



# MANAGEMENT'S DISCUSSION & ANALYSIS

For the three-month period ended June 30, 2024  
(1<sup>st</sup> Quarter)



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

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This Management Discussion and Analysis ("MD&A") of Cerro de Pasco Resources Inc., ("Cerro de Pasco Resources" or "CDPR" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Cerro de Pasco Resources, on how the Company performed during the three-month period ended June 30, 2024. It includes a review of the Company's financial condition and review of operations for the three-month period ended June 30, 2024, as compared to the three-month period ended June 30, 2023.

This MD&A complements the condensed interim consolidated financial statements for the three-month period ended June 30, 2024, but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the condensed interim consolidated financial statements as of June 30, 2024 and related notes thereto as well as the audited annual consolidated financial statements, accompanying notes and Management's Discussion and Analysis for the period ended March 31, 2024.

The condensed interim consolidated financial statements for the three-month period ended June 30, 2024, and 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of interim consolidated financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at June 30, 2024. On August 27, 2024, the Audit Committee of the Board of Directors approved for issuance, the condensed interim consolidated financial statements for the three-month period ended June 30, 2024.

All figures are in United States Dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). The shares of Cerro de Pasco Resources are listed on the Canadian Securities Exchange ("CSE") under the symbol "CDPR".

### REPORT'S DATE

The MD&A was prepared with the information available as of Aug 28, 2024.

### CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Cerro de Pasco Resources, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

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### USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This MD&A refers to the following non-IFRS financial performance measures: Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Earnings before interest and taxes ("EBIT"), Adjusted EBITDA, Adjusted EBIT, Adjusted Earnings per Share, Net Debt, C1 Cash Cost and All-In Sustaining Cost ("AISC").

These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. CDPR uses these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables the Company to assess performance trends and to evaluate the results of the underlying business. CDPR understands that certain investors, and others who follow the Company's performance, also assess performance in this way.

The Company believes that these metrics measure our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### EBITDA and EBIT

EBITDA provides insight into overall business performance. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, service debt, and fund capital expenditures and investment opportunities. EBITDA is profit attributable to shareholders before net finance expense, income taxes and depreciation, depletion, and amortization. EBIT is EBITDA after depreciation, depletion, and amortization. Other companies may calculate EBIT and EBITDA differently.

### Adjusted EBITDA, Adjusted EBIT and Adjusted Earnings per Share

Adjusted EBITDA consists of EBITDA less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. Adjusted EBIT consists of EBIT less the impact of impairments or reversals of impairment and other non-cash and non-recurring expenses and recoveries. These expenses and recoveries are removed from the calculation of EBITDA and EBIT as the Company does not believe they are reflective of the Company's ability to generate liquidity and its core operating results.

Adjusted Earnings per Share consists of net income or loss in the period less the impact of impairments or reversals of impairment, settlement mark-to-market, fair value (gain) loss on financial instruments, (gain) loss on foreign exchange, restructuring expenses and other income or expenses.

### C1 Cash Cost

This measures the estimated cash cost to produce a pound of payable zinc. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp), and smelting, refining and freight, distribution, royalties, and by-product metal revenues divided by pounds of payable zinc produced. C1 Cash Cost per pound of payable zinc produced does not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

### AISC

This measures the estimated cash costs to produce a pound of payable zinc plus the estimated capital sustaining costs to maintain the mine and mill. This measure includes the C1 Cash Cost per pound and capital sustaining costs divided by pounds of payable zinc produced. All-In Sustaining Cost per pound of zinc payable produced does not include depreciation, depletion, and amortization, reclamation, and exploration expenses.

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### NATURE OF ACTIVITIES

Cerro de Pasco Resources Inc. and its subsidiaries (hereafter the "Company" or "Cerro de Pasco Resources" or "CDPR") is a sustainable-oriented mining and resource management company sensitive to the most demanding environmental, social, governance and legal compliance required by global institutions and investors.

The Company has a multi-pronged strategy to leverage its unparalleled knowledge of the challenges and opportunities presented by the mineral endowment within the city of Cerro de Pasco.

#### ➤ **Quiulacocha Tailings Reprocessing Project**

CDPR is the titleholder of the concession located in Peru called "El Metalurgista", which grants it the right to explore and exploit the Quiulacocha Tailings located within its assigned area. The enforceability of these rights has been formally confirmed by the General Mining Bureau of Peruvian Ministry of Energy and Mines.

The Quiulacocha Tailings Storage Facility covers approximately 115 hectares and is estimated to hold approximately 75 million tonnes of material processed from the 1920s to 1990s.

Initially these tailings resulted from the mining 16+ million tonnes of copper-silver-gold mineralization with reported historical grades of up to 10% Cu, 4 g/t Au and over 300 g/t Ag and later from the mining of 58+ million tonnes of zinc-lead-silver mineralized material with average historical grades of 7.41% Zn, 2.77% Pb and 90.33 g/t Ag.

With minimal mining costs due to surface-level material and current reprocessing capacity at adjacent plants, CDPR's Quiulacocha Project stands out as one of Peru's key mining initiatives. This endeavor not only promises economic benefits but also aims to restore the environment and create employment opportunities, aligning with the local community's needs.

On May 28, 2024, CDPR was granted a long-awaited land easement which will enable the company to begin its drilling and engineering program. The drilling program is part of a phase one development plan which will include, sampling, mineralogy studies, metallurgy, resource estimation and economic assessment.

#### ➤ **Santander Mine**

Cerro de Pasco Resources acquired the Santander mine in late 2021 and has operated at an average of 60k tpd (tonnes per day) until end of June 2023, when the Company announced that the Santander Operations would undergo a temporary curtailment due to macro-economic pressures affecting zinc price. As a result of the Curtailed Operations Plan, CDPR revised estimates for 2023 zinc and lead production to a new estimated range of 27.5 to 34.7 million lbs on a ZnEq<sup>1</sup> basis

#### The Santander Advantage

The operating assets at the Santander mine are held on the books for approximately \$8.0M having been discounted when the former operator looked to close down the operation. As the Company works to expand the mine life and resources at Santander, it will enjoy a significant production advantage due to the potential replacement value of its operating assets. The assets are in first-class condition and include a 2,500 tonne per day sulfide milling and flotation plant originally commissioned in 2013, as well as buildings, communications equipment, underground infrastructure, support facilities, furniture, fixtures and other equipment. Likewise, social licenses as well as operating permits are, for the most part, already in place for future brownfield expansions.

#### Santander Pipe NI 43-101 PEA Study

The Santander Pipe NI 43-101 PEA Study entails pre-production development and shaft dewatering as well as retrofitting the plant to produce either a copper or lead concentrate.

On February 21 2023, the Company announced the results of a PEA based on a five-year minimum plan processing 2,500tpd at an average grade of 4.7% Zn and 0.11% Cu for an initial capex spend of \$52M.

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<sup>1</sup> Prices considered are \$1.51/lb for zinc, \$1.01/lb for lead, and \$23/oz for silver.

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The expansion project is expected to generate more than \$50M in cash over the LoM for a post-tax NPV of \$31M and an IRR of 25%.

### Consolidated Mine Plan

The Company's non-NI43-101 compliant budget plan includes the current resource at Magistral and all the known resources at the Santander Pipe (Main Pipe, Upper-zone, North Extension) and envisages mining 13Mt at 4.4% Zn producing 1.1Mt Zn, 15kt Pb and 49kt Cu of concentrate, representing ~560,000kt of payable ZnEq over 13 years at \$ 1.00/lb AISC.

### Restructuring of Santander Liabilities

As the Santander Mine is on Care and Maintenance, on February 1, 2024, the Company announced that it has implemented measures to strengthen its consolidated balance sheet by restructuring the liabilities (the "Restructuring Plan") at its wholly owned subsidiary Cerro de Pasco Subsidiaria del Perú SAC, owner of the Santander mine ("Santander").

To this effect, on January 29, 2024, the Company's subsidiary Cerro de Pasco Resources Subsidiaria del Perú S.A.C. ("Santander") was granted protection from its creditors by Insolvency Proceedings Commission (the "Commission") of the National Institute for the Defense of Competition and the Protection of Intellectual Property of Peru ("INDECOPI") which establishes a suspension of enforceability of their unpaid obligations accrued until the future of date of dissemination of the acceptance of a Meeting of the Creditors which shall establish a global refinancing agreement that establishes any future enforceability of such obligations. As of June 30, 2024, \$53,032,656 payables are suspended under the order issued by the Commission as part of the reorganization of Santander. The expected duration of the suspension period is approximately 18 months. This estimate factors in a six/nine-month period for the Peruvian authority to adjudicate the recognition of all filed periods of claims within the PRP.

## BUSINESS DEVELOPMENT HIGHLIGHTS Q1 2025

### ➤ Issuance of Shares and Grant of Options to Consultants

On April 1, 2024, the Company entered into a consultancy agreement for services relating to strategic business development activities. As part of the consideration to be paid to the consultant, 50,000 Common Shares will be issued on a quarterly basis commencing on July 1, 2024, for a period of one year, for a total of 200,000 Common Shares. In accordance with applicable securities laws, these Common Shares will be subject to a statutory hold period ending four months and one day from the date of their issuance.

The Company granted an aggregate of 400,000 stock options (the "Options") allowing consultants to purchase Common Shares at a price of \$0.15 per Common Share for periods of three or five years from April 10, 2024. These Options were granted to consultants in accordance with the terms of CDPR's Stock Option Plan. The Options will be vested in stages over a period of twelve months, with ¼ of the Options vesting in any three-month period.

### ➤ Update on Easement and Subscription Receipt Financing

On April 23, 2024, the Company confirmed that it was not aware of any additional requirements for the granting of Easement and that all legal and technical requirements set forth by Peruvian law have been met. Furthermore, the Company confirmed that approximately CAD \$2,500,000 was being held by Lavery, de Billy, L.L.P. acting as an escrow agent with funds pending to be released upon obtainment of the signature on the ongoing easement procedure.

### ➤ Partial Debt Settlement Agreement

On April 23, 2024, the Company issued 2,000,000 common shares of the Company (the "Settlement Shares") to its convertible debenture lender ("Lender") at a deemed issue price of \$0.10 CAD per Settlement Share in partial repayment of an amount owed to the convertible debenture lender under an

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amended and restated investment agreement effective as of January 31, 2024 (the "A&R Investment Agreement") among the loan, the Company and Cerro de Pasco Resources Del Perú S.A.C. The issuance of the Settlement Shares will reduce the amount owed to Riverfort under the A&R Investment Agreement to CAD \$1,523,440.86.

On July 31, 2024, the Company paid CAD \$275,000 towards the outstanding principal balance of the convertible debenture.

### ➤ **Amendment of Warrants**

On April 23, 2024, the Company announced amendments to the terms and conditions of 4,283,277 outstanding share purchase warrants (the "Warrants") that were issued pursuant to non-brokered private placements closed between April 8, 2021, and May 27, 2021. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.50 per Common Share for a period of two years. On January 18, 2023, the term of the Warrants was extended to May 27, 2024. None of the Warrants have been exercised to date. The Company further extended the expiry date of the Warrants to April 8, 2026, and reduced their exercise price from \$0.50 to \$0.40, with all other terms and conditions of the Warrants remaining the same.

### ➤ **Granting of Land Easement for Quiulacocha Project.**

On May 28, 2024, the Company announced that it has been granted a long-awaited Land Easement ("Easement") via Supreme Resolution ("Resolution"), providing access to the surface areas corresponding to its wholly owned El Metalurgista Concession and Quiulacocha Tailings Project ("QT Project"), where the Company will perform its exploration drilling campaign, marking a major milestone for the Company.

The Resolution, which overrides deadlock with the State-owned Activos Mineros SAC ("AMSAC"), enforces the Company's legitimate rights as holder of the El Metalurgista Concession, to explore and in due course exploit the QT Project. Following concerted action led by the Ministry of Energy and Mines and a rigorous process, the Government signed the Supreme Resolution, thus marking the start of the full-scale project in Cerro de Pasco. Easements of this type have only been granted a handful of times in the past in Peru.

The Supreme Resolution, signed by the President of Peru, as well as the Ministers of Energy & Mines, and Agriculture, respectively, concludes a lengthy deadlock with AMSAC, a state-owned entity originally tasked with the remediation of state environmental liabilities stemming from the privatization of Centromin. CDPR will deposit approximately US\$ 1 million at the National Bank for the Easement and will be allowed to access and start activities forthwith within the El Metalurgista concession.

### ➤ **Completion of Payment for Critical Easement,**

On June 27, 2024, the Company announced that, following the publication of the Supreme Resolution on May 24, 2024, which granted CDPR the landmark Legal Easement, the Company has now completed the formalities related to the administrative procedure and is on track to start drilling in the coming weeks.

Formalities have included the payment of approximately US\$ 1 million into the Peruvian National Bank on May 29, 2024, and formal signing of the minutes of the Easement Agreement on June 24, 2024, between CDPR and Activos Mineros (AMSAC), with the participation of the General Directorate of Mining (Ministry of Energy and Mines).

The Supreme Resolution was signed by the President of Peru on May 23, 2024, following an exhaustive process and endorsement by the ministries of Energy & Mines, Agriculture, and Housing & Construction. The process also included two separate rulings in support of the Legal Easement by the autonomous Mining Council.

### ➤ **Private Placement Financing**

On May 24, 2024, upon the satisfaction of the Release Conditions, 1) the Company issued 25,500,000 units. Each Unit is comprised of one Share and half of one Warrant. Each whole Warrant entitles the holder thereof to purchase one Warrant Unit at a price of \$0.15 per Warrant Unit until the earlier of May 24, 2026, and, if applicable, the Accelerated Expiry Date. Each Warrant Unit will consist of (i) one additional Share and (ii) one Underlying Warrant. Each Underlying Warrant will entitle the holder thereof to acquire one

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Underlying Warrant Share at a price of \$0.25 per Underlying Warrant Share until May 24, 2026, subject to acceleration in certain circumstances.

In connection with the completion of the Offering, the Company paid broker and finder's fees of approximately 7% of total funds raised in cash and issued additional warrants, equivalent to 210,000 in warrants and 210,000 in underlying warrants.

### BUSINESS DEVELOPMENT HIGHLIGHTS SUBSEQUENT EVENTS

#### ➤ Private Placement Financing and Notable New Insider of the Company

On July 8, 2024, the Company announced the closing of a non-brokered private placement, for total aggregate gross proceeds of \$3,298,000 (the "Offering"). CDPR issued 32,980,000 units of the Company ("Units") at a price of \$0.10 per Unit, each consisting of one common share (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles its holder to purchase one Common Share at an exercise price of \$0.15 per Common Share for a period of 24 months, subject to acceleration in certain circumstances (see news release dated June 27, 2024 for details).

Eric Sprott, a new insider of the Company, acquired 20,000,000 Units under the Offering through 2176423 Ontario Ltd., a corporation beneficially owned by him. 2176423 Ontario Ltd. also acquired 17,000,000 Common Shares from an existing shareholder of the Company through a share purchase agreement. Mr. Sprott now beneficially owns or controls 37,000,000 Common Shares and 20,000,000 Warrants, representing approximately 9.0% of the outstanding Common Shares on a non-diluted basis and 13.3% on a partially diluted basis assuming the exercise of such Warrants.

#### ➤ Promissory Note

On July 8, 2024, the Company repaid to the noteholder the outstanding amount of CAD \$920,473.33 in principal and interest owed on a note due on July 31, 2024, in accordance with the terms of the note dated November 26, 2021, in the original principal amount of CAD \$1,500,000, as amended (the "Note").

#### ➤ Debt Settlement

On July 8, 2024, the Company issued 500,000 shares as debt settlement upon termination of services provided by a Consultant to the Company, in accordance with the terms of a Termination Agreement dated November 24, 2023, and amended on July 12, 2024.

#### ➤ Convertible Note Extension

On July 31, 2024, the Company entered into an Amended and Restated Investment Agreement with the Convertible Note Holder. Following a partial cash repayment of CAD \$275,000 the amount outstanding as of the Effective Date of July 1, 2024, is now CAD \$1,367,709.47. Furthermore, the Maturity Date has been extended to June 30, 2025. In addition, the Company has agreed to a two-year extension of a total of 10,500,000 outstanding share purchase warrants initially issued to the Convertible Note Holder. As a result of the extension, 3,000,000 warrants with an exercise price of \$0.25 will expire on November 8, 2026; 5,000,000 warrants with an exercise price of \$0.15 will expire on January 21, 2028; and 2,500,000 Warrants with an exercise price of \$0.15 will expire on May 1, 2028.

#### ➤ Historic Authorization and Start of Drilling Program at Quiulacocha

On August 27, 2024, the Company announced that it has received the required authorization for the Initiation of Exploration Activities from the Peruvian Ministry of Energy and Mines. This represents the first-ever such authorization to be granted in Peru for a new mining exploration project within a tailings storage facility. Accordingly, the Company proceeded to install its first drill rig to begin its Phase I drilling program at the Quiulacocha Tailings Project. The Company has in parallel completed first phase Geophysical Studies to outline the bottom surface of the tailings deposit.

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### SANTANDER MINE, PERU

As of June 30, 2024, the Santander Mine is under care and maintenance. For information on previous quarterly operational results please refer to previous interim financial statements and corresponding management discussion and analysis reports. As of Q1 (3 months period ending June 30), the Company maintains operational readiness for the Santander Pipe Project through various actions, including:

- Conducting metallurgical testing of Santander Pipe mineralized material from the longstanding La Cuñada waste dump, which was used to operate the old La Cuñada open pit.
- Continuing to actively dewater the Magistral Mine to prepare for the resumption of mining operations at depth and the Magistral-Santander Pipe connection.
- Negotiating additional processing of third-party polymetallic Ag-Pb ore in the Santander Processing Plant, for Q1 2025, while maintaining optimal metallurgical performance and standard maintenance.
- Optimizing the Life of Mine Plan through various mine scheduling scenarios and improved cost drivers.
- Restructuring plan to enable Santander to restructure \$53,068,960 of payables with suppliers in a controlled and orderly way and complement any potential project financing for Santander's higher-grade Pipe Project. As of June 30, 2024, \$53,068,960 of payables have been rendered unenforceable until a preventative reorganization plan is approved by over 66.6% of allowed creditors. The expected duration of this suspension period is approximately 18 months.

### El Metalurgista

#### ➤ Highlights

- Unique location at the center of a historic mining cluster undergoing a process of consolidation in Cerro de Pasco.
- Significant scale with 170 million tons of material and massive overground resource.
- 42.9 million ounces of silver inferred with NI 43-101 certification at the outset with significant upside.
- Strong social license and support from local authorities combined with commitment to ESG principles.
- Unique management team with profound knowledge of Cerro de Pasco



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## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

- Near term production objectives and low initial capital requirements based on conservative assumptions



### ➤ El Metalurgista – Quiulacocha TSF

- 100% interest in the El Metalurgista mining concession (95.74 ha) incorporating mineral rights covering 57 ha of the Quiulacocha Tailings Storage Facility.
- Located approximately 175 km NNE of the city of Lima in the Region of Pasco, Peru.
- Roads accessible, power grid, abundant water, adjacent to operational processing facility.
- Tailings produced during processing of mineral mined from the Cerro de Pasco Mine which hosts complex epithermal polymetallic mineralized system of the type known as Cordilleran base-metal deposit.

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- End Product: Zn, Cu, Pb Concentrate
- Development Stage

The most recent Historical NI 43-101 Mineral Resource Estimate for the Quiulacocha TSF by JA Brophy in 2012 were estimated at 2,500,000 tonnes grading 1.46% zinc per tonne, 0.85 % lead per tonne, 38 grams silver per tonne in the measured category\*; and 4,900,000 tonnes grading 1.43% zinc per tonne, 0.76% lead per tonne, 38 grams silver per tonne in the indicated category\*. This estimate was based on a shallow surface auger sampling program which is estimated to represent only 10% of the expected tonnes of the Quiulacocha tailings deposit.

*\* The resource estimates described above are historical in nature and cannot be relied upon for economic evaluations.*

The tailings stored in the TSF, comprised of processing residues, come from the Cerro de Pasco open pit and underground mine. Initially these tailings resulted from the mining of copper-silver-gold mineralization with reported historical head grades of up to 10% Cu, 4g/t Au and over 300g/t Ag and later from the mining of zinc-lead-silver mineralized material with average historical grades of 7.41% Zn, 2.77% Pb and 90.33g/t Ag.

The Company believes that Quiulacocha TSF has potential to increase significantly if CDPR can acquire government owned surface rights that surround the El Metalurgista concession.

### Development

Following the granting of the easement in May 2024 CDPR is ready to initiate drilling activities. It is expected that CDPR will start the first phase the Quiulacocha Project by August 2024. Studies include geophysical studies, 40-hole sonic drilling program, laboratory testing, mineralogy studies, resource estimation and economic assessment.

On August 27, 2024, the Company announced that it has received the required authorization for the Initiation of Exploration Activities from the Peruvian Ministry of Energy and Mines. This represents the first-ever such authorization to be granted in Peru for a new mining exploration project within a tailings storage facility. Accordingly, the Company proceeded to install its first drill rig to begin its Phase I drilling program at the Quiulacocha Tailings Project. The Company has in parallel completed first phase Geophysical Studies to outline the bottom surface of the tailings deposit.

### ➤ El Metalurgista – Excelsior Stockpile

- 100% interest in the El Metalurgista mining concession (95.74 ha) incorporating mineral rights covering approximately 35 ha of the Excelsior Stockpile.
- Located approximately 175 km NNE of the city of Lima in the Region of Pasco, Peru.
- Roads accessible, power grid, abundant water, adjacent to operational processing facility.
- Stockpiled low-grade Zn, Pb, Ag mineralization sourced from the Cerro de Pasco Mine which hosts complex epithermal polymetallic mineralized system of the type known as a Cordilleran base-metal deposit.
- End Product: Zn, Cu, Pb Concentrate

The Excelsior Stockpile covers a surface area of 67.92 ha and contains approximately 70 Mt of broken rock. The stockpile was in use between approximately 1970 and 1996 to store what was then considered uneconomic/low grade mineralization from the Raul Rojas open pit. The surface area of the Excelsior Stockpile lying within the El Metalurgista Concession is approximately 35 ha and contains approximately 30 Mt of broken rock.

NI 43-101 compliant Inferred Mineral Resource of 30.10 Mt grading 44 g/t Ag, 0.6% Pb and 1.5% Zn, containing 42.9 million ounces of silver, 437,000 tonnes of zinc and 184,000 tonnes of lead.

The Company believes the Excelsior Mineral Resource has potential to increase significantly if CDPR can acquire government owned surface rights that surround the El Metalurgista concession.

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### SOCIAL RESPONSIBILITY

- Ensure open, honest, and transparent communications and interactions;
- Recognize and use of existing structures and initiatives, to avoid displacement or redundancy;
- Create partnerships and multi-stakeholder approaches;
- Use key areas of support: health, education, support for disadvantages groups, and strengthening of local economy; and
- Retreat and remove environmental mining liabilities with a high ethical standard, in compliance with all applicable laws, regulations, and internationally accepted standards, and exceeding these where we can.

#### ➤ Stakeholder Consultation

At CDPR we ensure that our environmental and social permitting processes involve extensive community /stakeholder consultation, and full transparent disclosure of the characteristics of our projects and their potential environmental and social impacts during the mine life cycle (e.g., exploration and feasibility, planning and construction, operation and mine closure).

#### ➤ Land Use Agreements

On 13 October 2019, CDPR and the community of Quiulacocha reached an agreement for the temporary use of 77.54 hectares of communal land. Through a majority vote the community of Quiulacocha expressed its support for the reprocessing of the Quiulacocha tailings. It also approved CDPR's upcoming drilling and technical studies program which objective is to prove that the tailings can be reprocessed economically, and that the area can be rehabilitated.

On February 22, 2023, the Company announced the extension of the surface right contract between CDPR and the community of Quiulacocha for the first phase of the Quiulacocha Tailings Project.

In order to fulfill the requirements to obtain the authorization to start exploration activities from the General Mining Bureau of Mining of the Ministry of Energy and Mines (DGM, for its acronym in Spanish), on August 25th, 2022, CDPR requested the DGM to impose an easement for 2 years over a part of the plot called Parcel "K", owned by Activos Mineros S.A.C. ("AMSAC"). The easement procedure was successfully concluded in May 2024.

### CORPORATE OBJECTIVES FOR 2025

- Obtain land access agreement (rights of passage) for permission to access the surface land which underlays the El Metalurgista concession
- Complete Drilling Campaign for Quiulacocha Tailings Project
- Complete Geophysical, Mineralogical and Metallurgical studies on the Quiulacocha Tailings.
- Produce a Resource Estimate on Quiulacocha Tailings
- Restructure Santander Liabilities
- Obtain Financing for Santander Pipe Project.
- Strengthen balance sheet

### QUALIFIED PERSON

Mr. Alfonso Palacio Castilla, MIMMM/Chartered Engineer (CEng) and Project Superintendent for CDPR, has reviewed and approved the scientific and technical information contained in this news release. Mr. Palacio is a Qualified Person for the purposes of reporting in compliance with NI 43-101.

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### MINING PROPERTIES & EXPLORATION AND EVALUATION ASSETS

Mining properties and exploration and evaluation assets for the three-months ended June 30, 2024 and for the three-months ended June 30, 2023.

#### Mining properties

For the three-months ended June 30, 2024

	PERU	PERU	
	Quiulacocha tailings and Excelsior stockpile		Total
	\$	\$	\$
Mining Properties			
Mining rights	-	-	-
Additions	-	-	-
Adjustments and concessions	973,160	-	973,160
	973,160	-	973,160
Balance, beginning of period	1,453,246	-	1,453,246
Balance, end of period	2,426,406	-	2,426,406

#### Mining properties

For the three-months ended June 30, 2023

	PERU	PERU	
	Quiulacocha tailings and Excelsior stockpile		Total
	\$	\$	\$
Mining Properties			
Mining rights	-	-	-
Additions	-	-	-
Adjustments and concessions	-	-	-
	-	-	-
Balance, beginning of period	1,453,246	-	1,453,246
Balance, end of period	1,453,246	-	1,453,246

#### Development, exploration and evaluation assets

For the three-months ended June 30, 2024

	PERU	PERU	
	Quiulacocha tailings and Excelsior stockpile		Total
	\$	\$	\$
Development, exploration and evaluation assets			
Exploration costs	10,927	29,127	40,054
Adjustments and concessions	-	(48)	(48)
Transfer to property, plant, & equipment	-	-	-
	10,927	29,079	40,006
Balance, beginning of period	144,111	7,949,104	8,093,215
Balance, end of period	155,038	7,978,183	8,133,221

#### Development, exploration and evaluation assets

For the three-months ended June 30, 2023

	PERU	PERU	
	Quiulacocha tailings and Excelsior stockpile		Total
	\$	\$	\$
Development, exploration and evaluation assets			
Exploration costs	-	45,098	45,098
Adjustments and concessions	-	-	-
Transfer to property, plant, & equipment	-	-	-
	-	45,098	45,098
Balance, beginning of period	144,111	7,841,669	7,985,780
Balance, end of period	144,111	7,886,767	8,030,878

### Functional and presentation currency

These selected annual and quarterly financial information and other financial information are presented in US dollars ("USD"). The functional currency of Cerro de Pasco Resources Inc. is the Canadian dollar ("CAD"). The functional currency of Cerro de Pasco Resources Sucursal del Peru and Santander is USD. The functional currency of H2-Sphere GmbH is the Euro.

### IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 5 in the consolidated financial statements for the year ended March 31, 2024.

### Use of estimates and judgements

Please refer to Note 3 of the 2024 audited annual consolidated financial statements for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income, and expenses.

### Changes in accounting policies

On December 21, 2023, the Company changed its fiscal year end from December 31 to March 31. As a result, the Company is reporting a 15-month period, January 1, 2023 through March 31, 2024, for the transition period financial statements. The Company is utilizing the reporting period April 1 through June 30, 2024, which is the first period of the new fiscal year, for these financial statements and MD&A.

There were no other accounting changes in accounting policy to disclose during the three-month period ended June 30, 2024.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

### New standards and interpretations that have not yet been adopted

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in the Financial Statements replaces IAS 1 Presentation of Financial Statements. The standards will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's financial statements.

Since the issuance of the Company's audited consolidated financial statements for the period ended March 31, 2024 the IASB and IFRIC have issued no additional new and revised standards and interpretations which are applicable to the Company besides those mentioned above.

### Dividends

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs, profitability in the Santander mining operations and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

### SELECTED QUARTERLY FINANCIAL INFORMATION

Cerro de Pasco Resources anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter-to-quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

CERRO DE PASCO RESOURCES INC. SELECTED QUARTERLY FINANCIAL INFORMATION	2024 Q1 \$	2024 Q2 \$	2024 Q3 \$	2024 Q4 \$	2023 Q1 \$	2023 Q2 \$	2023 Q3 \$	2023 Q4 \$
<b>CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS</b>								
Revenue from Zinc, Lead and Silver concentrate sales	443,618	(845,741)	1,590,173	1,160,013	4,515,149	12,304,938	9,898,469	9,220,818
Cost of Sales	929,516	(1,205,573)	1,092,235	3,420,227	11,893,468	14,605,490	13,335,711	10,511,822
Gross Profit	(485,898)	359,832	497,938	(2,260,214)	(7,378,319)	(2,300,552)	(3,437,242)	(1,291,004)
Expenses:								
Selling Expenses	26,346	19,540	21,558	42,646	311,885	302,479	304,194	305,929
Exploration and evaluation expenses	-	-	-	-	-	-	2,810,495	-
Care and maintenance	2,058,889	1,970,988	1,634,229	3,616,741	-	-	-	-
General and administrative expenses	1,190,247	952,316	(492,554)	1,893,054	2,209,240	2,222,042	1,349,498	1,406,123
Operating income (loss) before other revenues (expenses) and income tax	(3,761,280)	(2,683,012)	(665,295)	(7,613,265)	(9,896,444)	(4,825,073)	(7,901,429)	(3,093,056)
Other revenues (expenses)								
Other and financial income	348,745	1,622,374	2,704	1,055	51,002	22,515	5,480	5,407
Financial expenses	(215,343)	(246,566)	(581,642)	(577,108)	(553,394)	(315,811)	(361,821)	(309,591)
Non-recoverable sales taxes	-	-	-	-	-	-	(146,216)	-
Change in fair value of other financial assets	(2,809)	(5)	90	8,015	(26,733)	2,655	(1,150)	(20,976)
Change in fair value of warrants and embedded derivative on convertible debenture	-	-	-	-	-	-	1,504	27,438
Loss on extinguishment of note	-	52,610	-	-	-	-	-	-
Gain (loss) on extinguishment of convertible debt	-	(161,411)	-	-	-	-	100,124	-
Loss on modification of note	-	(38,768)	-	-	-	-	-	-
Loss on modification of convertible debt	-	(44,976)	-	-	-	-	-	-
Gain (loss) on dissolution of subsidiaries	-	-	-	-	-	-	(3,578)	103,275
Change in fair value of contingent consideration	-	(1)	19	31	6	(6,156)	32,693	(1,341,188)
Exchange loss	(88,817)	(24,957)	143,900	(80,785)	46,032	(276,173)	100,095	(390,187)
Gain on sale of subsidiary	-	(592,051)	(2,197,927)	246,876	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total other revenue (expense)	39,776	566,189	(2,632,856)	(401,916)	(483,087)	(572,970)	(272,669)	(1,925,822)
Income and mining taxes	(4,959)	994,682	(747,641)	-	(63,559)	(374,008)	(1,777,517)	(423,631)
Net income (loss) from continuing operations	(3,726,463)	(1,022,141)	(4,045,792)	(8,015,181)	(10,443,090)	(5,772,051)	(9,951,615)	(5,442,509)
Other comprehensive income (loss) from continuing operations								
Currency translation adjustment	22,635	86,008	(70,461)	81,108	(78,743)	284	41,490	391,682
Other comprehensive income (loss) net of tax	22,635	86,008	(70,461)	81,108	(78,743)	284	41,490	391,682
Net comprehensive income (loss) from continuing operations	(3,703,828)	(936,133)	(4,116,253)	(7,934,073)	(10,521,833)	(5,771,766)	(9,910,125)	(5,050,827)
Net income (loss) from discontinued operations	-	-	-	(85)	(1,604)	(9,718)	(76,755)	(57,541)
Other comprehensive income (loss) from discontinued operations	-	-	-	111	1,385	(1,097)	28,198	(13,588)
Currency translation adjustment	-	-	-	26	(219)	(48,557)	(48,557)	(71,129)
Net comprehensive income (loss) from discontinued operations	-	-	-	26	(219)	(48,557)	(48,557)	(71,129)
Net comprehensive income (loss)	(3,703,828)	(936,133)	(4,116,253)	(7,934,047)	(10,522,052)	(5,782,582)	(9,958,682)	(5,121,956)
Net income (loss) attributable to:								
Shareholders of Cerro de Pasco Resources Inc.	(3,726,463)	(1,022,141)	(4,045,793)	(8,015,249)	(10,444,373)	(5,779,825)	(10,013,018)	(5,488,542)
Non-controlling interest	-	-	-	(17)	(321)	(1,944)	(15,352)	(11,508)
Other comprehensive income (loss) attributable to:	(3,726,463)	(1,022,141)	(4,045,792)	(8,015,266)	(10,444,694)	(5,781,769)	(10,028,370)	(5,600,050)
Shareholders of Cerro de Pasco Resources Inc.	22,635	86,008	(70,461)	81,197	(77,635)	(594)	64,048	380,812
Non-controlling interest	-	-	-	22	277	(219)	5,640	(2,718)
Net comprehensive income (loss) attributable to:	22,635	86,008	(70,461)	81,219	(77,358)	(813)	69,688	378,094
Shareholders of Cerro de Pasco Resources Inc.	(3,703,828)	(936,133)	(4,116,254)	(7,934,052)	(10,522,008)	(5,780,419)	(9,948,970)	(5,107,730)
Non-controlling interest	(3,703,828)	(936,133)	(4,116,254)	(7,934,047)	(10,522,052)	(5,782,582)	(9,958,682)	(5,121,956)
Weighted averages shares outstanding	359,698,049	345,078,975	335,953,543	324,338,165	316,148,489	289,370,204	287,811,369	287,811,369
Basic and diluted income (loss) per share - continuing operations	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)	(0.03)	(0.02)
Basic and diluted income (loss) per share - discontinued operations	-	-	-	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)	(0.03)	(0.02)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

CERRO DE PASCO RESOURCES INC.  
SELECTED QUARTERLY FINANCIAL INFORMATION

	2025 Q1	2024 Q5	Q4	Q3	Q2	2023 Q1	Q4	2022 Q3
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>								
Cash	166,562	136,721	322,294	530,939	1,563,191	1,464,415	992,301	2,150,242
Cash and cash equivalents - restricted	4,589,876	6,479,134	4,589,876	4,589,876	4,575,332	4,575,332	4,462,271	5,483,902
Accounts receivable	605	773,321	51,274	757,931	444,274	6,691,351	5,680,345	2,484,861
Other receivables	1,226,115	1,030,522	7,602,557	6,389,600	6,077,822	5,462,880	3,427,980	1,566,918
Income and mining taxes receivable	1,730	304,956	150,800	147,418	146,794	734,048	701,060	671,100
Inventories	1,822,429	1,866,670	1,847,761	2,500,584	2,243,973	2,404,669	2,547,917	2,352,207
Prepaid expenses	256,251	306,410	141,392	378,362	310,055	96,514	223,418	1,139,747
Property, plant & equipment	10,238,052	10,554,664	10,222,187	11,146,643	11,535,465	10,526,812	9,056,578	8,490,660
Other receivables, net of current portion	5,977,953	6,355,303	-	-	-	-	-	-
Mining properties, exploration and evaluation assets	10,559,627	9,546,461	9,518,948	9,515,819	9,484,124	9,439,026	8,710,668	9,828,194
<b>Total assets</b>	<b>34,886,833</b>	<b>37,410,014</b>	<b>34,499,664</b>	<b>36,008,137</b>	<b>36,425,312</b>	<b>41,465,949</b>	<b>35,877,778</b>	<b>34,217,373</b>
Trade accounts payable and other liabilities	54,757,521	53,839,715	50,398,855	48,281,556	43,896,107	39,456,842	29,095,998	18,446,912
Promissory note	477,785	458,159	426,180	428,994	428,074	428,562	818,719	886,783
Balance of purchase payable	1,653,973	1,880,726	1,717,947	1,684,472	1,720,125	1,622,775	1,674,194	1,674,194
Current portion contingent consideration payable	2,500,000	2,500,000	2,500,000	2,500,000	-	2,500,000	2,493,844	-
Current portion of provision for rehabilitation and mine closure	401,043	349,559	301,002	460,488	404,757	357,385	307,752	2,135,906
Current portion of loans	3,568,959	3,568,959	3,443,352	2,448,522	28,178	371,885	699,453	999,118
Convertible debenture	1,052,952	1,208,823	1,137,813	1,115,595	990,509	987,636	922,029	866,888
Provision for taxes payable	279,058	279,058	279,058	1,725,501	1,803,393	1,715,112	1,715,112	-
Commitment to issue shares	7,380	2,064,227	-	-	-	7,389	-	-
<b>Total current liabilities</b>	<b>64,708,571</b>	<b>65,949,026</b>	<b>60,204,107</b>	<b>58,645,128</b>	<b>49,281,143</b>	<b>47,507,586</b>	<b>37,727,101</b>	<b>25,058,090</b>
Loans	27,303	28,749	178,043	212,732	-	-	-	-
Deferred income tax	53,358	53,362	1,050,018	311,812	311,812	311,812	53,301	74,291
Contingent consideration payable	-	-	-	-	2,500,000	-	-	2,526,537
Provision for rehabilitation and mine closure	12,190,927	12,190,927	13,124,440	13,891,385	13,891,385	13,891,385	13,891,385	12,584,416
<b>Total non-current liabilities</b>	<b>12,270,688</b>	<b>12,273,138</b>	<b>14,352,501</b>	<b>14,415,929</b>	<b>15,703,197</b>	<b>14,203,197</b>	<b>13,944,686</b>	<b>15,185,244</b>
<b>Equity (Deficiency)</b>	<b>(42,092,426)</b>	<b>(40,811,150)</b>	<b>(40,056,945)</b>	<b>(37,052,920)</b>	<b>(29,559,028)</b>	<b>(20,246,734)</b>	<b>(15,794,910)</b>	<b>(6,925,961)</b>

The net loss of \$3,726,463 for Q1-2025 (three-months ended June 30, 2024) is mainly attributable to net losses from Santander mining operations of \$2,692,804.

The net loss of \$1,022,141 for Q5-2024 (three-months ended March 31, 2024) is mainly attributable to an increase in corporate expenditures of \$697,139.

The net loss of \$4,045,793 for Q4-2023 (three-months ended December 31, 2023) is mainly attributable to net losses from Santander mining operations of \$2,486,428.

The net loss of \$8,015,249 for Q3-2023 (three-months ended September 30, 2023) is mainly attributable to net losses from Santander mining operations of \$7,161,704.

The net loss of \$10,444,373 for Q2-2023 (three-months ended June 30, 2023) is mainly attributable to net losses from Santander mining operations of \$9,286,436. Increases in cost of sales led to a larger gross loss quarter-over-quarter.

The net loss of \$5,779,825 for Q1-2023 (three-months ended March 31, 2023) is mainly attributable to net losses from Santander mining operations of \$4,356,593.

The net loss of \$10,013,018 for Q4-2022 (three-months ended December 31, 2022) is mainly attributable to net losses from the Santander mining operations of \$4,368,843 offset by the gain from income and mining taxes of \$1,777,517.

The net loss of \$5,488,542 for Q3-2022 (three-months ended September 30, 2022) is mainly attributable to loss from Santander mining operations of \$3,970,830, \$1,341,188 of losses due to the change in fair value of contingent consideration, and \$1,529,222 of losses from other operations which were mainly attributable to general and administrative expenses of \$1,496,120.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

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### RESULTS OF CONTINUING OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024

#### Net loss

The basic and diluted loss per share for the three-month periods ended June 30, 2024 and June 30, 2023 is \$0.01 and \$0.03, respectively.

During the quarter ended June 30, 2024, the Company realized a net loss of \$3,726,463 as compared to a net loss of \$10,444,373 for the quarter ended June 30, 2023.

This decrease in losses of \$6,804,573 is mainly attributable to the Company halting operations at the Santander mine, during the third quarter of 2023, due to unfavorable selling conditions, which has minimized losses.

#### Operating expenses

During the three-month period ended June 30, 2024, operating expenses from continuing operations were \$3,275,382 as compared to \$2,518,125 for the three-month period ended June 30, 2023. The increase in operating expenses is largely attributable the allocation of mine expenses to care and maintenance, an operating expense, beginning in the third quarter of 2023, as compared to these expenses being classified as cost of sales during the quarter ended June 30, 2023. The increase of approximately \$2.1 million in care and maintenance was offset by the decrease in general and administrative expenses due the wind-down of operations of approximately \$1 million.

#### Other revenues (expenses)

During the three-month period ended June 30, 2024, total other revenue (expenses) was \$39,776 as compared to other revenue (expenses) of \$(483,087) for the three-month period ended June 30, 2023.

The net increase of \$522,863 in income is mainly attributable to financial income of \$346,872 recognized in the current quarter as compared to \$51,002 as of June 30, 2023 due to managerial income recognized in the current quarter. Furthermore, finance expenses decreased by \$338,051 in Q1 2025 due to less interest and financial fees incurred as compared to Q2 2023.

### CASH FLOWS

#### Cash flows from (used for) operating activities

Cash flows used for operating activities were (\$944,975) during the three-months ended June 30, 2024, an increase of (\$528,755) as compared to cash flows used for operating activities of (\$416,220) during the three-months ended June 30, 2023.

The increase in cash flows used in operating activities is mostly attributable to the large decrease in the change of working capital items from \$8,957,602 down to \$2,223,117. The decrease of the change of working capital items was offset by the decrease in net loss of \$6,717,915 period over period and offset by the decrease in depreciation of property, plant, and equipment of \$525,891 for the quarter ended June 30, 2024 compared to 2023.

#### Cash flows from (used for) financing activities

Cash flows generated from financing activities were \$2,046,826 during the three-months ended June 30, 2024, an increase of \$1,490,048 as compared to cash flows used in financing activities of \$556,778 for the three-months ended June 30, 2023.

The increase was mostly caused by the increase in net proceeds received from shares issued of \$2,047,983 as compared to \$1,202,081 in the prior period. The increase was also attributable to the repayment of a loan for the quarter ended June 30, 2023 of \$570,853 as compared to only \$1,157 in the current quarter ended June 30, 2024.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

### Cash flows used for investing activities

Cash flows used for investing activities were (\$1,032,113) during the three-months ended June 30, 2024, a decrease of \$987,016 as compared to cash flows used for investing activities of (\$45,097) for the three-months ended June 30, 2023.

The increase in cash flows used for investing activities was mostly attributable to the large increase in investing in exploration and evaluation assets of \$957,189.

### OTHER FINANCIAL DISCLOSURES

#### Related party transactions

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	June 30, 2024	June 30, 2023
	\$	\$
Management and consulting fees	186,041	305,693
Salaries and director's fees	98,509	122,665
Share-based compensation	-	-
	<b>284,550</b>	<b>428,358</b>

The Company owed \$273,458 (\$342,848 – March 31, 2024) to various related parties (included in trade accounts payable and other liabilities).

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

#### Contingency

Please refer to Note 28 of the audited financial statements for the 15-month period ended March 31, 2024, for a summary of the Company's commitments and contingencies.

#### Off-financial position arrangements

As of June 30, 2024, the Company had no off-financial position arrangements.

#### Going concern assumption

The accompanying interim condensed consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

### Liquidity and capital resources

For the three-month period ended June 30, 2024, the Company recorded a net loss attributable to shareholders of \$3,726,460 due mainly to care and maintenance expenses in the Santander mine. As of June 30, 2024, the Company had an accumulated deficit of \$76,681,354 (\$72,954,894 as of March 31, 2024) and an accumulated other comprehensive income(loss) of \$774,436 (\$752,120 as of March 31, 2024).

As of June 30, 2024, the Company had a working capital deficit of \$56,597,370 (working capital deficit of \$54,995,440 as of March 31, 2024), which is mainly attributable to the trade payables balance of \$54,757,521 (\$53,839,715 as of March 31, 2024). Cash consists of unrestricted cash of \$166,562 (\$136,721 as of March 31, 2024) and restricted cash and cash equivalents of \$4,589,876 (\$6,479,134 as of March 31, 2024). For the three-months ended June 30, 2024, the Company used \$944,975 from operating activities, generated \$2,046,826 from financing activities, and used \$1,032,113 from investing activities, leading to a net cash inflow of \$29,841.

Management believes that while these funds may be adequate to operate the Santander mine it may not be sufficient to meet the obligations and commitments of the Company as a whole. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern; unless any funding shortfall may be met in the future in a number of ways, including but not limited to the issuance of new equity instruments. In January 2024, the Peruvian government granted the suspension of approximately \$53M of payables until such time in the future agreed upon at the Meeting of the Creditors (see Note 12 within the condensed consolidated financial statements for more details). During the three-month period ended June 30, 2024, the Company was able to raise additional funds of about \$2.0 million, net of issuance costs, to mitigate cash flow concerns. Additionally, subsequent to period-end, the Company was able to raise an additional \$2.4 million as part of a private placement (see Note 21 of the condensed consolidated financial statements for more details). While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future operations.

The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the continued support from the Company's suppliers and lenders, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets.

### Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to maximize the return of its shareholders. The Company's definition of capital includes all components of equity and long-term debt. Capital for the reporting periods under review is summarized in Note 30 and in the consolidated statements of changes in equity of the audited annual consolidated statements for the year ended December 31, 2022. In order to meet its objectives, the Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies, and processes for managing capital during the reporting periods.

### Outstanding Share Data

The following selected financial information is derived from our interim financial statements:

	<b>Number of shares outstanding (diluted)</b>
Outstanding as of August 27, 2024	408,843,434
Shares reserved for issuance pursuant to share purchase options	9,080,000
Shares reserved for issuance pursuant to warrants	140,945,877
Convertible debentures	7,774,773
	<b>566,644,084</b>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

The following table reflects the share purchase options issued and outstanding as at the date of this MD&A (expressed in Canadian Dollars):

Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
September 16, 2024	200,000	200,000	0.40	0.1
August 28, 2025	2,590,000	2,590,000	0.40	1.0
September 5, 2025	1,400,000	1,400,000	0.20	1.0
March 2, 2027	1,040,000	1,040,000	0.40	2.5
April 10, 2027	150,000	37,500	0.15	2.6
September 5, 2028	3,450,000	3,450,000	0.20	4.0
April 10, 2029	250,000	62,500	0.15	4.6
	<b>9,080,000</b>	<b>8,780,000</b>	<b>0.28</b>	<b>2.3</b>

The following table reflects the warrants issued and outstanding as of the date of this MD&A (expressed in Canadian Dollars):

Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
November 8, 2024	3,000,000	0.25	0.3
November 26, 2026	3,000,000	0.50	2.3
March 22, 2025	8,895,000	0.25	0.6
March 24, 2025	7,160,000	0.25	0.6
March 31, 2025	9,190,000	0.25	0.6
May 31, 2025	1,968,800	0.25	0.8
June 5, 2025	8,357,500	0.25	0.8
June 20, 2025	450,000	0.25	0.9
June 23, 2025	591,500	0.25	0.9
July 18, 2025	500,000	0.50	0.9
July 26, 2025	500,000	0.50	1.0
August 26, 2025	500,000	0.50	1.1
September 26, 2025	500,000	0.50	1.1
September 29, 2025	1,705,000	0.15	1.1
September 29, 2025	** 1,705,000	0.25	1.1
October 6, 2025	1,734,000	0.15	1.2
October 6, 2025	** 1,734,000	0.25	1.2
October 26, 2025	400,000	0.25	1.2
November 20, 2025	5,525,000	0.15	1.3
November 20, 2025	** 5,525,000	0.25	1.3
November 26, 2025	400,000	0.25	1.3
December 22, 2025	400,000	0.25	1.4
January 26, 2026	400,000	0.25	1.5
February 26, 2026	400,000	0.25	1.6
January 17, 2026	1,260,900	0.15	1.4
January 31, 2026	1,260,900	0.25	1.5
March 28, 2026	1,600,000	0.15	1.6
March 28, 2026	** 1,600,000	0.25	1.6
April 8, 2026	4,283,277	0.50	1.7
May 24, 2026	12,960,000	0.15	1.8
May 24, 2026	** 12,960,000	0.25	1.8
July 16, 2026	32,980,000	0.15	1.9
January 21, 2028	5,000,000	0.15	3.5
May 1, 2028	2,500,000	0.15	3.7
	<b>140,945,877</b>	<b>0.22</b>	<b>1.5</b>

\*\*These represent underlying warrants, which cannot be exercised until all purchase warrants held by the shareholder have been exercised.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

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### **FINANCIAL RISK MANAGEMENT**

Liquidity risk is the risk that the Company will be unable to satisfy financial obligations as they fall due. The Company manages its liquidity risk by optimizing its cash holdings, forecasting cash flows required by operations and anticipated investing and financing activities. The Company's operating cash flows are very sensitive to variations in the price of zinc and lead, foreign exchange rates and ore grades, and any cash flow outlook provided may vary significantly to actual results. Spending and capital investment plans may be adjusted in response to changes in operating cash flow expectations. An increase in average zinc and lead prices from current levels may result in an increase in planned expenditures and, conversely, weaker average zinc and lead prices could result in a reduction of planned expenditures.

### **RISK AND UNCERTAINTIES**

The mining industry involves many risks which are inherent to the nature of the business, global economic trends and economic, environmental and social conditions in the geographical areas of operation. As a result, the Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on our operating results, business prospects or financial position. The Company continuously assesses and evaluate these risks and attempts to mitigate them by implementing operating standards and processes to identify, assess, report and monitor risks across our organization.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in accordance with IFRS requires significant assumptions and judgements about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities within the next twelve months, in the event that actual results differ from assumptions made. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **OPERATIONAL RISKS**

#### **INDUSTRY CONDITIONS**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

#### **CERTAIN RISKS ASSOCIATED WITH THE EL METALURGISTA CONCESSION**

The Company has initiated negotiations with local stakeholders for gaining access to a portion of the surface lands that the Company will require for processing the tailings, dumps and slag to which its El Metalurgista concession entitles it to. It is the intention of the Company to pursue the negotiations and reach an agreement with local stakeholders. There is however no guarantee that such an agreement will be reached. Unless the Company acquires additional property interests, any adverse developments affecting the El Metalurgista concession could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

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### **ENVIRONMENTAL MATTERS**

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

### **LICENSES AND PERMITS**

As part of its exploration and processing activities or future projects, the Company is required to obtain several permits. Although the Company believes it will obtain the required permits, there is no assurance it will receive such permits or it may face administrative delays in doing so, which could impact its operations.

Failure to comply with applicable laws and regulations and permit requirements or amendments to them could have a harmful effect on the Company and could cause an increase of capital expenditures, exploration costs or production costs, or a decrease in the levels of production. Such amendments or the implementation of such laws and regulations could further cause the abandonment or delay the development of certain properties of the Company. No assurance can be provided or obtained that the Company will be able to obtain or maintain all required permits for the construction, development or operation of mining facilities on these properties on terms which enable operations to be conducted at economically justifiable costs.

### **POLITICAL AND COUNTRY RISKS**

The mineral property interests of the Company are located in Peru. The Company believes that Peruvian government supports the development of its natural resources by foreign companies. However, there is no assurance that future political and economic conditions in Peru will not result in the government adopting different policies regarding foreign ownership of mineral resources, taxation, exchanges rates, environmental protection, labor relations, and the repatriation of funds. The possibility that a future government may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out. The Company's current and future mineral exploration and processing activities could be impacted by widespread civil unrest and rebellion. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, nationalization, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks. Currently and since its operation began in Peru, the Company has not suffered any of these risks.

### **PRODUCTION AND COST ESTIMATES**

No assurance can be given that the intended or expected production schedules or the estimated cash costs and capital expenditures will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on our future cash flows, profitability, results of operations and financial condition. Many factors may cause delays or cost increases, including labour issues, disruptions in power, transportation or supplies, and mechanical failure. In addition, short-term operating factors, such as the processing of new or different ore material and ore grades, may cause a mining operation to be less profitable in any particular period.

### **DEPENDENCE ON MANAGEMENT**

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its executive officers and directors. See "Directors and Officers" for details of the Company's current management. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

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### **COMPETITION**

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### **SHARE PRICE VOLATILITY**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

### **UNINSURED RISK**

The mining industry is subject to significant risks such as adverse environmental conditions or regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums.

The Company currently maintains available insurance within ranges of coverage that it believes to be consistent with industry practice for companies of a similar stage of development. The Company carries liability insurance with respect to its mineral exploration operations, but it is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the costs of remedying an environmental problem, it might be required to suspend operations or enter costly interim compliance measures pending completion of a permanent remedy.

### **LITIGATION**

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may, in the future, be involved in various legal proceedings. While the Company believes it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on the financial position or results of operations, defense costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition. There are no significant proceedings against the Company as at the date of this annual information form.

### **INCREASED COSTS AND COMPLIANCE RISKS OF BEING A PUBLIC COMPANY**

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in the past few years. The Company anticipates that costs may continue to increase with recently adopted or proposed corporate governance related requirements.

The Company also expects these new rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

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### ANTI-CORRUPTION LAWS

The Company's operations are governed by, and involve interactions with, many levels of government in two countries. Its operations take place in jurisdictions ranked unfavorably under Transparency International's Corruption Perception Index. The Company is required to comply with anti-corruption and anti-bribery laws, including the Criminal Code, the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in Peru, where the Company conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anticorruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Company is implementing policies to mitigate such risks, including internal monitoring, reviews and audits, and policies to ensure compliance with such laws, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation, business, financial condition and results of operations.

### EXPLORATION AND MINING RISKS

Although the Company's activities are primarily directed towards mining operations, the Company is also engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. Some of the Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Future profitability will be impacted by the Company's success in locating economic deposits of minerals. There can be no assurance that any economic deposit of minerals located by the Company will lead to commercial mining operation.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The Company is subject to risks and hazards inherent to the mining industry, including fluctuations in metal prices, costs of operations, changes in the regulatory environment (including regulations relating to prices, royalties, duties, taxes, restrictions on production, as well as the costs of protection of the environment and agricultural lands), and industrial accidents and labor actions or unrest. The occurrence of any of these factors could materially and adversely affect the Company's business, financial condition, results of operations and cash flow.

### STAGE OF DEVELOPMENT

The Company may be unable to maintain or increase annual production, and changes in the production outlook will have an effect on the Company's cash flow from operations. Although the Company's activities are primarily directed towards mining operations, its activities also include the exploration for, and development of, mineral deposits. The Company must continually replace and expand Mineral Reserves depleted by production to maintain production levels over the long term. The Company's ability to maintain or expand production will depend on its ability to expand known ore bodies, locate new deposits, make acquisitions or bring new mines into production.

Material changes in Mineral Reserves and Mineral Resources, grades, production or recovery rates may affect the economic viability of projects. There is a risk that depletion of Mineral Reserves will not be offset by discoveries, acquisitions, or the conversion of Mineral Resources into Mineral Reserves. The mineral base of CDPR's operations may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates. Exploration is highly speculative in nature. CDPR's exploration projects involve many risks. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. The Company can provide no assurance that it will be able to maintain or increase its annual production, bring new mines into production or expand the Mineral Reserves and Mineral Resources at existing mines.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

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A decrease in the amount of, or a change in the timing of the production outlook for, or in the prices realized for, metals of the Company will directly affect the amount and timing of the Company's cash flow from operations. The actual effect of such a decrease on the Company's cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. Any change in the timing of these projected cash flows that would occur due to production shortfalls, delays in receiving permits, delays in construction, delays in commissioning the mines or labour disruptions would, in turn, result in delays in receipt of such cash flows and in using such cash to fund capital expenditures, including capital for the Company's development projects, in the future. Any such financing requirements could adversely affect the Company's ability to access capital markets in the future to meet any external financing requirements or increase its debt financing costs.

### **RISKS RELATED TO STATUTORY AND REGULATORY COMPLIANCE**

Existing and possible future laws, regulations and permits governing the operations and activities of the Company, or more stringent implementation thereof, could have a material adverse impact on the Company business and cause increases in capital expenditures or require abandonment or delays in exploration.

The current and future operations of the Company, from exploration through development activities and commercial production, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions there under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance. See "Uninsured Risk".

### **TITLE RISKS**

Although title to its properties has been reviewed by or on behalf of the Company, no assurance can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Peru, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties may be severely constrained. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

### **CONFLICT OF INTERESTS**

The Company's directors may serve as directors or officers of other resource companies or have significant shareholdings in other resource companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### **KEY EMPLOYEES**

The management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

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### FINANCIAL RISKS

#### METAL PRICE VOLATILITY

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered or processed at the Company's plant facilities. Resource prices have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political trends, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and worldwide production levels. The effect of these factors cannot accurately be predicted.

#### FOREIGN EXCHANGE RATE FLUCTUATIONS

The Company's activities and offices are currently located in Canada and Peru. The functional currency of the Company is the Canadian dollar. The assets, liabilities, revenues, and expenses of Peru operations are denominated in USD. The Company is a party to contracts denominated in USD. The Company is exposed to foreign exchange risks arising from the fluctuation of exchange rates between the USD and the Canadian dollar. The USD is subject to fluctuation in value vis-à-vis the Canadian Dollar. The Company does not utilize hedging programs to any degree to mitigate the effect of currency fluctuations.

#### CAPITAL NEEDS

To fund its growth, the Company may be dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects. The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. A source of future funds available to the Company is the sale of additional equity capital and the borrowing of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financing by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

#### CANADA CUSTOMS AND REVENUE AGENCY

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the Income Tax Act (Canada).

#### REPUTATIONAL RISK

The consequence of reputational risk is a negative impact to the Company's public image, which may influence its ability to acquire future mining projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber-attacks and media crisis. Prior to acquire a project, the Company mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Company continues to assess and mitigate reputational risk through regular Board and Board's Committees reviews.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

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### CERTIFICATION OF ANNUAL FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the “annual filings”) of the Company for the year ended June 30, 2024.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the annual filings