



Element79 Provides Updates on ASM Formalization and Progress Towards Long-Term Surface Rights Access Agreements

December 31, 2024 - Vancouver, BC - Element79 Gold Corp. (CSE: ELEM, FSE: 7YS0, OTC: ELMGF) ("Element79 Gold" or "the Company") is pleased to share a summary of progress on Federal-level Peruvian small scale mining Formalization, a final 2024 update on its negotiations relative to renewing its surface access rights at its past-producing Lucero mine in Chachas, Arequipa, Peru and a glance at what to expect into 2025 with this project.

Quick Review of Peru ASM Formalization

By means of a simplified explanation, in Peru, the mineral rights in the country are held by the federal government and they are leased out to third parties on an annual basis. Separately, as a generalization, surface rights in and around communities are held by those communities for their use, distribution and development as the local community sees fit.

Over the past several years, there has been a Federal-level initiative to Formalize ~80,000 REINFO permit holders (Translation: Artisanal small-scale production or processing). The Federal objective is to bring greater order, control, working and operating standards, fair taxation and infrastructure development for the Artisanal and Small-Scale Mining (ASM) segment of the Peruvian mining industry. REINFO permit holders that Formalize will be allowed to keep operating.

The Federal deadline for Formalization has shifted several times, with the most recently planned date being December 31, 2024. Without a final formal structure to enact this change, the Federal Government recently pushed this Formalization date out to June 30, 2025.

Review of Lucero Mine Social Since Acquisition

Lucero is a past producing mine project (1989-2005) encompassing 10,813 hectares of contiguous land located in Chachas, Arequipa, Peru. Element79 Gold Corp completed a [full corporate acquisition of Calipuy Resources Ltd.](#), a private company that held the mineral rights to the Lucero project, as well as a small-scale production permit (REINFO, permitting underground exploration and production) in June 2022. Through the end of 2022 and start of 2023, the Company worked with past Chachas administrations ("the Community") to obtain access to the Lucero mine and execute two exploration and sampling programs in 2023. [\[1\]](#), [\[2\]](#)

At the end of 2023, the terms of both the former mayor of Chachas and the former head of the local artisanal miner's association, Lomas Doradas ended. Past representations from the Community buoyed the Company's perspective on the probability of permit renewals through the first half of 2024. However, the new administration has been slow to enact new permits.

Through 2024, the Company continued with [several community-development focused initiatives](#), opened a field office in Chachas, and carried out ongoing community efforts with its highly-reputable and well-known

community team, [GAE Peru](#). This intensifying community relations work has helped the Chachas-region community at large to understand the Company's vision and 'we all win together' mentality.

These efforts yielded a greater-community vote of over [75% approval on October 6th](#), 2024 to have the local administration complete long-term surface access contracts with the Company for mutual benefit and growth as the mine is brought back to commercial production. Large parts of this approval are centered around the community understanding that there will be greater win-win benefits as Element79 Gold Corp continues developing the mine to restart production. In line with the newly extended deadline for the formalization of REINFOS is June 30, 2025, Lomas Doradas has requested to formalize 65 REINFO exploitation contracts with the Company, each with five-year terms.

Since this approval on October 6, 2024, the Company via its community relations team have been meeting with the Community leadership, and state-level authorities. The Community indicated that its goal was to have these contracts executed before the end of the year. Despite best efforts and getting closer to final agreements on terms, the Community has now pushed the completion of the contracts to the next General Assembly of April 2025.

The Company holds the Lucero Project including the mineral rights to the mine and exploration assets, and has signed a LOI for exclusive purchase rights to the Tailings as a significant business investment. The Company maintains their value as a significant opportunity for generating revenue in the near term.

Next Steps

Following guidance from the Company's field team at GAE, which has spent months in Chachas, holding face-to-face meetings with the various community leaders and heads of Lomas Doradas, as well as state-level administration, the Company plans to finalize agreements from both a legal and social perspective.

It has become clear that formally requesting Arequipa GREM (Development for Energy & Mines) and ARMA (State Environmental body) to act as institutional mediators is required to bring final long-term agreements between Element79 Gold Corp (via its wholly-owned subsidiary Minas Lucero del Sur), the Chachas Community, and the Lomas Doradas Association to completion.

It is currently estimated that within the first quarter of 2025, a few mine site visits and two to three mediation sessions by the GREM team in the same timeline, final agreements will be achieved. The Company is coordinating with legal counsel for these efforts and looks forward to having these key contracts complete for the General Assembly in April, as the rainy season ends. After the agreements are completed, the Company's core focus would shift to exploration and mining-related matters, preparing for 2025 campaigns to kick off.

About Element79 Gold Corp.

Element79 Gold is a mining company actively exploring and developing its portfolio of assets, including the high-grade, past-producing Lucero project in Arequipa, Peru, and properties along the Battle Mountain Trend in Nevada. The Company also holds an option to acquire the Dale Property in Ontario and is advancing the Plan of Arrangement spin-out process for its wholly owned subsidiary, Synergy Metals Corp.

For further details on this announcement and the Company's projects, please visit www.element79.gold.

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