



By SEDAR

August 5, 2019

Autorité des marchés financiers

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Montréal QC H4Z 1G3

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver BC V7Y 1L2

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary AB T2P 0R4

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

RE : Cerro de Pasco Resources Inc. (« CDPR »)
Refiled annual audited consolidated financial statements
For the year ended December 31, 2018
Project No: 02909292

Dear Madam/Sir,

On April 30, 2019 we filed the annual audited consolidated financial statements for the year ended December 31, 2018.

We note that information contained in the notes to the consolidated financial statements on page 11, note 4.1 wherein an amount have changed including:

- On page 12, the amount of \$65,955 in the 3rd paragraph from the top has been changed to \$149,239.

We note that information contained in the consolidated statement of financial position as at December 31, 2016 (The date of December 31, 2016 has been changed to January 1, 2017) had not been adjusted based on certain changes presented in Note 4.1



- The amount of mineral properties of \$680,637 has been changed to \$492,599. The amount of \$680,637 did not include the following changes **in bold** described in note 4.1:
 - Page 12 (Note 4.1 - 1st paragraph) In addition, the Company retrospectively changed the book values relating to its mining properties and the related liabilities. The Company initial recorded as an asset and a liability all payment commitments to be made under its options agreements to acquire a mining property. Under IFRS 6 - exploration for and evaluation of mineral resources, the payments obligations under an option agreement do not meet the definition of a liability and thus are not accounted for immediately. Options on interest in mining properties are recorded as an asset at the value of the consideration paid when the payment commitment meets the definition of a liability. In connection with this change, the company also corrected a 2017 adjustment recorded by management to incorrectly adjust the recorded value of mining properties and the related payable based on an amended option agreement signed in 2017. These changes had the following effects on the consolidated financial statements of the Company : **decrease in mining properties of \$254,572** as at December 31, 2017 and of **\$188,038 as at December 31, 2016**, decrease in exploration and evaluation assets of \$82,045 as at December 31, 2017, decrease in trade accounts payable and other liabilities of \$527,851 as at December 31, 2017 and of \$404,404 as at December 31, 2016, decrease in deficit of \$191,234 as at December 31, 2017 and of \$216,366 as at December 31, 2016.

- Trade accounts payable and other liabilities of \$ 925,976 were changed to \$ 670,811. The amount of \$ 925,976 did not include the following changes **in bold** described in Note 4.1:
 - Page 12 (Note 4.1 - 1st paragraph) In addition, the Company retrospectively changed the book values relating to its mining properties and the related liabilities. The Company initial recorded as an asset and a liability all payment commitments to be made under its options agreements to acquire a mining property. Under IFRS 6 - exploration for and evaluation of mineral resources, the payments obligations under an option agreement do not meet the definition of a liability and thus are not accounted for immediately. Options on interest in mining properties are recorded as an asset at the value of the consideration paid when the payment commitment meets the definition of a liability. In connection with this change, the company also corrected a 2017 adjustment recorded by management to incorrectly adjust the recorded value of mining properties and the related payable based on an amended option agreement signed in 2017. These changes had the following effects on the consolidated financial statements of the Company : decrease in mining properties of \$254,572 as at December 31, 2017 and of \$188,038 as at December 31, 2016, decrease in exploration and evaluation assets of \$82,045 as at December 31, 2017, **decrease in trade accounts payable and other liabilities** of \$527,851 as at December 31, 2017 and of **\$404,404 as at December 31, 2016**, decrease in deficit of \$191,234 as at December 31, 2017 and of **\$216,366 as at December 31, 2016**.
 - Page 12 (Note 4.1 – 3rd paragraph)The Company has then retrospectively recorded a missing payables as at December 31, 2016 and the effect of that adjustment was a decrease in the deficit of **\$149,239 as at December 31, 2016** and 2017 and an **increase in the other payables** of the same amount.



- Deficit of \$1,366,553 were changed to \$1,299,426. The amount of \$1,366,553 did not include the following changes **in bold** described in Note 4.1:
 - Page 12 (Note 4.1 - 1st paragraph) In addition, the Company retrospectively changed the book values relating to its mining properties and the related liabilities. The Company initial recorded as an asset and a liability all payment commitments to be made under its options agreements to acquire a mining property. Under IFRS 6 - exploration for and evaluation of mineral resources, the payments obligations under an option agreement do not meet the definition of a liability and thus are not accounted for immediately. Options on interest in mining properties are recorded as an asset at the value of the consideration paid when the payment commitment meets the definition of a liability. In connection with this change, the company also corrected a 2017 adjustment recorded by management to incorrectly adjust the recorded value of mining properties and the related payable based on an amended option agreement signed in 2017. These changes had the following effects on the consolidated financial statements of the Company : decrease in mining properties of \$254,572 as at December 31, 2017 and of \$188,038 as at December 31, 2016, decrease in exploration and evaluation assets of \$82,045 as at December 31, 2017, decrease in trade accounts payable and other liabilities of \$527,851 as at December 31, 2017 and of \$404,404 as at December 31, 2016, **decrease in deficit** of \$191,234 as at December 31, 2017 and **of \$216,366 as at December 31, 2016.**
 - Page 12 (Note 4.1 – 3rd paragraph) The Company has then retrospectively recorded a missing payables as at December 31, 2016 and the effect of that adjustment was a **decrease in the deficit of \$149,239 as at December 31, 2016** and 2017 and an increase in the other payables of the same amount.

We have corrected this situation and are filing again the annual audited consolidated financial statements for the year ended December 31, 2018.

We thank you for your cooperation,

Yours Truly,

(signed) Robert Boisjoli

Robert Boisjoli, FCPA, FCA
Chief Financial Officer