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CERRO DE PASCO RESOURCES S.A.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2018 December 31, 2017 (Unaudited)

	June 2018	December 2017
	C$	C$
ASSETS		
CURRENT ASSETS		
Cash	175,192	35,320
Other accounts receivable	338,714	231,991
Total current assets	513,906	267,311
NON-CURRENT ASSETS		
Property, plant and Equipment	947	947
Intangible assets	1,351,318	1,228,645
Assets for deferred income tax	45,219	45,219
Total non-current assets	1,397,484	1,274,811
TOTAL ASSETS	1,911,390	1,542,122
LIABILITIES AND EQUITY		
NON-CURRENT LIABILITIES		
Trade accounts payable	6,202	52,218
Other accounts payable	1,898,140	2,258,908
Total non-current liabilities	1,904,342	2,311,126
TOTAL LIABILITIES	1,904,342	2,311,126
EQUITY		
Capital	330,566	185,523
Capital Premium	2,109,450	810,888
Accumulated results	(2,432,968)	(1,765,415)
TOTAL EQUITY	7,048	(769,004)
TOTAL LIABILITIES AND EQUITY	1,911,390	1,542,122

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CERRO DE PASCO RESOURCES S.A.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the Six-month period ended June 30, 2018 and 2017 (Unaudited)

	June 2018	June 2017
	C$	C$
OPERATING COSTS		
Administration expenses	(561,145)	(153,010)
Total operation costs	(561,145)	(153,010)
OPERATING LOSS	(561,145)	(153,010)
OTHER INCOME (EXPENSES)		
Financial income	40,013	72,146
Total other income	40,013	72,146
Income tax	-	-
OVERALL LOSS	**(521,132)**	**(80,864)**

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CERRO DE PASCO RESOURCES S.A.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Six-month period ended June 30, 2018 and 2017 (Unaudited)

	Notes	Capital	Capital Premium	Accumulated results	Total
		C$	C$	C$	C$
As of January 1, 2017		**185,523**	**810,888**	**(1,262,062)**	**(265,651)**
Conversión effect				47,318	47,318
Overall income		-	-	(80,864)	(80,864)
Total overall result		-	-	(33,546)	(33,546)
As of June 30, 2017		**185,523**	**810,888**	**(1,295,608)**	**(299,197)**
As of January 1, 2018		**185,523**	**810,888**	**(1,765,415)**	**(769,004)**
Capitalization of credits		145,043	1,298,562	-	1,443,605
Conversion effect		-	-	(146,421)	(146,421)
Overall loss		-	-	(521,132)	(521,132)
Total overall result		**330,566**	**2,109,450**	**(2,432,968)**	**7,048**
As of June 30, 2018		**330,566**	**2,109,450**	**(2,432,968)**	**7,048**

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CERRO DE PASCO RESOURCES S.A.

CONDENSED STATEMENT OF CASH FLOWS
For the Six-month period ended June 30, 2018 and 2017 (Unaudited)

	Notes	2018	2017
		C$	C$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other charges related to the activity		(106,723)	(47,858)
Payment to suppliers and taxes		(360,768)	(367,330)
Net cash used in operating activities		(467,491)	(415,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received		607,363	462,107
Net cash from financing activities		607,363	462,107
NET INCREASE OF CASH IN THE YEAR		139,872	46,919
CASH			
As of January 1		35,320	10,237
As of June 30		175,192	57,156

1. IDENTIFICATION AND ECONOMIC ACTIVITY

1.1 Identification

Cerro de Pasco Resources S.A. (hereinafter, the Company), was incorporated in Peru, in the city of Lima on October 31, 2003. Its legal domicile is located at Parque Melitón Porras 161 Dpto. 502 Urb. Armendáriz, Miraflores, Lima, Perú.

The General Shareholders' Meeting of July 10, 2012 approved the change of company name and company type from Cory Gold Minning S.A.C to the current one of Cerro de Pasco Resources S.A.

1.2 Economic Activity

The Company is engaged in mining activities.

The Company is in pre-operative stage. Operational activities are estimated to start as projects reach the level of economic feasibility and have the environmental impact study approved by the competent authority. During the year, only administrative work has been done in the concession.

The company has a tailings concession called El Metalurgista (Quiulacocha Project) located in the Simón Bolívar District, in the province of Cerro de Pasco, in the department of Pasco, Peru. This concession covers an area of 96 hectares.

1.3 Going concern

The condensed interim financial statements of the Company have been prepared under the Fundamental Hypothesis of Going Concern. However, the Company has accumulated losses that exceed the capital stock in recent years. The General Corporation Law grants a period of one year to reverse this situation through the contribution of shareholders. If this is not done, there is a risk that the Company will lose continuity unless it generates future profits that exceed this equity deficit.

1.4 Authorization to issue interim financial statements

The condensed interim financial statements, as at June 30, 2018 have been authorized for issuance by the Board of directors.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (''IFRS''), issued by the International Accounting Standards Board (''IASB'') in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited condensed interim statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company and the notes thereto for the year ended December 31, 2017.

2.2 Basis of measurement

The unaudited condensed interim financial statements have been prepared on the historical cost basis except for when IFRS requires recognition at fair value.

3. New standards and interpretations that have not yet been adopted

Since the issuance of the Company's audited consolidated financial statements for the year ended December 31, 2017, the IASB and IFRIC have issued no additional new and revised standards and interpretations which are applicable to the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied in preparing these financial statements:

(i) *IFRS 9 - Financial Instruments*

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The application of this new standard will not have significant impact on the financial statements.

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(ii) *IFRS 16 - Leases*

In January 2016, the IASB published IFRS 16 which will replace IAS 17 Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right- of-use asset and a lease liability in the statement of financial position for all lease with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16: changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements.

The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted, but only if the entity is also applying IFRS 15. The Company is required to retrospectively apply IFRS 16 to all existing leases as of the date of transition and has the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

As a practical expedient, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. The Company is assessing the impact of this standard on its consolidated financial statements; however, the Company believes that on adoption of the standard there will be an increase to assets and liabilities, as the Company will be required to record a right-of-use asset and a corresponding lease liability on its consolidated statements of financial position, as well as a decrease to operating costs, an increase to finance costs (due to accretion of the lease liability) and an increase to depreciation (due to depreciation of the right-of-use asset).