



CERRO DE PASCO RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three-month and nine-month periods ended

September 30, 2021

(Third Quarter)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Cerro de Pasco Resources Inc., ("Cerro de Pasco Resources" or "CDPR" or the "Company") (formerly known as Genius Properties Ltd.) 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 and nine-month periods ended September 30, 2021. It includes a review of the Company's financial condition and a review of operations for the three-month and nine-month periods ended September 30, 2021 as compared to the three-month and nine-month periods ended September 30, 2020.

This MD&A complements the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021 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 at September 30, 2021 and related notes thereto as well as the audited annual consolidated financial statements, accompanying notes and Management's Discussion and Analysis for the year ended December 31, 2020.

The condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021 and 2020 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of condensed interim consolidated financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at September 30, 2021. On November 26 2021, the Board of Directors approved, for issuance, the condensed annual consolidated financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. 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 at November 26, 2021.

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

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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.

NATURE OF ACTIVITIES

Cerro de Pasco Resources Inc. and its subsidiaries (hereafter the "Company" or "Cerro de Pasco Resources" or "CDPR") is a resource management company attuned to the most demanding environmental, social and legal compliance required by global institutions and investors. The key strategic strength of the Company is an unparalleled knowledge of the challenges and opportunities presented by the minerals endowment within the city of Cerro de Pasco combined with a highly experienced and practical team of both Peruvian and international management. The key focus of the Company will be on developing the El Metalurgista mining concession using world class geo-resource and industrial development solutions in order to secure long-term economic operational sustainability in harmony with a healthy and prosperous local population. The plan of the Company is to reprocess tailings and stockpiles at the Quiulacocha and Cerro de Pasco sites and also to revive and modernize all existing installations at the mining complex the "Project" or "Quiulacocha Project"

BUSINESS DEVELOPMENT HIGHLIGHTS

- **Obtainment of Environmental Permit for Exploration of Quiulacocha Tailings Deposit in Peru**

On August 4, 2021, the Company reported that an environmental impact declaration (Declaracion Impacto Ambiental) (the "DIA") for the Quiulacocha tailings deposit located in the Simon Bolivar District of Pasco, Peru was approved through resolution RD N° 157 - 2021/MINEM-DGAAM by the Peruvian Ministry of Energy and Mines (the "MINEM") on August 3, 2021. In addition to the environmental permit, CDPR also recently obtained the technical approval of the National Water Authority (Autoridad Nacional de Agua - ANA) through technical report N° 0008-2021-ANA-DCERH/RVS, dated July 15, 2021.

The DIA provides the details and coordinates for the 40-hole drilling program that CDPR intends to carry out on its El Metalurgista Concession located within the Quiulacocha tailings deposit. The Quiulacocha tailings deposit covers approximately 115 hectares with tailings deposited in the Quiulacocha Tailings Storage Facility (TSF) from the early 1920's to 1992. The tailings stored in the TSF, comprised of processing residues, come from the Cerro de Pasco open pit and underground mine. The main period of tailings deposition at Quiulacocha came after 1943 when the Paragsha plant was put into commission, first treating Cu ore and later processing Zn-Pb-Ag ore. According to historical records, the Cerro de Pasco mine processed approximately 58.3 Mt of Zn-Pb-Ag ore between 1952 to 1992 from the open pit and underground workings with average historical grades of 8.6% Zn, 3.3% Pb and 98 g/t Ag.

The most recent Historical Mineral Resource Estimate for the Quiulacocha tailings by BO Consulting in 2012 reported 2.9 Mt at 1.43% Zn, 0.79 % Pb, 43.1 g/t Ag, and 0.04% Cu. This estimate was based on a shallow surface auger sampling program which was estimated to represent only 4% of the expected tonnes of the deposit.

BUSINESS DEVELOPMENT SUBSEQUENT EVENTS

- **Cerro de Pasco Resources to Acquire Trevali's Santander Mine**

On November 8, 2021, the Company announced that it entered into a share purchase agreement (with Trevali Mining Corporation ("Trevali") (TSX: TV) (BVL: TV) (OTCQX: TREV) (Frankfurt: 4TI), pursuant to which it will acquire Trevali's Santander Mine, located approximately 215 kilometres northeast of Lima, Peru and comprising an underground mine, a 2,000-tonne-per-day processing mill, a conventional sulphide flotation mill, and associated infrastructure.

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The Santander Mine

The Santander Mine consists of the currently operational and fully permitted polymetallic Magistral underground mine, a concentrator plant and tailings facilities within a very prospective mining and exploration concession covering 44 square km. Trevali Guidance for 2021 Santander operations indicates the mine will produce approximately 50-55Mlb of payable zinc, 4Mlbs of payable lead and 282-297koz of payable silver per year at an All-in Sustaining Costs of USD1.08-1.14 per payable pound of zinc produced.

Transaction Rationale

- Profitable mine with potential to grow operating cash flow and significant exploration upside;
- Steady state, fully permitted operation with stable workforce and good community relations;
- A modern 2,000 tonne per day concentrator which could be used ultimately for treating material from our El Metalurgista concession, located only 60 km away from the Santander Mine;
- Significant tailings resource which can be retreated at the end of the life of mine;
- CDPR plans to develop the Santander Pipe orebody by linking the existing underground mine, increasing payable zinc equivalent metal and reducing All-in Sustaining Costs after two years;
- Closing Date Working Capital will remain positive and intact at USD7.5million.

The Company plans to extend the operating life of the Magistral orebody, while developing access into the higher-grade Santander Pipe orebody over the next 24-36 months, which would extend the life of the mine by five years. Additionally, CDPR plans to increase exploration expenditure on the property.

Mineral Resources

Mineral Resource Estimates filed by Trevali for the Santander Mine effective December 31, 2020 are shown below:

Santander Mine Mineral Resources as at December 31, 2020 ^(1,2,3,4)

Santander Mine ⁽³⁾

	Quantity	Grade			Metal		
		Zn	Pb	Ag	Zn	Pb	Ag
	Mt	%	%	g/t	M lbs	M lbs	K oz
Measured	1.41	4.47	0.67	33.26	139	21	1,508
Indicated	1.29	4.87	0.29	18.94	139	8	786
Measured & Indicated	2.71	4.66	0.49	26.42	278	29	2,302
Inferred	1.16	4.01	0.21	21.69	103	5	809

Santander Pipe Project ⁽⁴⁾

	Quantity	Grade			Metal		
		Zn	Pb	Ag	Zn	Pb	Ag
	Mt	%	%	g/t	M lbs	M lbs	K oz
Measured	0.53	7.78	0.03	16.76	91	0	286
Indicated	2.95	6.38	0.01	11.62	415	1	1,102
Measured & Indicated	3.48	6.59	0.02	12.41	506	2	1,388
Inferred	0.93	5.15	0.01	7.54	106	0	225

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Notes:

- 1) All Mineral Resources have been estimated in accordance with the CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Numbers may not add up due to rounding.
- 2) The technical report entitled "Mineral Reserve Estimation Technical Report for the Santander Zinc Mine, Province de Huaral, Perú" dated March 31, 2017, is the current technical report for the Santander property.
- 3) The Santander Magistral Underground Mine Mineral Resource estimate is reported based on net smelter return cut-off grade of US\$40/tonne with metal prices of: US\$1.15/lb zinc, US\$0.90/lb lead, US\$25.15/oz silver. The Santander Magistral Underground Mine Mineral Resource estimate has been prepared by the mine geology department and non-independent Resource geology consultants to the company with an effective date of December 31, 2020 under the supervision of and approved by Yan Bourassa (P.Ge.), a Qualified Person as defined in NI 43-101. Mr Bourassa is Vice President, Exploration & Mineral Resources of the Company and accordingly, is not independent to Trevali.
- 4) The Santander Pipe Underground Deposit Mineral Resource estimate is reported based on net smelter return cut-off grade of US\$40/tonne with metal prices of: US\$1.15/lb zinc, US\$0.90/lb lead, US\$25.15/oz silver. The Santander Pipe Underground Deposit Mineral Resource estimate has been prepared by the exploration geology department and non-independent Resource geology consultants to the company with an effective date of December 31, 2020, under the supervision of and approved by Yan Bourassa (P.Ge.), a Qualified Person as defined in NI 43-101. Mr. Bourassa is Vice President Technical Services of the Company and accordingly, is not independent to Trevali.

Transaction Highlights

- CAD1 million cash to be paid at closing,
- 10 million shares of CDPR which will be release from escrow and freely tradable according to the following schedule: (i) 10% at closing of the transaction, and (ii) 15% every six months thereafter.
- A Net Smelter Royalty equal to 1% on all new deposits beyond those resources currently defined at the Magistral and Santander Pipe deposits.
- A contingent payment of up to USD2.5 million in the event that the LME average zinc price for 2022 is equal to or greater than USD1.30/lb.
- The Transaction is subject to customary closing conditions and is expected to close in Q4 2021.

Geology

Santander is located within the Miocene metallogenic belt of central and northern Perú. It extends for at least 900 km along the Western Cordillera and adjacent Altiplano and is characterized by several hydrothermal mineral deposits of significant importance of different types that formed between about 6 million and 20 million years ago.

Santander hosts intrusion-related, carbonate-hosted, distal 'passive' replacement deposits, or carbon replacement deposits (CRDs). Controls on mineralization vary, however, with the majority of mineralization displaying very strong structural and lithological controls. The Santander CRDs, in common with those in other districts, displays a strong mineralogic/metallic zonation: a 'classic' lateral or vertical zonation (from distal to proximal) would be Mn » Ag » Pb+Ag » Zn » Cu+Au. Santander is underlain by an approximately 2,600-metre thick package of Cretaceous clastic and carbonate sedimentary rocks known as the Goyllarisquisga Group, within which an approximately 1,000-metre thick sequence of massive limestones and limestone-shales of the Jumasha and Chulec Formations are the principal hosts identified to date. Pre-mineralization diabase dykes and sills are locally present within the section. The entire sequence is tightly folded into a series of orogen-parallel, northwest-trending anticlines and synclines. The lower, predominantly clastic part of the section has been thrust over the mainly carbonate-rich upper portion (the favourable host rocks) along the regional northwest-trending

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Santander Fault Zone. Unconformably overlying the tightly folded Cretaceous sediments are moderately folded and faulted andesitic Tertiary volcanics of the Calipuy Formation. Syn-mineralization intrusive activity, considered to be the heat and fluid sources that produced base metal mineralization, has not been recognized on the property to date. This absence is empirically considered indicative of a relatively large CRD system, and such bodies are inferred to be present at depth (>800 metres) on the property.

PROJECT DEVELOPMENT HIGHLIGHTS

The Company continues to focus its efforts on further developing the Project. These efforts were focused on all areas of importance as summarized below:

- **Community relations**

The Company has been successful in maintaining and strengthen the relationship with the community of Quiulacocha. A clear example of the good relationship is the extension of the easement contract for exploration, which was signed between the community and the Company on the 15th of September 2021. The agreement was negotiated with the community board and approved by the community assembly. Additionally, in compliance with the contract, blankets and building material were donated in October.

During the 3rd quarter of 2021 ties with the new representatives of the community of Quiulacocha have been strengthened. The community is no longer in self isolation (to control the spread Covid-19), which has made it easier to interact with the community leaders. Individual meetings between community leaders and Company representatives are held on a regular basis, and several meetings between the newly elected community board and the Company have taken place in the Company's offices in Lima over the past months

Meetings with the representatives of the community of Quiulacocha, the human settlement of Champamarca, the Provincial Municipality of Cerro de Pasco, the district municipality of Simón Bolívar, and the Municipality of Quiulacocha are held on a regular basis to maintain a good relationship and to keep them informed on progress made on the permitting of the planned Quiulacocha exploration project. These meetings also serve as a platform to discuss other relevant issues, such as company policies, local development needs, and contract opportunities for local communities.

A social study on Indigenous Collective Rights by Golder Associates was supported by the community and conducted from June to October 2021. Coordination meetings were held with the General Office of Social Affairs (OGGS) of the Ministry of Energy and Mines to ensure the study complies with the MINEM's requirements. Field work, involving interviews with community members and focus group meetings, was undertaken on the 16th and 17th of August. The results of the study were presented to the OGGS in October, after which the study was completed and shared with the community.

- **Government relations**

Due to the political instability and chaos during the first 100 days in office of President Castillo, there has been a lack of leadership and increased levels of uncertainty regarding the government's plans which impact resonates at all levels of Government. The Minister of Energy and Mines was changed in October. During his first days in office, the new minister Eduardo González appointed Jorge Chávez Cresta (Ex Minister of Defence) as Vice Minister of Mines and announced a reorganization of the ministry.

The Company has requested meetings with the Minister and Vice Minister to present the Quiulacocha tailings reprocessing project and to obtain support for the signing of an easement contract with AMSAC. To date the Company has not received any response to the letters sent to MINEM. However, several meetings have taken place with officials at the director's level of the General Mining Directorate (DGM).

On the 20th of October Alfredo Rodríguez, director of the DGM, sent a letter to AMSAC regarding the easement agreement CDPR has requested AMSAC. The easement agreement is a requirement for the request for the Authorization for the Start of Exploration Activities (Autorización de Inicio de Actividades de Exploración). In its letter to AMSAC the DGM recommends AMSAC and CDPR sign a direct agreement for the easement required for the exploration project. In response to the letter, the Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

has sent AMSAC a letter (dated November 18, 2021) requesting to hold a meeting to discuss the possibility of signing such a direct agreement.

- **Urban Plan – Partial and Staged Relocation Strategy**

No progress was made on the urban plan for Cerro de Pasco, because the main focus has been on obtaining all permits and agreements for exploration. Once these are in place, the team will continue to work on the urban planning proposal.

- **Environmental Impact Declaration and Exploration Authorization**

On August 4, 2021, the Company reported that an environmental impact declaration (Declaracion Impacto Ambiental) (the "DIA") for the Quiulacocha tailings deposit located in the Simon Bolivar District of Pasco, Peru was approved through resolution RD N° 157 - 2021/MINEM-DGAAM by the Peruvian Ministry of Energy and Mines (the "MINEM") on August 2, 2021. In addition to the environmental permit, CDPR also obtained the technical approval of the National Water Authority (Autoridad Nacional de Agua - ANA) through technical report N° 0008-2021-ANA-DCERH/RVS, dated July 15, 2021.

The DIA is an environmental permit and not an authorization for the start of exploration activities. For the latter, it is necessary the Company submits a request to the DGM for the Authorization for the Start of Exploration Activities. This request has not been submitted yet, because it cannot be submitted without the easement agreement between the Company and AMSAC that holds the surface rights. As mentioned above, AMSAC has been requested to hold a meeting to discuss the possibility of signing an easement agreement.

- **Formal Proposal to Peruvian Ministry of Energy and Mines**

Since the start of 2019, the Company has been in discussions with the legal department of the Peruvian Ministry of Energy and Mines (the "MINEM") with regards to finding the best legal mechanism for the State of Peru to grant the company with the tailings areas which surround the El Metalurgista concession. The company will advance these discussions once the exploration activities in the El Metalurgista concession have commenced.

CORPORATE OBJECTIVES FOR Q4 2021

- Finalize the Santander Aquisition
- Obtain land access agreement (rights of passage) with Activos Mineros SAC (Peruvian Government Entity) for permission to access the surface land which underlays the El Metalurgista concession.
- Evaluate potential Transactions for the acquisition of operating mines and or complimentary infrastrucutre within the Cerro de Pasco Region.

Current projects

Quiulacocho Tailings



- **Ownership** - CDPR holds a 100% interest in the El Metalurgista mining concession (95.74 ha) incorporating mineral rights covering 57 ha of the Quiulacocho Tailings Storage Facility (TSF).
- **Location** - approximately 175 km NNE of the city of Lima in the Region of Pasco, Peru.
- **Infrastructure** - Roads accessible, power grid, abundant water, adjacent to operational processing facility
- **Deposit Type** - 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.
- **Status** - Development Stage
- **End Product** - Zn and Pb concentrate

The Quiulacocho Tailings Storage Facility (TSF) covers approximately 115 hectares and is estimated to hold approximately 70 million tonnes of tailings deposited from 1920s to 1990s. Approximately 57 ha of the Quiulacocho TSF lies within the El Metalurgista mining concession.

The most recent Historical Mineral Resource Estimate for the Quiulacocho 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 Quiulacocho tailings deposit.

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

CDPR has an agreement with the local community of Quiulacocho to undertake exploration work on the Quiulacocho TSF. CDPR is undertaking permitting to drill 40 boreholes in the Quiulacocho TSF and hopes to start drilling by Q2 2021.

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

Excelsior Stockpile



- **Ownership** - CDPR holds a 100% interest in the El Metalurgista mining concession (95.74 ha) incorporating mineral rights covering approximately 35 ha of the Excelsior Stockpile.
- **Location** - Approximately 175 km NNE of the city of Lima in the Region of Pasco, Peru.
- **Infrastructure** – Roads accessible, power grid, abundant water, adjacent to operational processing facility
- **Deposit Type** – 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.
- **Status** – Development Stage
- **End Product** –Zn and Pb concentrates

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.

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.

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

Our Business Plan

The plan of the Company is to reprocess tailings and stockpiles at Cerro de Pasco and to use these to revive and modernise all existing installations at the mining complex.

Our Concept Proposal

The future of Cerro de Pasco (Peru) will depend on the application of the latest science in geo-resource and industrial development. The town's history has, until now depended entirely on conventional mining of commodity metals through underground and open pit mining methods. However, new science can secure long-term economic sustainability in harmony with a healthy and prosperous local population. The initial objective of this project will be to drive the productive utilization of all material resources available at Cerro de Pasco and new industrial activities that will further perpetuate prosperity into the future.

The Concept starts with completing a detailed drilling program and associated technical studies of the Quiulacocha TSF to gain a better understanding of the deposit (resource estimation, mineralogy, metallurgical recoveries and process) and their current impact on the environment (to include a baseline study of the entire Cerro de Pasco watershed).

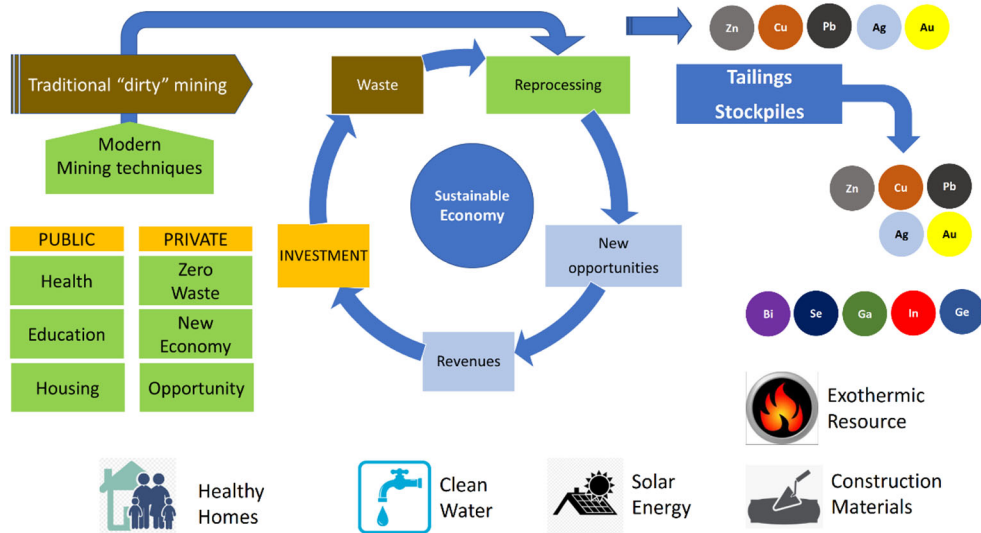
To this end, our upcoming drilling program and technical studies are designed to collect the information required to:

1. Determine what solutions may be possible and how best the tailings can be reprocessed; and
2. Collect information required for designing systems that will be used to aid environmental cleanup while work is ongoing to reuse as much of the natural resources as possible.

It also includes the development of a sustainable inline extraction process towards the elimination of all waste. This implies a search for and separation of critical elements like Rare Earth Elements (REE), Platinum Group Elements (PGE) and other strategic elements (Ge, In, Ga) as well research and innovation to use of the main volume of the known waste material (pyrite, carbonates, and silicates). An example is the innovative exploitation of the heat capacity of pyrite for home heating systems for the population of Cerro de Pasco. Additionally, new concepts for the sustainable urban development of Cerro de Pasco will be studied to strengthen the social impact by providing better living conditions for the whole population of Cerro de Pasco. This implies the attraction of secondary industries drawing benefit from the entire range of geo-resources present at Cerro de Pasco (including classical commodities (Pb, Zn, Ag, Bi, Cu, Au) as well as innovative commodities (including pyrite, carbonate, silicates).

The positive impacts will be immense in terms of job creation, poverty reduction and quality of life at Cerro de Pasco, a city with over 50,000 inhabitants and a unique history in, and loyalty to mining. CDPR will promote a broad spectrum of initiatives including urban re-planning, health and welfare in collaboration with the local and national authorities. Under the initial plan, households will be relocated from the most heavily contaminated areas. Cerro de Pasco Resources can therefore become the nucleus for sustainable growth, renewing the site's ageing infrastructure and plant and employing the latest technologies to create an emblematic project.

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Exploration outlook

As part of the next steps in the development of the project, the Company will first need to update the historical Mineral Resource Estimates performed on the QT to render them compliant with the NI43-101 and CIMM norms.

QUALIFIED PERSON

Mr. Shane Whitty has reviewed and approved the scientific and technical information regarding the technical information. Mr. Whitty is a qualified Person within the meaning of the NI 43-101 and is also the Vice President, Exploration for CDPR.

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MINING PROPERTIES & EXPLORATION AND EVALUATION ASSETS

Mining properties and exploration and evaluation assets for the three-month period ended September 30, 2021 and 2020.

CERRO DE PASCO RESOURCES INC.

Mining properties
For the three-month period ended September 30, 2021

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Mining properties		
Mining rights	-	-
Exchange gain	37,132	37,132
	37,132	37,132
Balance, beginning of period	1,326,280	1,326,280
Balance, end of period	1,363,412	1,363,412

Exploration and evaluation assets
For the three-month period ended September 30, 2021

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Exploration and evaluation assets		
Acquisition	-	-
Exchange gain	5,001	5,001
	5,001	5,001
Balance, beginning of period	178,611	178,611
Balance, end of period	183,612	183,612

⁽¹⁾ Reclassification of \$284,688 of exploration and evaluation assets to consulting fees.

CERRO DE PASCO RESOURCES INC.

Mining properties
For the three-month period ended September 30, 2020

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Mining properties		
Mining rights	-	-
Exchange loss	(30,926)	(30,926)
	(30,926)	(30,926)
Balance, beginning of period	1,458,330	1,458,330
Balance, end of period	1,427,404	1,427,404

Exploration and evaluation assets
For the three-month period ended September 30, 2020

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Exploration and evaluation assets		
Reporting ⁽¹⁾	(284,688)	(284,688)
Exchange loss	(4,165)	(4,165)
	(288,853)	(288,853)
Balance, beginning of period	481,083	481,083
Balance, end of period	192,230	192,230

MINING PROPERTIES & EXPLORATION AND EVALUATION ASSETS

Mining properties and exploration and evaluation assets for the nine-month period ended September 30, 2021 and 2020.

CERRO DE PASCO RESOURCES INC.

Mining properties
For the nine-month period ended September 30, 2021

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Mining properties		
Mining rights	-	-
Exchange gain	963	963
	963	963
Balance, beginning of year	1,362,449	1,362,449
Balance, end of year	1,363,412	1,363,412

Exploration and evaluation assets
For the nine-month period ended September 30, 2021

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Exploration and evaluation assets		
Acquisition	-	-
Exchange gain	130	130
	130	130
Balance, beginning of year	183,482	183,482
Balance, end of year	183,612	183,612

Mining properties
For the nine-month period ended September 30, 2020

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Mining properties		
Mining rights	-	-
Exchange gain	37,561	37,561
	37,561	37,561
Balance, beginning of year	1,389,843	1,389,843
Balance, end of year	1,427,404	1,427,404

Exploration and evaluation assets
For the nine-month period ended September 30, 2020

	PERU	
	Quiulacocha tailings and Excelsior Stockpile	Total
	\$	\$
Exploration and evaluation assets		
Acquisition	-	-
Exchange gain	5,059	5,059
	5,059	5,059
Balance, beginning of year	187,171	187,171
Balance, end of year	192,230	192,230

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FINANCIAL INFORMATION

Functional and presentation currency

These selected annual and quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 5 in the audited annual consolidated financial statements for the year ended December 31, 2020.

Use of estimates and judgements

Please refer to Note 3.6 of the 2020 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.

Reporting global event

During the year ended December 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

The Company has implemented the health measures recommended by the Canadian and Peruvian authorities to reduce physical contact: significant reduction in travel, teleworking and video conferences and others. The Company is continuing its activities to further the Company's objectives during this uncertain and rapidly evolving time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

Changes in accounting policies

The Company's changes to accounting policies are disclosed in Note 4.1 in the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021.

New standards and interpretations that have not yet been adopted

The information is provided in Note 4.2 in the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021.

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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

The following selected quarterly financial information is derived from our unaudited condensed annual financial statements for each of the two most recently completed financial years.

CERRO DE PASCO RESOURCES INC. SELECTED QUARTERLY FINANCIAL INFORMATION

	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019
	\$	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS								
Operating expenses								
General and administrative expenses	881,389	1,006,983	1,182,888	2,440,979	2,552,884	1,039,564	1,095,260	980,676
	881,389	1,006,983	1,182,888	2,440,979	2,552,884	1,039,564	1,095,260	980,676
Other (revenues) expenses								
Finance expense	93,009	150,820	82,734	67,426	14,663	21,151	21,579	22,303
Non-recoverable sales taxes	7,633	10,330	(2,473)	18,893	18,184	3,630	34,746	93,746
Change in fair value of								
marketable securities in a quoted company	(17,968)	(10,782)	7,188	7,187	-	(25,156)	25,156	-
warrants and embedded derivative on convertible debenture	(26,973)	(46,686)	(29,622)	(17,976)	-	-	-	-
Loss on settlement of receivables	-	-	-	-	-	-	-	35,937
Gain on settlement of payables	-	(94,685)	-	-	-	-	-	-
Write-off of equipment	-	-	-	-	-	-	2,032	-
Write-off of payables	-	-	-	-	-	-	-	(32,119)
Government assistance	-	-	-	-	(19,299)	-	-	-
Gain on convertible debenture refinancing	-	(8,879)	-	-	-	-	-	-
Gain on Covid-19 related rent concessions	-	(12,170)	-	(39,862)	-	-	-	-
Exchange (gain) loss	(271,721)	5,080	33,847	260,413	115,963	160,202	(384,901)	(54,518)
	(216,020)	(6,972)	91,674	296,081	129,511	159,827	(301,388)	65,349
Income tax	-	-	-	33,257	-	-	-	62,795
Net loss	665,369	1,000,011	1,274,562	2,770,317	2,682,395	1,199,391	793,872	1,108,820
Other comprehensive loss (income)								
Currency translation adjustment	192,247	(88,323)	(74,018)	(219,640)	(81,522)	(152,658)	287,702	45,904
Other comprehensive loss (income) net of tax	192,247	(88,323)	(74,018)	(219,640)	(81,522)	(152,658)	287,702	45,904
Net loss and comprehensive loss (income)	857,616	911,688	1,200,544	2,550,677	2,600,873	1,046,733	1,081,574	1,154,724
Net loss attributable to:								
Shareholders of Cerro de Pasco Resources Inc.	665,369	1,000,011	1,274,562	2,770,317	2,682,395	1,199,391	793,872	1,108,820
Non-controlling interests	-	-	-	-	-	-	-	-
Other comprehensive loss (income) attributable to:								
Shareholders of Cerro de Pasco Resources Inc.	192,247	(88,323)	(74,018)	(219,640)	(81,522)	(152,658)	287,702	45,904
Non-controlling interests	-	-	-	-	-	-	-	-
Basic and diluted loss per share:	0.00	0.00	0.01	0.01	0.01	0.01	0.00	0.00

	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019
	\$	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION								
Cash and cash equivalents	655,918	1,670,614	25,255	897,979	779,108	681,802	609,674	275,466
Property and equipment	38,580	42,039	47,156	52,463	58,515	65,335	74,642	67,953
Right-of-use assets	-	-	13,540	41,506	61,801	89,124	121,735	140,180
Mining properties	1,363,412	1,326,280	1,345,648	1,362,449	1,427,404	1,458,330	1,518,148	1,389,843
Exploration and evaluation assets	183,612	178,611	181,220	183,482	192,230	481,083	204,450	187,171
Total assets	2,602,398	3,603,526	2,118,992	2,938,587	2,919,297	3,167,570	2,804,974	2,329,583
Trade accounts payable and other liabilities	1,981,303	2,195,802	3,140,748	2,818,581	1,299,628	1,213,312	960,049	739,392
Promissory note	-	-	-	-	-	226,499	433,166	-
Convertible debenture	1,322,796	1,271,119	864,559	813,249	-	-	-	-
Total current liabilities	3,365,929	3,524,683	4,088,258	3,723,106	1,417,584	1,583,927	1,553,699	884,578
Total non-current liabilities	159,206	187,234	158,102	191,105	58,360	77,252	76,720	140,029
(Deficit) Equity	(922,737)	(108,391)	(2,127,368)	(975,624)	1,443,353	1,506,391	1,174,555	1,304,976

MANAGEMENT'S DISCUSSION AND ANALYSIS

The net loss of \$665,369 for Q3-2021 is attributable to general and administrative expenses of \$881,389.

The net loss of \$1,000,011 for Q2-2021 is attributable to general and administrative expenses of \$1,006,983.

The net loss of \$1,274,562 for Q1-2021 is attributable to general and administrative expenses of \$1,182,888.

The net loss of \$2,770,317 for Q4-2020 is attributable to general and administrative expenses of \$2,440,979.

The net loss of \$2,682,395 for Q3-2020 is attributable to general and administrative expenses of \$2,552,884.

The net loss of \$1,199,391 for Q2-2020 is attributable to general and administrative expenses of \$1,039,564.

The net loss of \$793,872 for Q1-2020 is attributable to general and administrative expenses of \$1,095,260 combined with an exchange gain \$384,901.

The net loss of \$1,108,820 for Q4-2019 is attributable to general and administrative expenses of \$980,676.

The net loss of \$714,829 for Q3-2019 is attributable to general and administrative expenses of \$646,745.

The net loss of \$944,219 for Q2-2019 is attributable to general and administrative expenses of \$851,506.

Results of operations for the three-month period ended September 30, 2021 (Q3-2021)

Net loss

The basic and diluted loss per share for the three-month period ended September 30, 2021 is \$0.00 as compared to \$0.01 for the three-month period September 30, 2020.

During Q3-2021, the Company realized a net loss of \$665,369 as compared to a net loss of \$2,682,395 for Q3-2020.

The decrease of \$2,017,026 in net loss for Q3-2021 as compared to Q3-2020 is attributable to a decrease of \$1,671,495 in general and administrative expenses (\$881,389 in Q3-2021 compared to \$2,552,884 in Q3-2020).

Operating expenses

During Q3-2021, operating expenses were \$881,389 as compared to \$2,552,884 for Q3-2020.

The decrease of \$1,671,495 in general and administrative expenses for Q3-2021 as compared to Q3-2020 is attributable to a decrease of \$606,404 in salaries and employee benefit expense and management and consulting fees (\$557,406 for Q3-2021 compared to \$1,163,810 for Q3-2020) combined with a decrease of \$814,830 in share-based compensation (\$20,820 in Q3-2021 compared to \$835,650 in Q3-2020) resulting of the grant of 200,000 share options during in Q3-2021 compared to the grant of 4,700,000 share options in Q3-2020.

Other (revenues) expenses

During Q3-2021, the other revenues were \$216,020 as compared to other revenues of \$129,511 for Q3-2020.

The decrease of \$345,531 in other expenses for Q3-2021 as compared to Q3-2020 is mostly attributable to an increase in exchange gain of \$387,684 (\$271,721 in exchange gain for Q3-2021 as compared to \$115,963 in exchange loss for Q3-2020).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of operations for the nine-month period ended September 30, 2021 (YTD-2021)

Net loss

The basic and diluted loss per share for YTD-2021 is \$0.01 as compared to \$0.01 for YTD-2020.

During YTD-2021, the Company realized a net loss of \$2,939,942 as compared to a net loss of \$4,675,658 for YTD-2020.

The decrease of \$1,735,716 in net loss for YTD-2021 as compared to YTD-2020 is attributable to a decrease of \$1,616,448 in general and administrative expenses (\$3,071,260 for YTD-2021 compared to \$4,687,708 for YTD-2020).

Operating expenses

During YTD-2021, operating expenses were \$3,071,260 as compared to \$4,687,708 for YTD-2020.

The decrease of \$1,616,448 in general and administrative expenses for YTD-2021 as compared to YTD-2020 is attributable to a decrease of \$363,818 in salaries and employee benefit expense and management and consulting fees (\$1,960,317 during YTD-2021 compared to \$2,324,135 during YTD-2020) combined with a decrease of \$767,490 in share-based compensation (\$68,160 during YTD-2021 compared to \$835,650 during YTD-2020) resulting of the grant of 600,000 share options during YTD-2021 compared to the grant of 4,700,000 share options during YTD-2020 and a decrease in business development expense of \$371,696 (\$292,749 during YTD-2021 compared to \$664,445 during YTD-2020).

Other (revenues) expenses

During YTD-2021, the other revenues were \$131,318 as compared to other revenues of \$12,050 for YTD-2020.

The increase of \$119,268 in other revenues for YTD-2021 as compared to YTD-2020 is attributable to an increase in exchange gain of \$124,058 (\$232,794 in exchange gain for YTD-2021 as compared to \$108,736 in exchange gain for YTD-2020) combined with an increase of \$269,170 in finance expenses (\$326,563 in YTD-2021 compared to \$57,393 in YTD-2020 mainly due to the financing by convertible debenture), an increase of \$103,281 in change in fair value of warrants and embedded derivative on convertible debenture (markup of \$103,281 in YTD-2021 compared to \$Nil in YTD-2020) and an increase in a settlement of payables of \$94,685 (\$94,685 in YTD-2021 compared to \$Nil in YTD-2020).

CASH FLOWS

Cash flows used for operating activities

Cash flows used for operating activities were \$3,453,447 during YTD-2021, an increase of \$249,124 as compared to cash flows used for operating activities of \$3,204,323 during YTD-2020. The increase of \$249,124 in cash flows used for operating activities is mostly explained by an increase of \$1,283,667 in change in trade accounts payable and accrued liabilities during YTD-2021 as compared to YTD-2020 (negative change of \$688,138 during YTD-2021 compared to positive change of \$595,529 during YTD-2020) combined with a decrease of \$814,221 in cash flows used for operating activities before changes in working capital (negative cash flows of \$2,827,558 for YTD-2021 as compared to negative cash flows of \$3,641,779 for YTD-2020).

Cash flows from financing activities

Cash flows from financing activities were \$3,297,840 during YTD-2021, a decrease of \$601,850 as compared to cash flows of \$3,899,690 from financing activities during YTD-2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The decrease of \$601,850 is mostly attributable to a decrease of \$993,104 in proceeds from warrants and private placements (\$2,998,295 during YTD-2021 as compared to \$3,991,399 during YTD-2020).

Cash flows used for investing activities

Cash flows used for investing activities were \$49,785 (acquisition of mining property relating to agreements with the communities) during YTD-2021, a decrease of \$61,076 as compared to cash flows of \$110,861 used for investing activities during YTD-2020 (acquisition of property and equipment and mining property relating to agreements with the communities).

OTHER FINANCIAL DISCLOSURES

Related party transactions

Please refer to Note 16 of the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021, for a summary of the Company's transactions with related parties.

Contingency

Please refer to Note 20 of the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021, for a summary of the Company's commitments.

Subsequent events

Please refer to Note 21 of the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021, for a summary of the Company's subsequent events.

Off-financial position arrangements

As at September 30, 2021, the Company had no off-financial position arrangements.

Going concern assumption

The accompanying consolidated financial statements have been prepared on the basis of the on going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. 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, 12 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 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.

For the nine-month period ended September 30, 2021, the Company recorded a net loss of \$2,939,942 (\$4,675,658 for the nine-month period ended September 30, 2020) and has an accumulated deficit of \$32,897,590 as at September 30, 2021 (\$29,957,648 as at December 31, 2020). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at September 30, 2021, the Company had a negative working capital of \$2,349,135 (a negative working capital of \$2,424,419 as at December 31, 2020) consisting of cash and cash equivalents of \$655,918 (\$897,979 as at December 31, 2020). Management believes that

MANAGEMENT'S DISCUSSION AND ANALYSIS

these funds will not be sufficient to meet the obligations and liabilities of the Company. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. 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. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its 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 ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the nine-month period ended September 30, 2021, the Company has raised \$2,998,295 from private placements consisting of common shares to fund exploration works and working capital (\$4,089,799 raised from warrants exercised and private placements for the year ended December 31, 2020). 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.

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. Capital for the reporting periods under review is summarized in Note 18 and in the condensed interim consolidated statements of changes in equity of the condensed interim consolidated statements for the three-month and nine-month periods September 30, 2021. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Disclosure of outstanding share data

The following selected financial information is derived from our unaudited financial statements.

CERRO DE PASCO RESOURCES INC.

Disclosure of outstanding share data (as at November 26, 2021)

Outstanding common shares: 275,442,851

Outstanding share options: 10,968,500
 Average exercise price of: \$0.402
 Average remaining life of: 2.81 years

Expiry date	Number	Exercise price \$	Remaining life (years)
December 31, 2022	218,500	0.40	1.10
March 10, 2023	200,000	0.40	1.28
August 19, 2023	200,000	0.40	1.73
August 28, 2023	200,000	0.40	1.75
March 7, 2024	5,400,000	0.40	2.28
March 29, 2024	50,000	0.40	2.34
May 6, 2024	200,000	0.50	2.44
September 16, 2024	200,000	0.40	2.81
August 28, 2025	4,300,000	0.40	3.75
	<u>10,968,500</u>		

Outstanding warrants: 18,955,718
 Average exercise price of: \$0.517
 Average remaining life of: 0.86 years

Expiry date	Number	Exercise price \$	Remaining life (years)
February 28, 2022	1,300,210	0.65	0.26
March 6, 2022	1,080,500	0.65	0.27
June 15, 2022	3,711,090	0.50	0.55
June 16, 2022	200,000	0.50	0.55
July 2, 2022	1,812,034	0.50	0.60
August 21, 2022	1,128,130	0.50	0.73
August 28, 2022	3,333,334	0.50	0.75
August 28, 2022	250,000	0.365	0.75
April 8, 2023	1,697,500	0.50	1.36
April 22, 2023	1,511,063	0.50	1.40
April 30, 2023	532,214	0.50	1.42
May 27, 2023	542,500	0.50	1.50
October 15, 2022	1,857,143	0.50	1.55
	<u>18,955,718</u>		

RISK AND UNCERTAINTIES

Cerro de Pasco Resources is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial instrument risks

Please refer to Note 19 of the condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2021, for a summary of the Company's financial instruments risks.

COVID-19

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Company continues assess the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the Company is uncertain.

Certain Risks associated with the Quiulacocha Tailings and Excelsior Stockpile

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

Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. 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. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

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 economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for 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.

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.

Environmental regulations

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 a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other 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.

Stage of development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental 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. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable 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 financings 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.

Key employees

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.

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).

CERTIFICATION OF INTERIM FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Interim 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 interim filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the interim financial report and the interim MD&A (together, the "interim filings") of the Company for the three-month period ended September 30, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim 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 interim filings.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim financial report together with the other financial information included in the interim 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 interim filings.