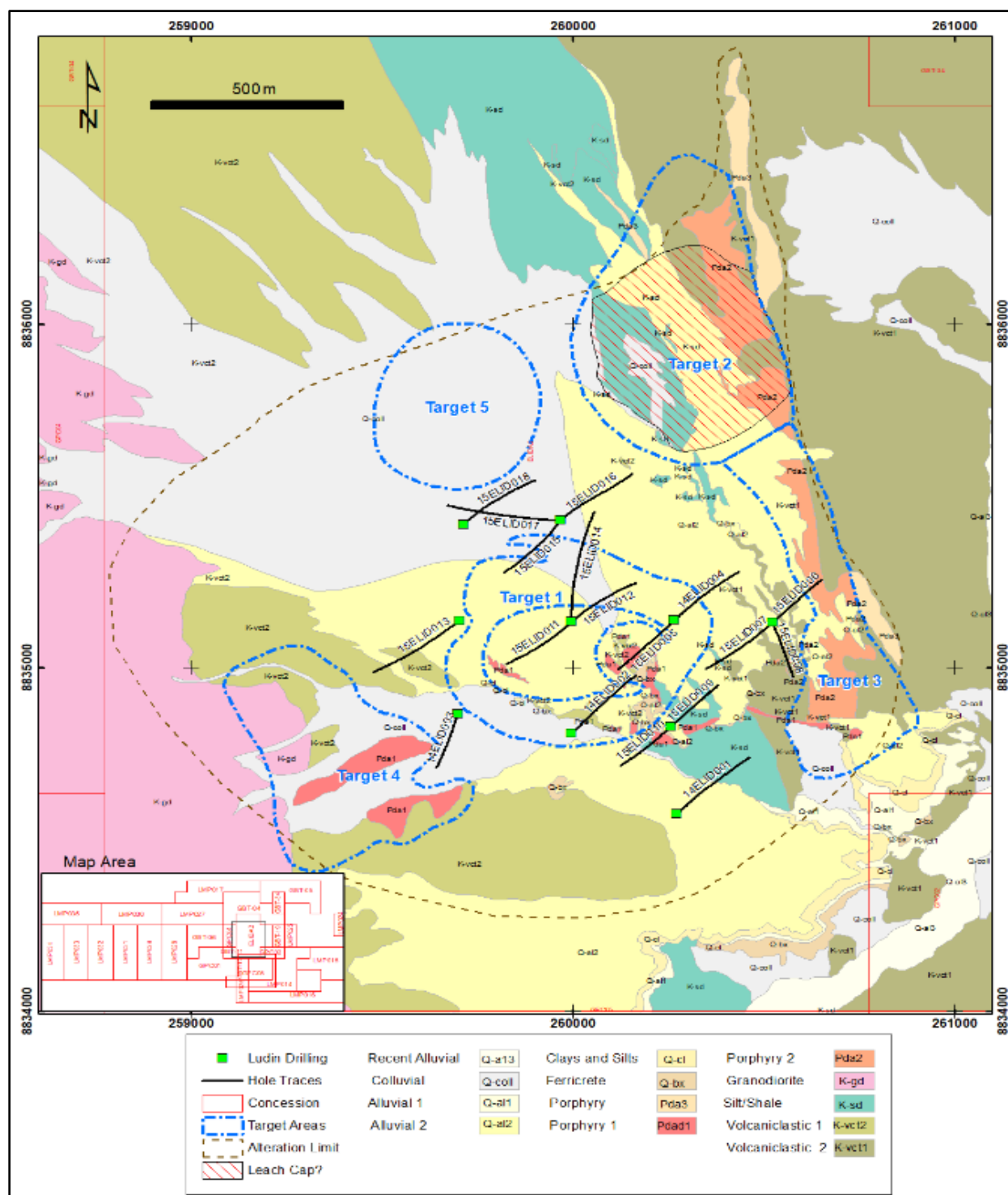
The property was originally staked over a large, high-priority aster target situated in a new emerging porphyry belt in central Peru. The ground follow-up of this anomaly eventually led to the discovery of an untested porphyry Cu-Mo centre that is part of a porphyry cluster enclosed by a 2 x 2 kilometre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

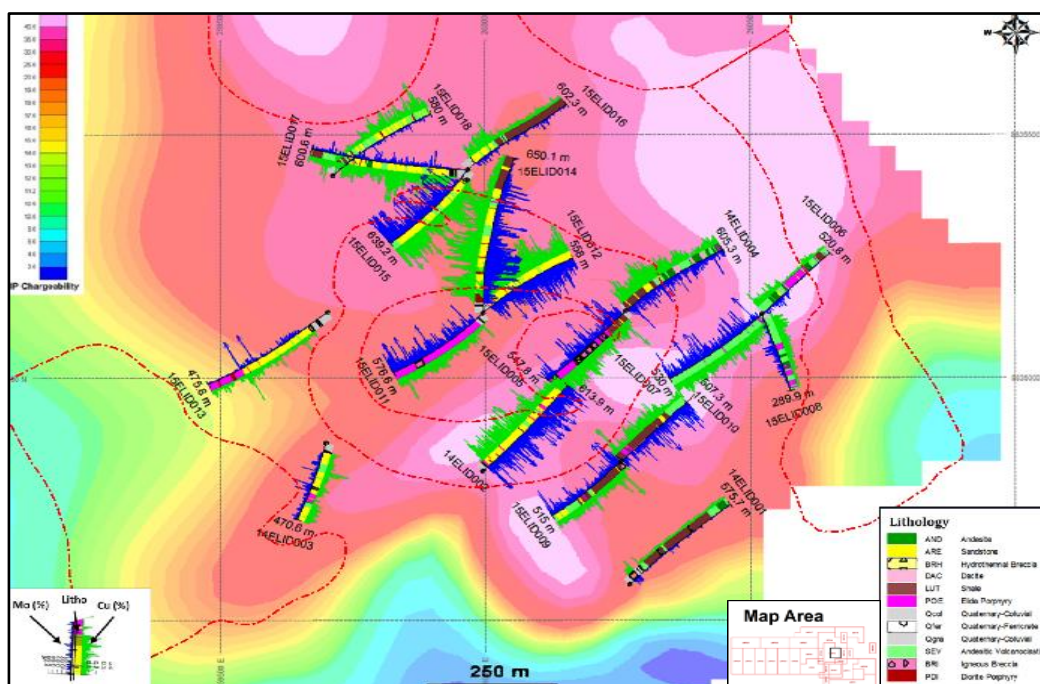
The Paleocene and Early Eocene belt hosts numerous copper mines in southern Peru. Porphyry intrusions of this age are temporally and spatially associated with porphyry Cu-Mo mineralization at Cerro Verde, Quellaveco, Toquepala and Cuajone.

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, ground induced polarization (“IP”), and ultimately the drilling of 18 diamond drill holes (“DDH”) (Figure 8 and Figure 9).

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 U238/Pb206 method on magmatic zircon. Eight lines of ground magnetics with a total coverage of 19.5 kilometre and 12 induced polarization/resistivity lines using a pole-dipole configuration, at 100 metre spacing along NW-SE oriented survey lines were conducted from January to March, 2014. Thirty additional lines of ground magnetic surveying, at 100 metre spacing, again with NE-SW oriented lines totalling 76.26 kilometres was carried out in July 2014.

Figure 8 – Elida Geology, Drill hole location and Cu Target Areas **Figure 9 – Elida, Central Area/Target 1, Drill holes - Geophysics**





A total of 9,880 metres of diamond drilling in 18 drill holes was completed by Lundin in 2015. All holes intercepted Cu-Mo mineralization and six of the holes intercepted significant Cu-Mo mineralization. DDH 15ELID012 returned the best assay results, which returned 503 metres of 0.42% Cu, 0.046% Mo, 3.23 g/t Ag including 265m of 0.52% Cu, 0.049% Mo, 4.1 g/t Ag (Table 2). Some mineralized intercepts begin immediately below colluvial cover, demonstrating the mineralized system sub-crops beneath the post-mineral unconsolidated cover sequence.

Table 2: 2014-2015 Drilling Summary Assays

Hole-ID	No of Samples	Length (m)		Ag ppm	Cu %	Cd ppm	Mo %	Mn ppm	Pb ppm	Zn ppm
14ELID001	265	523.65	AVG	0.56	0.0512	1.62	0.0037	477	11.9	205
			MAX	7.20	0.3240	37.00	0.0266	7010	160.0	4340
			MIN	0.25	0.0106	0.25	0.0002	43	1.0	3
14ELID002	304	590.3	AVG	2.52	0.2808	2.24	0.0485	738	13.5	334
			MAX	11.70	0.9520	44.30	0.2300	7220	212.0	4640
			MIN	0.25	0.0511	0.25	0.0049	56	1.0	19
14ELID003	230	439.1	AVG	0.49	0.0974	1.39	0.0081	197	67.9	169
			MAX	13.50	0.5400	59.50	0.0690	1620	6440.0	6420
			MIN	0.25	0.0055	0.25	0.0008	56	1.0	12
14ELID004	317	618.35	AVG	1.56	0.2222	1.31	0.0195	292	7.6	214
			MAX	5.10	0.6970	28.70	0.1190	2410	70.0	1750
			MIN	0.25	0.0008	0.25	0.0001	43	1.0	11
15ELID005	285	543.7	AVG	2.01	0.2401	1.35	0.0245	220	11.7	161
			MAX	9.30	1.1400	169.50	0.1755	1025	100.0	1430
			MIN	0.25	0.0225	0.25	0.0023	40	1.0	17
15ELID006	276	529.15	AVG	0.96	0.0798	2.50	0.0043	463	55.0	449
			MAX	10.20	0.4150	28.30	0.0389	1810	1265.0	3310
			MIN	0.25	0.0112	0.25	0.0001	54	5.0	63
15ELID007	277	534.45	AVG	1.57	0.1812	1.84	0.0263	338	19.1	321
			MAX	6.50	0.5010	34.30	0.2280	806	289.0	3750
			MIN	0.25	0.0526	0.25	0.0013	91	3.0	63
15ELID008	157	297.8	AVG	1.28	0.1062	3.57	0.0080	526	41.2	459
			MAX	3.70	0.3190	74.30	0.0440	1975	290.0	1760
			MIN	0.25	0.0052	0.25	0.0001	62	2.0	73
15ELID009	268	528.05	AVG	1.19	0.1724	1.15	0.0237	244	18.6	165
			MAX	8.78	1.5100	62.60	0.1340	1820	416.0	2740
			MIN	0.14	0.0291	0.02	0.0000	53	1.0	13
15ELID010	277	538.55	AVG	0.93	0.1399	1.20	0.0199	306	5.9	172
			MAX	5.33	1.9950	49.40	0.4030	4840	67.7	6410
			MIN	0.26	0.0054	0.02	0.0005	35	1.3	11
15ELID011	286	582.6	AVG	1.09	0.1517	0.31	0.0257	177	20.8	53
			MAX	4.89	0.6740	2.56	0.2110	1300	250.0	371
			MIN	0.26	0.0021	0.03	0.0002	33	6.4	11
15ELID012	281	540.95	AVG	3.12	0.4046	1.77	0.0454	644	16.1	248
			MAX	29.60	4.2400	18.00	0.2460	6760	356.0	2440
			MIN	0.31	0.0033	0.02	0.0002	54	1.7	24
15ELID013	211	417.7	AVG	4.62	0.0873	0.76	0.0076	348	44.6	185
			MAX	794.00	0.7820	34.40	0.3850	3420	5160.0	3600
			MIN	0.11	0.0089	0.03	0.0000	29	1.2	9
15ELID014	328	642.5	AVG	2.31	0.2743	2.51	0.0381	679	19.6	350
			MAX	21.10	1.4400	66.70	0.2560	4370	1145.0	8080
			MIN	0.06	0.0048	0.02	0.0002	63	0.9	14
15ELID015	321	618.7	AVG	3.40	0.3058	13.36	0.0386	1846	19.9	1749
			MAX	78.70	1.5600	185.50	0.2690	7850	354.0	26300
			MIN	0.25	0.0079	0.04	0.0001	128	2.5	39
15ELID016	295	575.6	AVG	2.99	0.1137	8.10	0.0057	901	44.6	1120
			MAX	411.00	0.5640	124.00	0.0323	9130	3620.0	17000
			MIN	0.10	0.0103	0.02	0.0001	37	1.2	2
15ELID017	299	577.65	AVG	3.40	0.1993	19.88	0.0082	2439	55.5	2603
			MAX	42.40	1.2600	183.00	0.0660	10100	4320.0	25000
			MIN	0.18	0.0134	0.06	0.0001	144	2.0	32
15ELID018	281	540.1	AVG	2.75	0.1429	16.98	0.0045	1269	83.2	2129
			MAX	38.40	1.1000	193.50	0.0535	7520	2130.0	24900
			MIN	0.27	0.0055	0.05	0.0001	91	3.5	38

In July 2019, the Company received an FTA approval for Elida property from the MINEM of Peru. The FTA enables the Company to commence its drilling program at Elida subject to filing a notice for permit activation, the renewal of the Aco Community agreement and obtaining the local water permit which is ongoing.. The company plans on drilling the Elida project following receipt of additional funds through the IPO financing. This exploration program will consist of 8,000 metres in-fill drilling in and around the known copper mineralization in order to complete a NI 43-101 compliant resource (anticipated completion in 2021) and testing new target areas on the property.

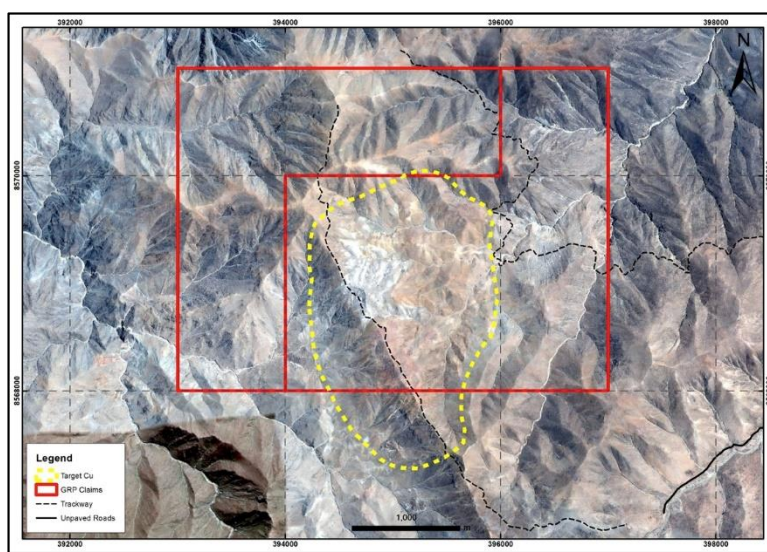
The Company is pursuing an exploration target on the Elida Property Elida Central/Area 1 of 200M to 500M tonnes, with grades of 0.35%-0.45% Cu, 0.03%-0.05% Mo and 3.5 g/t to 4.5 g/t Ag. This exploration target is based on: the high-quality data from the 18 drill hole program (9880m) completed by Lundin Mining Peru SAC, and the surficial mapping and detailed interpretations undertaken by Lundin Mining Peru SAC and Globetrotters Resources Peru SAC. 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.

PAHUAY COPPER SKARN PROJECT

Figure 10 – Property Location



Figure 11 – Property Concessions and Copper target



The Pahuay copper project is 100% owned by the Company, subject to 2% NSR to Globetrotters, and consists of 700 hectares. The property is located 270 kilometres south of Lima within the eastern margin of the coastal batholith, Paleocene Copper belt of southern Peru and approximately 15 kilometres north of the Cerro Lindo polymetallic (Zn,Pb,Cu,Au,Ag) mine controlled by Nexa. Paleocene porphyry intrusions are emplaced into Cretaceous volcanoclastic 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 development in the limestones and phyllic alteration of the volcanoclastic 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 Cu-Mo returned assays up to 4.4% Cu and 0.05% Mo and the distal areas (Zn,Cu,Ag) returned assays up to 6.5% Zn. The project has not been drill tested and is scheduled for preliminary geological mapping, rock sampling and geophysical surveys to help develop the drill targets (Figures 10, 11).

MUÑAORJO COPPER-SKARN-PORPHYRY PROJECT

Figure 12 – Property Location

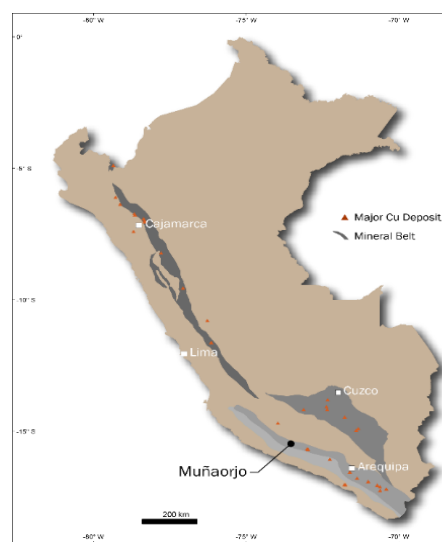
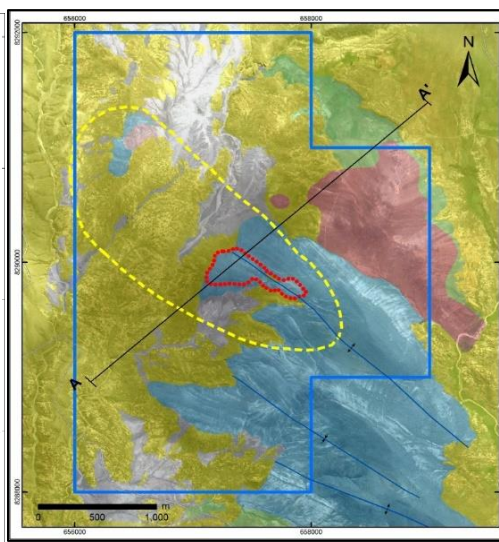


Figure 13 – Property Concession, Geology



The Muñaorjo project consists of 1,000 hectares and is 100% owned by Element 29, subject to 2% NSR with Globetrotters. The project is located approximately 200 kilometres northeast of Arequipa, Peru within the Paleocene Southern Copper belt which is host to several large world class copper deposits including Cerro Verde (Freeport) and Toquepala (Southern Copper). The property covers limestone sequences and batholithic diorite and granodioritic rock units. The property covers the majority of and is centered on a large (4.3 X 1.3 kilometres) hydrothermal alteration zone. Skarn development and marbling in the limestone is extensive on the property with a central area containing strong copper mineralization over a 480 metre X 280 metre zone at surface. The skarn copper (oxide) mineralization is associated with strong limonitic-quartz stockwork and brecciation. 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 cover. The porphyry related alteration continues to the northeast for another 1.5 kilometres. The plan is to complete detailed geological mapping, rock chip sampling and geophysical surveys (magnetics and an IP survey) to identify diamond drill targets (Figure 12, 13).

EXPLORATION AND EVALUATION ASSET EXPENDITURE

Expenditures for the six months period ended June 30, 2020 were as follows:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308
Additions:				
Option payments	61,180	-	-	61,180
Geological and mapping	349	-	-	349
Geophysics	22,838	-	-	22,838
Permitting	3,112	-	-	3,112
Community, health, safety and environment	22,397	1,197	-	23,594
Concessions and taxes	25,088	33,927	5,560	64,575
Technical report	8,547	8,000	-	16,547
Property maintenance and administration	61,752	46,642	8,195	116,589
Balance, June 30, 2020	\$ 1,353,762	\$ 2,949,012	\$ 1,518,318	\$ 5,821,092

Expenditures for the year ended December 31, 2019 were as follows:

	Flor de Cobre	Elida	Pahuay and Munaorjo	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -
Additions:				
Property acquisition cost	487,764	2,496,832	1,503,822	4,488,418
Option payments	165,803	-	-	165,803
Geological and mapping	14,190	318	-	14,508
Geophysics	116,808	-	-	116,808
Permitting	17,887	38,058	-	55,945
Community, health, safety and environment	7,626	6,598	-	14,224
Concessions and taxes	46,120	148,029	741	194,890
Technical report	23,310	-	-	23,310
Property maintenance and administration	268,991	169,411	-	438,402
Balance, December 31, 2019	\$ 1,148,499	\$ 2,859,246	\$ 1,504,563	\$ 5,512,308

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 were related to modeling of the historical drill data (5,960 metres in 31 diamond drill holes and 29 reverse circulation holes) to generate optimal drill targets for cost-efficient validation of historical copper inventory in the

Candelaria target area. In parallel, the Company undertook permitting activities which included completion of an EIA required for a Category II permit that allows for over 20 drill holes on the Flor de Cobre property. The Company also incurred expenditures related to property tax payments, payments to the optionor of the Candelaria concessions towards its earn-in on those claims, legal costs related to Candelaria Resources S.A.C. subsidiary transfer to the Company from Globetrotters, and property site visits by third parties.

In addition, the Company completed a 28.9 line-kilometre ground geophysical induced polarization (“IP”) survey, along with the collection of 157 samples in a mapping program on the Atravezado Area in the northwestern part the property, which is fully within claims that are 100% owned by the Company. The results of these surveys identified a strong 1.0 X 1.2 kilometre geophysical anomaly coincident with strong surface copper geochemistry and porphyry style alteration.

Elida Copper Project

Expenditures were incurred on modeling historical drill data (9,880 metres in 18 holes) in order to develop drill targets to facilitate delineation of mineral inventory in and around the known deposit. In parallel, the Company undertook permitting activities and entered into discussions for extension of the community agreement with the Aco community beyond its current term of 2020. The Company received an FTA approval for Elida from MINEM in July 2019. FTA approval allows Element 29 to commence drilling on the property subject to receipt of the activation to the permit and receipt of the water rights permit. The Company also incurred modest legal costs related to Elida Resources S.A.C. subsidiary transfer to the Company from Globetrotters and costs related to property site visits by third parties.

Pahuay and Muñaorjo Copper Project

The Company acquired the project in November 2019. No work has been done on the project since the acquisition.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
General and administrative expenses				
Administration and office	\$ 11,789	\$ 15,550	\$ 24,111	\$ 19,019
Consulting	698	14,330	698	14,330
Investor relations	20,414	46,669	34,634	75,482
Personnel costs	176,863	205,928	362,381	292,173
Professional fees	68,694	59,498	95,455	87,395
Foreign exchange gain	47,742	9,600	(58,848)	(16,655)
Stock-based compensation	166,939	-	166,939	52,155
Other	186	280	576	517
Operating loss	493,325	351,855	625,946	524,416
Interest income	(627)	(2,250)	(1,221)	(4,500)
Interest expense	26,003	-	30,529	-
Accretion expense	8,722	-	11,544	-
Change in fair value of derivatives	(2,147)	-	(14,440)	-
Loss and comprehensive loss for the period	\$ 525,276	\$ 349,605	\$ 652,358	\$ 519,916

General and administration expenses were primarily related to the set up of the Company, marketing the Company to finance the payments for property maintenance and exploration works as well as preparing for an IPO which includes accounting and administrative expenses and legal fees.

Quarterly Financial Data

	Q2 20	Q1 20	Q4 19	Q3 19
Administration and office	\$ 11,789	\$ 12,322	\$ 14,343	\$ 36,491
Consulting	698	-	-	-
Investor relations	20,414	14,220	54,259	22,028
Personnel costs	176,863	185,518	174,856	168,316
Professional fees	68,694	26,761	72,054	19,101
Other	186	390	271	378
Foreign exchange gain	47,742	(106,590)	32,754	(2,850)
Stock based compensation	166,939	-	-	38,635
Operating loss	\$ 493,325	\$ 132,621	\$ 348,537	\$ 282,098

	Q2 19	Q1 19	Q4 18	Q3 18
Administration and office	\$ 15,550	\$ 3,469	\$ -	\$ -
Consulting	14,330	-	-	-
Investor relations	46,669	28,814	-	-
Personnel costs	205,928	86,245	-	-
Professional fees	59,498	27,897	1,039	5,141
Other	280	237	-	-
Foreign exchange gain	9,600	(26,255)	-	-
Stock based compensation	-	52,155	-	-
Operating loss	\$ 351,855	\$ 172,561	\$ 1,039	\$ 5,141

LIQUIDITY AND CAPITAL RESOURCES

	2020	2019
Cash flows used in operating activities before working capital movements	\$ (457,784)	\$ (451,106)
Increase in receivables and prepaid expenses	18,528	(1,199)
Increase in accounts payable and accruals	(53,295)	(15,927)
Cash flows used in investing activities	\$ (492,551)	\$ (467,602)
Cash flows from financing activities	1,980,819	2,291,700
Increase in cash and cash equivalents	1,177,604	1,324,310
Cash and cash equivalents - beginning of year	424,562	47,614
Cash and cash equivalents - end of year	\$ 1,602,166	\$ 1,371,924

The Company raised \$2.4 million during the year ended December 31, 2019 and spent approximately \$932,000 on investment activities related to the acquisition, property maintenance and exploration on the properties acquired during the year.

Operating activities consisted of general administrative items of approximately which was in relation to setting up the Company, investor relation activities to finance the Company and other administrative costs such as legal and accounting.

Contractual Obligations

As at June 30, 2020, the Company had no contractual obligations outstanding.

SENIOR SECURED DEBENTURE FINANCING

In April 2020, the Company completed a senior secured convertible debenture financing (the “Senior Secured Debenture”) for proceeds of \$1,500,000.

The Senior Secured Debenture is secured by a pledge to the holder of the original share certificates of the Company’s subsidiaries, Candelaria Resources S.A.C. (Peru) and Elida Resources S.A.C. (Peru).

Interest equal to a rate of 8% (eight percent) per annum, being a 365 day year, compounded quarterly; provided, however, that (a) if the Pledge Execution has not occurred by the Pledge Execution Date or (b) if the Pledge Registration has not occurred by Pledge Registration Date the rate shall be 10% (ten percent) per annum from the Pledge Execution Date or the Pledge Registration Date, as the case may be, being a 365 day year, compounded quarterly.

The Senior Secured Debenture is convertible immediately prior to the occurrence of a Liquidity Event, all or any of the Indebtedness at that time remains unpaid, then such Indebtedness shall automatically convert into Units at a twenty percent (20%) discount to the Liquidity Event Price (the “Liquidity Conversion Price”). The Units consist of one (1) common share of the Company (a “Common Share”) and one half (0.5) of one common share purchase warrant of the Company (a “Warrant”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of three years following the Liquidity Event closing date.

The Senior Secured Debenture matures on April 24, 2021 (“Maturity”).

The Senior Secured Debenture, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders ‘Conversion Price.

For the purposes of the Senior Secured Debenture, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange acceptable to the holder, together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000 (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange together with a concurrent financing from arm’s length third party investors of not less than \$5,000,000.

The following is a continuity schedule of the Senior Secured Debenture:

Opening balance	\$ -
Additions	1,500,000
Debt issue costs	-
Embedded derivatives	(30,000)
Accretion expense	4,976
Balance, June 30, 2020	\$ 1,474,976

As a result of the variability in the number of shares issuable under the convertible debentures, the cash received under each of the convertible debentures has been allocated between the fair value of the loan conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value ascribed to the loan conversion feature is determined using the Black Scholes option pricing model as at the loan date, and the residual amount has been allocated to the loan liability. The fair value of embedded derivative component of the convertible

debt was estimated using the Black Scholes pricing model with weighted average assumptions as follows: risk free interest rate of 0.88%, expected life of 1 year, expected volatility of 75% and expected dividends of nil.

CONVERTIBLE DEBENTURES

In January 2020, the Company issued unsecured convertible debentures (the “Debentures”) for gross proceeds of \$295,000. Commissions in the amount of \$13,140 were paid in connection with these Debentures.

The Debentures are convertible into units of the Company (“Units”) consisting of one (1) common share of the Company (a “Common Share”) and one half (0.5) of one common share purchase warrant of the Company (a “Warrant”).

Interest equal to 8.0% of the par value of a Debenture outstanding per year will be accrued quarterly and added to the principal (with interest deemed to be satisfied) and will be payable in Common Shares on Maturity (as hereinafter defined) or on a Liquidity Event (as hereinafter defined).

The Debentures are convertible at any time until Maturity at the holder’s option into Units at \$1.00 per Unit (the “Holders’ Conversion Price”). Upon a Liquidity Event (as hereinafter defined), the Debentures will automatically convert at a 20% discount to the applicable Liquidity Event price per security issued under the Liquidity Event (the “Liquidity Conversion Price”).

Each whole Warrant will entitle the holder to acquire one additional Common Share at the price of \$1.00 or the Liquidity Event price, whichever is lower, for a period of one year following the Liquidity Event closing date.

The Debentures mature in two (2) years from the Closing Date (“Maturity”).

The Debentures, including accrued and unpaid interest owing, automatically convert into Units at the Liquidity Conversion Price upon a Liquidity Event or on Maturity at the Holders’ Conversion Price.

For the purposes of the Debentures, a “Liquidity Event” means (i) the listing of the common shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange.

The following is a continuity schedule of the Debentures:

Opening balance	\$ -
Additions	295,000
Debt issue costs	(13,140)
Embedded derivatives	(17,244)
Accretion expense	6,569
Balance, June 30, 2020	\$ 271,185

As a result of the variability in the number of shares issuable under the convertible debentures, the cash received under each of the convertible debentures has been allocated between the fair value of the loan conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value ascribed to the loan conversion feature is determined using the Black Scholes option pricing model as at the loan date, and the residual amount has been allocated to the loan liability. The fair value of embedded derivative component of the convertible debt was estimated using the Black Scholes pricing model with weighted average assumptions as follows: risk free interest rate of 0.88%, expected life of 1.56 year, expected volatility of 75% and expected dividends of nil.

SHAREHOLDERS’ EQUITY

The Company’s authorized share capital consists of unlimited common shares without par value. At June 30, 2020, the Company had 44,945,833 (December 31, 2019 – 45,645,833) shares issued and outstanding.

The Company's share capital transactions for the six months ended June 30, 2020 as follows:

- The Company issued 300,000 common shares at a price of C\$0.10 per common share through the exercise of stock 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.

The Company issued share capital in the year ended December 31, 2019 as follows:

- the Company issued 28,112,501 common shares at a price of C\$0.10 per common share with a value of \$2,811,250 to Globetrotter.
- the Company completed a non-brokered private placement of 2,467,000 common shares of the Company at a price of C\$0.10 per share for gross proceeds of \$246,700.
- the Company issued 3,500,000 common shares of the Company at a price of C\$0.10 per share to the CEO and VP Corporate Development of the Company in return for a promissory note receivable.
- the Company completed a non-brokered private placement of 7,046,331 common shares at a price of \$0.30 per common share for gross proceeds of \$2,113,899. Commissions in the amount of \$44,849 were paid in connection with this private placement.

Stock 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") 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 Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted. For employees, the compensation expense is amortized on a graded vesting basis over the requisite service period which approximates the vesting period. Compensation expense for stock options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the 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 expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the expense recorded in the accompanying Statements of Comprehensive Loss.

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

Number of share options	Number of share options vested	Exercise price per share option C\$	Expiry date
1,440,000	1,440,000	0.10	January 31, 2021
300,000	300,000	0.30	August 23, 2024
500,000	166,667	0.30	May 19, 2025
850,000	283,333	0.30	June 25, 2025
150,000	50,000	0.30	June 29, 2025
3,240,000	2,240,000		

OTHER DISCLOSURES

Off-Balance Sheet Arrangements

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

Related Party Transactions

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

Direct remuneration paid to the Company's directors and key management personnel during the period ended June 30, 2020 was as follows:

	2020	2019
Salaries and benefits – personnel costs	\$ 145,394	\$ 126,042
Consulting fees – personnel costs	181,250	166,131
Directors fees – personnel costs	31,500	-
Share-based compensation	166,939	52,155
	\$ 525,083	\$ 344,328

As at June 30, 2020, included in accounts payable was an amount of \$8,800 (December 31, 2019 - \$6,600) due to the Company's Chief Financial Officer and \$30,000 (December 31, 2019 – Nil) due to directors of the Company. Included in Convertible Debentures was an amount of \$26,000 owed to a director of the Company.

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

In November 2018, the 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 the 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 June 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 2019, the Chief Executive Officer 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 June 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. The Chief Executive Officer repaid \$50,000 in 2019 and \$80,209 in 2020 of the respective promissory note.

Balance, January 1, 2019	150,000
Promissory note advances	350,000
Repayments	(50,000)
Interest	9,000
Balance, December 31, 2019	459,000
Repayments	(131,459)
Cancellation	(101,750)
Interest	2,500
Total	\$ 228,291
Current portion	\$ -
Non-current portion	228,291

Name	Position	Initial Loan	Interest	Repaid	Balance June 30, 2020
Brian Booth	Director and CEO	\$ 200,000	\$ 4,000	\$ (130,209)	\$ 73,791
Aleksandra Bukacheva	VP Exploration	150,000	4,500	-	154,500
		\$ 350,000	\$ 8,500	\$ (130,209)	\$ 228,291

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Use of Estimates and Judgements

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

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

- I. The determination of the fair value of the shares of the Company for the calculation of the share-based compensation.
- II. The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.
- III. The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in banks, and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

Exploration and evaluation assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and general exploration costs are expensed as incurred.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation costs are tested for impairment and subsequently transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related property, plant and equipment asset. Amounts capitalized to the related property, plant and equipment are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in the consolidated statement of comprehensive loss.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred taxes are recognized in the consolidated statements of comprehensive income (loss) except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws at the reporting date.

The Company computes the provision for deferred income taxes under the liability method. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are estimated using an income forecast derived from cash flow projections, based on detailed life-of-mine plans and corporate forecasts. Where applicable, the probability of utilizing tax losses or credits is evaluated by considering risks relevant to future cash flows, and the expiry dates after which these losses or credits can no longer be utilized.

Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently from the Company. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. Such differences are accounted for based on management's best estimate of the probable outcome of these matters.

The Company must make significant estimates and judgments in respect of its provision for income taxes and the composition and measurement of its deferred income tax assets and liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities; those adjustments may be material.

Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire common shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. 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 options vest. Compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

Financial instruments

a) Fair value classification of financial instruments

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

The Company's financial instruments consist of cash and cash equivalents, receivables, promissory notes receivables, accounts payable and accrued liabilities, loan payable and convertible debentures.

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

b) Financial risk management

i) Credit risk

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

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions. The credit risk with notes receivable is low since the amounts are owing from related parties and are secured.

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

ii) Liquidity risk

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

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

iii) Market risks

Interest rate risk

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

As at June 30, 2020, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

The functional currency of the parent and its subsidiaries is C\$. A portion of the Company's operating expenses are in USD.

As at June 30, 2020, the Company has not entered into contracts to manage foreign exchange risk.

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

	June 30, 2020
Cash	\$ 364,860
Accounts payable and accrued liabilities	10

As at June 30, 2020, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C\$) would result in an insignificant change in net loss.

Capital management

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

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

RISKS AND UNCERTAINTIES

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

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

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

Exploration Stage Company

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

No Mineral Resources

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

No Mineral Reserves

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

Reliability of Historical Information

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

Mineral Exploration and Development

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

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

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical

difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral exploration

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

Additional Funding

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

Acquisition of Additional Mineral Properties

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

Government or Regulatory Approvals

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

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense,

capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

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

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

Title Risks

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

Laws and Regulation

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

Uninsured and Underinsured Risks

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

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

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

Public Health Crises such as the COVID-19 Pandemic

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

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

Global Economy Risk

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

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

Environmental Risks

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

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

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local

community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

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

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

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

- cancellation or renegotiation of contracts;
- changes in foreign laws or regulations;
- changes in tax laws;
- royalty and tax increases or claims by governmental entities;
- retroactive tax or royalty claims;
- expropriation or nationalization of property;
- inflation of costs that is not compensated by a currency devaluation;
- high rates of inflation;
- restrictions on the ability of local operating companies to sell copper or other minerals offshore for U.S. dollars, and on the ability of companies to hold U.S. dollars or other foreign currencies;
- restrictions on the purchase of foreign currencies and on the remittance of dividend and interest payments offshore;
- limitations on the repatriations of earnings;
- import and export regulations;
- environmental controls and permitting;
- opposition from local community members or non-governmental organizations;
- civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- unenforceability of contractual rights and judgements; and
- other risks arising out of foreign sovereignty over the areas in which the Company's operations are conducted.

Such risks could potentially arise in any country in which the Company operates. These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, and may materially adversely affect the Company's financial position or results of operations. The Company may also evaluate business opportunities in other jurisdictions where such risks may exist. Furthermore, in the event of a dispute arising from such activities, the Company may be subject to the exclusive jurisdiction of courts outside North America or may not be successful in subjecting persons to the jurisdiction of the courts in North America, which could adversely affect the outcome of a dispute. Furthermore, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws,

regulations or rules in any of the countries in which the Company operates, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's profits being subject to additional taxation or that could otherwise have an adverse material effect on the Company.

Dependence on Management and Key Personnel

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

Claims and Legal Proceedings

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

Conflicts of Interest

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

Copper and Metal Prices

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

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

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no

assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

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

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Reporting Issuer Status

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

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

Risks Associated with Acquisitions

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

Force Majeure

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

Infrastructure

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

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

Climate Change Risks

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

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

Information Systems and Cyber Security

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

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

Risks Related to the Offering and the Company's Securities

No Established Market for Securities

It is proposed that the Common Shares will be listed on the TSXV; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop

or is not sustained, it may be difficult for investors to sell the Unit Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

The Common Shares do not currently trade on any exchange or stock market and the Company has applied to list the Common Shares on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in copper or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares. The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the price of the Common Shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute Shareholders' voting power and reduce future potential earnings per Common Share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. See "Dividend Policy".

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

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

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

E29's operations depend on information technology ("IT") systems

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. E29's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact E29's reputation and results of operations. Although to date E29 has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that E29 will not incur such losses in the future. E29's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, E29 may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

OVERSIGHT OF THE AUDIT COMMITTEE

The Audit Committee of the Board reviews, with management and the external auditors, the Company's annual MD&A and related annual audited consolidated financial statements. The Board approves the release of such information to shareholders. For each audit, the external auditors prepare a report for members of the Audit Committee summarizing key areas, significant issues and material internal control weaknesses encountered, if any.

FORWARD LOOKING STATEMENTS

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

- the timing and closing of the Offering, including the receipt for the Prospectus, in a timely manner, and receipt of regulatory and other required approvals;
- the listing of the Unit Shares on the TSXV, including the Company fulfilling all applicable listing requirements;
- the size of the Offering and the terms and conditions of the Offering;
- the Flor de Cobre and Elida Projects (as such term is defined herein) and the Company’s planned and future exploration on the Flor de Cobre and Elida Projects;
- the Company’s goals regarding exploration and potential development of its projects;
- the use of available funds;
- the Company’s future business plans;
- expectations regarding the ability to raise further capital;
- the market price of copper;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to obtain and/or maintain any required permits, licenses or other necessary approvals for the exploration or development of its mineral properties;
- government regulation of mineral exploration and development operations in Peru;
- the Company’s compensation policy and practices;
- the Company’s expected reliance on key management personnel, advisors and consultants;
- plans regarding future composition of the Board;
- effects of the novel coronavirus (“COVID-19”) outbreak as a global pandemic; and
- the Escrow Agreement, and the escrow of the Escrowed Securities (as such terms are defined herein).

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

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company’s mineral properties;
- future prices of copper and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and price of copper;
- that general business and economic conditions will not change in a material adverse manner;

- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Flor de Cobre Project as described in the Flor de Cobre Technical Report (as such term is defined herein);
- the geology of the Elida Project as described in the Elida Technical Report (as such term is defined herein);
- the accuracy of budgeted exploration and development costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required approvals, licenses and permits on favourable terms and any required renewals of the same;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets;
- expectations regarding the level of disruption to exploration at the Flor de Cobre and Elida Projects as a result of COVID 19; and
- availability of equipment.

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

- the Company may fail to find a commercially viable deposit at any of its mineral properties;
- there are no resources or mineral reserves on any of the properties in which the Company has an interest;
- the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- fluctuations in the demand for copper;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;

- risks associated with political instability and changes to the regulations governing the Company's business operations.
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- the Company's future profitability may depend upon the world market prices of copper;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Common Shares and an active and liquid one may never develop, which could impact the liquidity of the Unit Shares;
- the Common Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Common Shares;
- the Company may not use the funds available to it in the manner described in this Prospectus;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change; and
- other factors discussed under "Risk Factors".

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

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

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

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Flor de Cobre Project contained in this 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.Geol., 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 this 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 this 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.Geol., author of the Elida Technical Report, has reviewed and approved the scientific and technical information relating to the Elida Project contained in this Prospectus and is a Qualified

Person and “independent” of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Elida Technical Report, which is available for review under the Company’s profile on SEDAR at www.sedar.com.

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

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

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

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

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

SCHEDULE “E” – AUDIT COMMITTEE CHARTER

(See attached)

ELEMENT 29 RESOURCES INC.

AUDIT COMMITTEE CHARTER

As Adopted by the Board of Directors on July 8th, 2019

I. PURPOSE

The purpose of the Audit Committee (the “Committee”) of Element 29 Resources Inc. (the “Company”) is to:

1. Assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities relating to:
 - (a) the quality and integrity of the Company’s financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;
 - (b) the appointment, independence, qualifications, and compensation of the Company’s independent accountants and review of the audit efforts of the Company’s independent accountants; and
 - (c) the development and implementation of policies and processes regarding corporate governance matters.
2. Provide an open avenue of communication between the independent accountants, the Company’s financial and senior management, and the Board.
3. Prepare any reports required to be prepared by the Committee pursuant to the rules of any stock exchange on which the Company’s shares are listed and pursuant to the rules of any securities commission or other regulatory authority having jurisdiction, whether for inclusion in the Company’s continuous disclosure filings or otherwise.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section VII below of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, international financing reporting standards, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Company and the Company’s independent accountants, as well as any advisors employed by the Committee. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Company’s independent accountants and the integrity and accuracy of information provided to the Committee by such persons in carrying

out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the independent accountants.

II. COMPOSITION

The Committee shall be composed of at least three directors, each of whom the Board determines has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, is otherwise “unrelated” and satisfies the definition of “independent” as set forth by National Instrument 52-110 - *Audit Committees* (“NI 52-110”) and any other applicable securities laws, rules or requirements of any stock exchange upon which the Company’s securities are listed as in effect from time to time.

If the Company’s securities are listed on the Toronto Stock Exchange, *each* member of the Audit Committee must serve on the Board and satisfy independence requirements. For the purposes of satisfying the independence requirement, Audit Committee members may not, other than in their capacity as members of the Committee, the Board, or any other committee of the Board (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee¹ from the Company, or of the Company’s subsidiaries; or (ii) be an affiliate of the Company or any of the Company’s subsidiaries.

Each Committee member must have no direct or indirect material relationship with the Company. For the purpose of this Charter, a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgement.

All members of the Committee must be financially literate, meaning that such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

If any member of the Committee ceases to be “independent”, as defined by the applicable securities laws and exchange requirements for reasons outside that member’s reasonable control, that person, with prompt notice to the exchange on which the Company’s securities are listed, may remain an audit committee member until the earlier of the next annual meeting of the shareholders or six months from the occurrence of the event that caused the member to no longer be independent.

III. AUTHORITY

The Committee shall have the authority to (i) retain (at the Company’s expense) its own legal counsel, accountants and other consultants that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions

¹ Compensatory fees do not include the receipt of remuneration for acting in his or her capacity as a member of the Board or any Board Committee, or as a part-time chair or vice-chair of the Board or any Board Committee or fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided, however, that such compensation is not contingent upon continued service to the Company.)

that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behaviour within the Company. In addition, the Committee shall have the authority to request any officer, director, employee or consultant of the Company, the Company's outside legal counsel and the independent accountants to meet with the Committee and any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities. Finally, the Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the independent accountants in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee shall be responsible for establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submissions by employees of the Company regarding questionable accounting or auditing matters.

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants engaged (including resolution of disagreements between the Company's management and the independent accountants regarding financial reporting) for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for the Company.

The independent accountants shall submit to the Audit Committee annually a formal written statement delineating all relationships between the independent accountants and the Company and its subsidiaries, addressing the non-audit services provided to the Company or its subsidiaries and the matters set forth in or required by the rules and regulations of all relevant regulatory authorities.

The independent accountants shall submit to the Audit Committee annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent accountants: (i) the audit of the Company's annual financial statements for the most recent fiscal year and any reviews of the financial statements; (ii) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems design and implementation); and (iii) all other services rendered by the independent accountants for the most recent fiscal years, in the aggregate and by each service.

IV. APPOINTING MEMBERS

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy.

V. CHAIRPERSON

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a Chairperson from the members of the Committee. If the Chairperson of the Committee is not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. All requests for information from the Company or the independent accountants shall be made through the Chairperson.

VI. MEETINGS

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

1. A quorum for meetings shall be two members, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other.
2. The Committee shall meet at least quarterly (or more frequently as circumstances dictate).
3. Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

VII. SPECIFIC DUTIES

In meeting its responsibilities, the Committee is expected to:

1. Select the independent accountants, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent accountants, and oversee the services rendered by the independent accountants (including the resolution of disagreements between management and the independent accountants regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or related work, and the independent accountants shall report directly to the Committee.
2. To pre-approve any non-audit services to be provided to the Company or its subsidiaries by the external auditor and the fees for those services subject to NI 52-110.

3. Review the performance of the independent accountants, including the lead partner of the independent accountants, and, in its sole discretion, approve any proposed discharge of the independent accountants when circumstances warrant, and appoint any new independent accountants.
4. Periodically review and discuss with the independent accountants all significant relationships the independent accountants have with the Company to determine the independence of the independent accountants, including a review of service fees for audit and non-audit services.
5. Review and approve the issuer's hiring policies from time to time regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
6. Inquire of management and the independent accountants and evaluate the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to monitor, control and minimize such risks to the Company. Obtain annually, in writing, the letters of the independent accountants as to the adequacy of such controls.
7. Consider, in consultation with the independent accountants, the audit scope and plan of the independent accountants.
8. Review with the independent accountants the coordination of audit effort to assure completeness of coverage, and the effective use of audit resources.
9. Consider and review with the independent accountants, out of the presence of management:
 - (a) the adequacy of the Company's internal controls and disclosure controls including the adequacy of computerized information systems and security;
 - (b) the truthfulness and accuracy of the Company's financial statements; and
 - (c) any related significant findings and recommendations of the independent accountants together with management's responses thereto.
10. Following completion of the annual audit, review with management and the independent accountants:
 - (a) the Company's annual financial statements and related notes;
 - (b) the independent accountants' audit of the financial statements and the report thereon;
 - (c) any significant changes required in the independent accountants' audit plan; and

- (d) other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards or international financing reporting standards.
- 11. Following completion of the annual audit, review separately with each of management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- 12. Establish regular and separate systems of reporting to the Committee by each of management and the independent accountants regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
- 13. In consultation with the independent accountants, review any significant disagreement among management and the independent accountants in connection with the preparation of the financial statements, including management's responses.
- 14. Consider and review with management:
 - (a) significant findings during the year and management's responses thereto; and
 - (b) any changes required in the planned scope of their audit plan.
- 15. Review, prior to publication, all filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including Management's Discussion & Analysis, any annual and interim profit or loss press releases, any certification, report, opinion or review rendered by the independent accountants, any press releases announcing earnings (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles or international financing reporting standards) and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.
- 16. Facilitate the preparation and inclusion of any report from the Committee or other disclosures as required by applicable laws and regulations in the Company's continuous disclosure filings of all regulatory authorities having jurisdiction.
- 17. Review with management the adequacy of the insurance and fidelity bond coverages, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax

assessments, that could have a material effect upon the financial position or operating results of the Company.

18. Review with management and the independent accountants each annual, quarterly and other periodic report prior to its filing with the relevant regulators or prior to the release of earnings.
19. Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent accountants.
20. Review, with the Company's counsel, any legal, tax or regulatory matter that may have a material impact on the Company's financial statements, operations, related Company compliance policies, and programs and reports received from regulators.
21. Evaluate and review with management the Company's guidelines and policies governing the process of risk assessment and risk management.
22. Meet with the independent accountants and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
23. Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
24. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in the Company's Whistleblower Policy.
25. Review, assess and update this Charter on an annual basis and recommend any proposed changes to the Board for approval, in accordance with the requirements of the all applicable laws; and
26. Perform such other functions consistent with this Charter, the Company's Articles and governing law, as the Committee deems necessary or appropriate.
27. Together with the Board, ensure policies and produces are in place and are effective to maintain the integrity of the Company's: (i) disclosure controls and procedures; (ii) internal control over financial reporting; and (iii) management information systems.

CERTIFICATE OF THE COMPANY

Dated: September 10, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

By: "*Brian Booth*"
Name: Brian Booth
Title: Chief Executive Officer

By: "*Duane Lo*"
Name: Duane Lo
Title: Chief Financial Officer

On Behalf of the Board of Directors

By: "*Richard Osmond*"
Name: Richard Osmond
Title: Director

By: "*Peter Espig*"
Name: Peter Espig
Title: Director

CERTIFICATE OF THE AGENT

Dated: September 10, 2020

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

HAYWOOD SECURITIES INC.

By: "*Kevin Campbell*"
Name: Kevin Campbell
Title: Managing Director