CERRO DE PASCO RESOURCES INC.

Condensed Interim Consolidated Financial Statements

(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month periods ended

June 30, 2024 and 2023

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Cerro de Pasco Resources Inc., (the “Company”) for the three-month periods ended June 30, 2024 and June 30, 2023 have been prepared by and are the responsibility of the Company’s management. In accordance with National Instrument 51 - 102 - *Continuous Disclosure Obligations*, the Company discloses that its independent auditor has not performed a review of these condensed consolidated interim financial statements.

CERRO DE PASCO RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2024 and March 31, 2024
(Expressed in US Dollars unless otherwise noted)

	Note	June 30, 2024	March 31, 2024
		$	$
Assets			
Current assets:			
Cash	7	166,562	136,721
Cash and cash equivalents - restricted	7	4,589,876	6,479,134
Accounts receivable		605	778,321
Other financial assets		47,533	50,852
Other receivables	9	1,226,115	1,030,522
Income and mining taxes receivable		1,730	304,956
Inventories	8	1,822,429	1,866,670
Prepaid expenses		256,351	306,410
Total current assets		8,111,201	10,953,586
Non-current assets:			
Property, plant, & equipment	10	10,238,052	10,554,664
Mining properties, exploration, and evaluation assets	11	10,559,627	9,546,461
Other receivables, net of current portion		5,977,953	6,355,303
Total non-current assets		26,775,632	26,456,428
Total assets		34,886,833	37,410,014
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities	12	54,757,521	53,839,715
Promissory note	14	477,785	458,159
Balance of purchase payable		1,663,873	1,680,726
Current portion of contingent consideration payable		2,500,000	2,500,000
Current portion of provisioning for rehabilitation and mine closure	13	401,043	349,559
Current portion of loans	15	3,568,959	3,568,959
Convertible debenture	16	1,052,952	1,208,623
Provision for taxes payable		279,058	279,058
Commitment to issue shares		7,380	2,064,227
Total current liabilities		64,708,571	65,949,026
Non-current liabilities:			
Loans	15	27,303	28,749
Provisioning for rehabilitation and mine closure	13	12,190,027	12,190,027
Deferred income tax		53,358	53,362
Total non-current liabilities		12,270,688	12,272,138
Total liabilities		76,979,259	78,221,164
(Deficiency) Equity:			
Share capital	17	28,389,414	27,020,881
Share subscription receivable		-	(349,894)
Warrants	17	2,291,992	1,718,039
Share options	18	671,589	691,624
Contributed surplus		2,461,497	2,310,974
Deficit		(76,681,354)	(72,954,894)
Accumulated other comprehensive income (loss)		774,436	752,120
Total shareholders' equity (deficiency)		(42,092,426)	(40,811,150)
Total liabilities and shareholders' equity (deficiency)		34,886,833	37,410,014

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Going concern, see Note 2.
Contingency, see Not 20.

These financial statements were approved and authorized for issue by the Board of directors on August 27, 2024.
On behalf of the board, Steven Zadka /s/, CEO, Director Guy Goulet /s/, Executive chairman

CERRO DE PASCO RESOURCES INC.
Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(Expressed in US Dollars unless otherwise noted)

		For the three-month period ended June 30,	
	Note	**2024**	**2023**
		$	**$**
Revenue from Zinc, Lead, and Silver concentrate sales		443,618	4,515,149
Cost of Sales		929,516	12,202,983
Gross Profit		**(485,898)**	(7,687,834)
Expenses:			
Selling Expenses		26,346	502,336
Exploration and evaluation expenditures		-	
Care and maintenance		2,058,689	-
General and administrative expenses		1,190,344	1,591,813
		(3,761,277)	(9,781,983)
Other revenues(expenses):			
Other and financial income		398,437	51,003
Financial expenses		(267,035)	(553,396)
Change in fair value of other financial assets		(2,809)	(26,734)
Change in fair value of contingent consideration		-	6
Exchange (gain) loss		(88,817)	46,033
		39,776	(597,550)
Loss before income taxes		(3,721,501)	(10,379,533)
Income and mining taxes		(4,959)	(63,559)
Net loss		**(3,726,460)**	(10,443,092)
Other comprehensive income (loss)			
Items will be reclassified subsequently to profit or loss			
Currency translation adjustment		22,635	(78,744)
Other comprehensive income (loss) net of tax		22,635	(78,744)
Net comprehensive loss		**(3,703,825)**	(10,521,836)
Net loss from discontinued operations		-	(1,604)
Other comprehensive income from discontinued operations			
Currency translation adjustment		-	1,385
Net comprehensive loss from discontinued operations		**-**	(219)
Net comprehensive income (loss) - continuing operations and discontinued operations		**(3,703,825)**	(10,522,055)
Net loss attributable to:			
Shareholders of Cerro de Pasco Resources Inc.		(3,726,460)	(10,444,375)
Non-controlling interests		-	(321)
		(3,726,460)	(10,444,696)
Other comprehensive income (loss) attributable to:			
Shareholders Cerro de Pasco Resources Inc.		22,635	(77,636)
Non-controlling interest		-	277
		22,635	(77,359)
Total comprehensive loss attributable to:			
Shareholders of Cerro de Pasco Resources Inc.		(3,703,825)	(10,522,011)
Non-controlling interest		-	(44)
		(3,703,825)	(10,522,055)
Basic and diluted weighted average number of common shares outstanding:		**359,698,049**	316,148,489
Basic and diluted loss per share - continuing operations		(0.01)	(0.03)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CERRO DE PASCO RESOURCES INC.
Condensed Interim Consolidated Statements of Equity (Deficiency)
Three-month period ended June 30, 2024 and March 31, 2024
(Expressed in US Dollars unless otherwise noted)

	Number of Shares Outstanding	Share Capital	Warrants	Share Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Share Subscription Receivable	Total Attributed to Owners	Non-Controlling Interests	Total Equity (Deficiency)
		$	$	$	$	$	$	$	$	$	$
Balance as at March 31, 2024	347,813,434	27,020,881	1,718,039	691,624	2,310,974	(72,954,894)	752,120	(349,894)	(40,811,150)	-	(40,811,150)
Shares and units issued:											
Private placements	25,500,000	1,260,855	-	-	-	-	-	349,894	1,610,749	-	1,610,749
Partial conversion of convertible debenture	2,000,000	146,120	-	-	-	-	-	-	146,120	-	146,120
Share issuance costs	-	(38,442)	-	-	-	-	-	-	(38,442)	-	(38,442)
Warrants granted as part of private placements	-	-	626,412	-	-	-	-	-	626,412	-	626,412
Warrants issued as penalty interest on convertible debenture	-	-	74,244	-	-	-	-	-	74,244	-	74,244
Amended warrants	-	-	(126,703)	-	126,703	-	-	-	-	-	-
Share options granted	-	-	-	3,785	-	-	-	-	3,785	-	-
Share options forfeited	-	-	-	(23,820)	23,820	-	-	-	-	-	-
Transactions with owners	27,500,000	1,368,533	573,953	(20,035)	150,523	-	-	349,894	2,422,868	-	2,422,868
Net and comprehensive loss for the period	-	-	-	-	-	(3,726,460)	22,316	-	(3,704,144)	-	(3,704,144)
Balance as at June 30, 2024:	**375,313,434**	**28,389,414**	**2,291,992**	**671,589**	**2,461,497**	**(76,681,354)**	**774,436**	**-**	**(42,092,426)**	**-**	**(42,092,426)**
Balance as at March 31, 2023:	313,175,934	24,907,215	1,207,671	1,478,267	1,303,594	(49,389,112)	741,456	(448,512)	(20,199,421)	(46,313)	(20,245,734)
Shares and units issued:											
Private placements	11,067,500	401,323	-	-	-	-	-	414,259	815,582	-	815,582
As payment of consulting fees	40,000	3,565	-	-	-	-	-	-	3,565	-	3,565
Share issuance costs	-	(32,469)	-	-	-	-	-	-	(32,469)	-	(32,469)
Warrants granted as part of private placement	-	-	422,077	-	-	-	-	-	422,077	-	422,077
Share options forfeited	-	-	-	(16,778)	16,778	-	-	-	-	-	-
Transactions with owners	11,107,500	372,419	422,077	(16,778)	16,778	-	-	414,259	1,208,755	-	1,208,755
Net and comprehensive loss for the period	-	-	-	-	-	(10,444,373)	(77,635)	-	(10,522,008)	(44)	(10,522,052)
Balance as at June 30, 2023:	**324,283,434**	**25,279,634**	**1,629,748**	**1,461,489**	**1,320,372**	**(59,833,485)**	**663,821**	**(34,253)**	**(29,512,674)**	**(46,357)**	**(29,559,031)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CERRO DE PASCO RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows
For the three-months ended June 30, 2024 and 2023
(Expressed in US dollars unless otherwise noted)

	Note	Three-month period ended June 30,	
		2024	**2023**
		$	**$**
Operating activities:			
Net loss		(3,726,460)	(10,444,375)
Adjustments for:			
Presumed interest on mine closure provision		51,484	-
Provision for contingent taxes		-	88,281
Consulting fees paid through issuance of shares		3,784	3,565
Change in fair value of other financial assets		2,809	26,755
Effective interest on loan			
Presumed interest and penalties paid on convertible debenture		129,084	77,879
Presumed interest on promissory note		33,881	10,856
Depreciation of property, plant, and equipment		337,326	863,217
Operating activities before changes in working capital items		(3,168,092)	(9,373,822)
Change in trade receivables		777,714	6,248,706
Change in other receivables		(197,658)	(794,995)
Change in other receivables – long-term		377,350	-
Change in inventories		44,242	160,696
Change in prepaid expenses		353,070	560,089
Change in trade accounts payable and accrued liabilities		869,857	2,828,333
Change in restricted cash		(22)	-
Change in provisioning for rehabilitation and mine closure		(1,436)	(45,227)
Change in working capital items		2,223,117	8,957,602
Cash flows used in operating activities		**(944,975)**	(416,220)
Financing activities:			
Proceeds received from shares issued		2,064,227	1,233,637
Repayment of a loan		(1,157)	(570,853)
Repayment of convertible debenture		-	(74,450)
Proceeds from a loan		-	589,394
Share issuance costs		(16,244)	(31,556)
Cash flows provided by (used in) financing activities		**2,046,826**	556,778
Investing activities:			
Acquisition of property, plant, and equipment		(18,900)	-
(Acquisition) reimbursement of exploration and evaluation assets		(10,927)	-
Investment in mining concessions and mining development		(1,002,286)	(45,097)
Cash flows used in investing activities		**(1,032,113)**	(45,097)
Net change in cash and cash equivalents		69,738	95,461
Cash and cash equivalents, beginning of period		136,721	1,465,169
Effect of exchange rate fluctuations of cash held in foreign currencies		(39,897)	2,561
Cash and cash equivalents, end of period		**166,562**	1,563,191
Non-cash transactions			
Warrants issued as part of private placements		626,412	422,077
Share issuance costs attributable to broker warrants granted		22,198	-
Revaluation of amended warrants		(126,703)	-
Stock options forfeited		(23,820)	(16,778)
Pay down of convertible debenture through issuance of shares		146,120	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

The Company paid interest expense of $2,104 ($150,716 – 2023) and income tax expense of $38,014 ($150,356 – 2023) in cash.

1. REPORTING ENTITY AND NATURE OF OPERATIONS:

Cerro de Pasco Resources Inc. and its subsidiaries (hereafter the “Company” or “Cerro de Pasco” or “CDPR”) is a natural resource company engaged in the acquisition, exploration, and development of mineral properties. The Company also produces zinc and lead-silver concentrates from the Santander mine in Peru.

Cerro de Pasco Resources Inc. is a company located in Canada. The Company was incorporated on June 6, 2003 under the Business Corporations Act (Alberta).

The Company's head office, which is also the main establishment is located at 205-68 de la Gare Av, Saint-Sauveur, , Québec, Canada J0R 1R0 and its website is www.pascoresources.com. The Company is trading on the Canadian Securities Exchange (CSE) under symbol “CPDR”.

Prior to the acquisition of Cerro de Pasco Resources Subsidiaria del Perú S.A.C. (formerly Trevali Peru S.A.C.) (” Santander” and/or “CDPR Subsidiaria del Perú”) the Company had been a pre-operative stage company. As of December 3, 2021 with the acquisition of Santander, the Company is engaged in mining activities, which include the exploration and exploitation of mining rights, processing and sale of minerals and metals, such as lead, zinc and silver in the Santander mining unit that is located in Santa Cruz de Andamarca, province of Huaral, Lima, Peru.

2. GOING CONCERN:

The accompanying condensed interim consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management considers 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 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 condensed interim 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.

For the three-month period ended June 30, 2024, the Company recorded a net loss of $3,726,460 (net loss of $10,444,375 for the three-month period ended June 30, 2023) due mainly to care and maintenance in the Santander mine. The accumulated deficit of $76,681,354 as at June 30, 2024 ($72,954,894 as at March 31, 2024) is attributable to all sectors of the Company. As at June 30, 2024, the Company had a working capital deficit of $56,597,370 ($54,995,440 as at March 31, 2024). These circumstances casts 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 and negotiation of current outstanding debt and payables. In January 2024, the Peruvian government granted the suspension of approximately $53 million of payables until such time in the future agreed upon at the Meeting of the Creditors (see Note 12 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 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.

3. BASIS OF PREPARATION:

Statement of compliance:

These condensed interim consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards applicable to the preparation of these financial statements. The accounting policies applied in these condensed interim financial statements are based on IFRS issued and in effect as of period end.

Certain information, particularly the accompanying notes, normally included in the audited annual consolidated financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited condensed interim consolidated financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual consolidated financial statements of the Company and the notes thereto for the year ended March 31, 2024.

Basis of measurement:

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

Basis of consolidation:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The subsidiaries and parent have altered their reporting date to be March 31 going forward. The Company attributes total comprehensive loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. All intra-group transactions and balances are eliminated in consolidation.

Subsidiary	Status	Jurisdiction of incorporation	Principal activity	% of ownership
Cerro de Pasco Resources Sucursal del Perú	Active	Peru	Exploration	100%
Cerro de Pasco Resources Subsidiaria del Perú S.A.C. *(formerly Trevali Peru S.A.C.," Santander*")	Active	Peru	Production	100%

On July 3, 2023, the Company sold their 80%-stake in the research subsidiary H2-Sphere GmbH ("H2 Sphere"), back to the original owners of the Company (Note 7).

Functional and presentation currency:

The consolidated financial statements are presented in United States 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 Perú and Santander is USD. The functional currency of H2-Sphere GmbH is the Euro.

Use of estimates and judgments:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim consolidated financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in the annual audited consolidated financial statements of the Company as at March 31, 2024.

New and amended standards:

The following amendments to the accounting standards became effective for annual periods beginning on or after January 1, 2024. The adoption of these reviewed standards by the Company did not have a material impact on its condensed interim financial statements.

IAS 1 – *Presentation of financial statements* was amended to clarify the classification of non-current liabilities with covenants, depending on the rights that exist at the end of the reporting period Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

IFRS 16 *Leases* has amended guidance over accounting for lease liability in a sale and lease back transaction.

4. CHANGES IN FINANCIAL YEAR-END:

Change in financial year-end:

On December 21, 2023, the Board of Directors approved to change the Corporation's financial year-end from December 31 to March 31 to improve alignment between management, mining and exploration activities, and financial reporting. The Company is reporting these financial statements from April 1, 2024 through June 30, 2024, which is the first period of the new fiscal year. As a result, these financial statements are not entirely comparable to the June 30, 2023 financial statements.

5. MATERIAL ACCOUNTING POLICY INFORMATION:

The accounting policies set out below have been applied consistently to all years presented in these condensed interim consolidated financial statements, unless otherwise indicated.

Revenue recognition:

The principal activity from which the Corporation generates its revenue is the sale of zinc and lead-silver concentrates to third parties. Revenue is measured based on the consideration specified in the contract with the customer. Revenue of sales concentrate is recognized at a point of time when the Corporation transfers control of a product to the customer, which generally occurs when the concentrate is transferred to the carrier transporting the product.

Non-controlling interests:

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured either at fair value or at the NCI's proportionate share of the recognized amounts of the acquirees identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity.

Total comprehensive income (loss) of subsidiaries is attributed to the shareholders of the Company and to the NCI even if this results in the NCI having a deficit balance. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

Foreign currency transactions and balances:

The condensed interim consolidated financial statements are presented in US dollars (see Note on Functional and presentation currency). Foreign currency transactions and balances are translated in their respective functional currency using the following method:

- Monetary assets and liabilities in foreign currency are translated at the closing exchange rate in effect at the reporting date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date.
- Revenues and expenses are translated at the average rate in effect during the year.
- Gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are included in profit or loss.
- Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Assets, liabilities, and transactions of the subsidiary with a functional currency other than the US dollar are translated into US dollars on consolidation. On consolidation, assets and liabilities are translated into US dollars at the closing rate of the reporting date. Income and expenses are translated under the Company's presentation currency at the average rate over the reporting year. Exchange differences are presented as other comprehensive loss and recognized in Accumulated other comprehensive income in equity (deficiency). On disposal of a foreign operation, the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Goodwill, intangibles and fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets and liabilities of the foreign subsidiary and translated at the rate in effect at the statement of financial position date.

Financial instruments:

(a) Recognition and derecognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

(b) Classification and initial measurement of financial assets:

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the Company does not have any financial assets categorized as fair value through other comprehensive income.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance expenses, finance income or other financial items, except for impairment of trade receivables which is presented within general and administrative expenses.

(c) Subsequent measurement of financial assets:

(i) Financial assets at amortized cost:

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, cash and cash equivalent – restricted, accounts receivable, and other receivables (except sales tax receivable) fall into this category of financial instruments.

(ii) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category contains marketable securities in a quoted company (presented within other financial assets). The Company accounts for the investments at FVTPL and did not make the irrevocable election to account for the investment in Genius Metal Inc. and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirement of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(d) Compound financial instruments:

The component parts of compound financial instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity component in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the liability component is recognized at fair value, which is estimated using the borrowing rate available for similar non-convertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity.

The value of the conversion option classified as equity component is determined at the date of issue by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. When and if the conversion option is exercised, the equity component of convertible debentures will be transferred to share capital. If the conversion option remains unexercised at the maturity date of the convertible debentures, the equity component of the convertible debentures will be transferred to contributed surplus. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs related to the issue of convertible debentures are allocated to the liability and equity component in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debenture using the effective interest method.

Impairment of financial assets:

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included accounts receivable and other receivables (except sales tax receivable).

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;

- Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not

- Stage 3: there is objective evidence of impairment as at the reporting date

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities:

The Company's financial liabilities at amortized cost include trade accounts payable and other liabilities, promissory note, balance of purchase payable, convertible debenture and loan. The Company's financial liabilities designated at FVTPL, include items such as the contingent consideration payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest- related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance expenses or finance income.

Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares are deemed to have been converted into common shares at the average market price at the beginning of the year or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

Cash and restricted cash and cash equivalents:

Cash and cash equivalent consists of cash and cash in trust, as well as other highly liquid short-term investments, easily convertible in a known amount of cash and subject to negligible risk of value impairment. Restricted cash is not available for use by the Company and therefore is not considered highly liquid, for example, cash set aside to cover remediation obligations.

Marketable securities:

Marketable securities comprise shares of other publicly trading companies and are recorded at fair value as of the date of the statement of financial position. The difference from the original basis related to the shares of other publicly traded companies is recorded in net loss.

Inventories:

Inventories comprise finished products, stockpiles, and supplies. Finished products are valued at cost or net realizable value, whichever is lower. The finished goods and stockpile include all production costs incurred directly, including direct labor and materials, freight and amortization, and directly attributable operating expenses. Supplies to be used in exploration and production are valued at acquisition cost, freight, and other directly attributable costs, which is determined using the weighted average method and the cost of inventories to be received, using the specific cost method.

The impairment of the value of the inventories is determined based on the net realizable value, which is the estimated sale price in the normal course of business, less the costs necessary to finish their production, put the inventories in a condition for sale and carry out their commercialization. For reductions in the book value of the inventories to their net realizable value, a provision for inventory impairment is made with a charge to profit or loss in the period in which such reductions occur.

Property, plant, and equipment:

Property, plant, and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property, plant and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The Santander mining unit depreciation is determined using the units of production (PU) method calculated based on the economically recoverable resources. Other fixed assets including buildings, facilities, other equipment, computer equipment, communication equipment, and furniture and fixtures are depreciated using the straight-line method over the useful life of assets.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and works in progress are not depreciated.

(Expressed in US Dollars unless otherwise noted)

The estimated useful lives are as follows:

		Years of useful life	
	Depreciation method	For the three months ended June 30, 2024	For the fifteen-month period ended March 31, 2024
Buildings	Straight-line	10	10
Mining unit	PU	4	4
Plant	PU	4	4
Facilities	Straight-line	10	10
Other equipment	Straight-line	10	10
Computer equipment	Straight-line	3 to 5	3 to 5
Communication equipment	Straight-line	5	5
Software	Straight-line	2	2
Furniture and fixture	Straight-line	5 to 10	5 to 10

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

Mining properties and exploration and evaluation assets:

Exploration and evaluation expenditures are costs incurred during the initial search of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical, geophysical, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts, the difference is then immediately recognized in profit or loss. When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property, plant and equipment. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Impairment of mining properties, exploration and evaluation assets and property, plant and equipment:

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash- generating units). As a result, some assets are tested individually for impairment, and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property, plant and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use. An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

Provisions, contingent liabilities, and contingent assets:

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environmental protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable, and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

As at June 30, 2024 and March 31, 2024, the Company had a provision for remediation and mine closure.

Income taxes:

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Currently, income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, which are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non- taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method and is re- measured when there is a change in future lease payments. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities on the consolidated statements of financial position. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months of less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease.

Share capital:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the share options and warrants accounts.

Unit placements:

The funds from unit placement are allocated between shares and warrants using the relative fair value method. The fair value of the common shares is recognized in equity based on the share price at the date of issue. The fair value of the warrants is determined using the Black- Scholes valuation model and is recorded separately under "warrants".

Other elements of equity:

Warrants and share options accounts include unrealized charges related to share options and warrants until they are exercised, if applicable. Contributed surplus includes compensation expense related to share options and warrants not exercised and expired.

Deficit includes all current and prior year retained losses.

Accumulated other comprehensive losses include all foreign currency translation adjustments.

(Expressed in US Dollars unless otherwise noted)

Equity-settled share-based compensation:

The Company has an equity-settled share-based compensation plan for its eligible directors, employees, and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based compensations are measured at their fair values unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it must measure their value indirectly by reference to the fair value of the equity instruments granted.
For transactions with employees and with parties providing similar services, the Company evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based compensation (except warrants to brokers) are ultimately recognized as an expense in the profit or loss with a corresponding credit to the Share options account. Equity-settled share-based compensation to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Reclassifications:

Certain reclassifications and detailed presentation of accounts have been made within the March 31, 2024 consolidated statement of financial position. These reclassifications, most notably through the detail of other receivables, did not impact comprehensive loss or earnings per share for the comparative period and should not affect conclusions drawn from prior period financial statements.

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, but not yet effective.
Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

6. SALE OF SUBSIDIARY:

On July 3, 2023, the Company sold its 80% equity interest in H2Sphere GmBh. As such, this business is reported as a discontinued operation for the three-months ended June 30, 2023. The Company has retrospectively recast its consolidated statements of operations for all periods presented. The Company has not segregated the cash flows of this business in the consolidated statements of cash flows. Management was also required to make certain assumptions and apply judgment to determine historical expenses related to the discontinued operations presented in prior periods. Unless noted otherwise, discussion in the Notes to the Condensed Interim Consolidated Financial Statements refers to the Company’s continuing operations.

The Company received net consideration for the sale of approximately $164,924:

Purchase price	$	244,159
Re-purchase of 80% stake in Company		21,578
Forgiven accounts payable		(100,813)
Net consideration received	**$**	**164,924**

The Company recognized a gain of $246,876 after elimination of intercompany balances and net liabilities forgiven.

(Expressed in US Dollars unless otherwise noted)

See below for a statement of comprehensive income for the three-month period ended June 30, 2024 and 2023 of the discontinued operations of H2Sphere GmBh allocable to the Company.

	Three-month period ended June 30,	
	2024	**2023**
	$	**$**
Revenue from Zinc, Lead, and Silver concentrate sales	-	-
Cost of Sales	-	-
Gross Profit	-	-
Expenses:		
General and administrative expenses	-	1,604
		1,604
Income (loss) before income taxes		
Income and mining taxes	-	-
Net income (loss) from discontinued operations	-	(1,604)
Currency translation adjustment	-	1,385
Other comprehensive income (loss) net of tax	-	1,385
Net income (loss) attributable to:		
Shareholders of Cerro de Pasco Resources Inc.	-	(1,283)
Non-controlling interests	-	(321)
		(1,604)
Other comprehensive income (loss) attributable to:		
Shareholders Cerro de Pasco Resources Inc.	-	1,108
Non-controlling interest	-	277
		1,385
Total comprehensive income (loss) attributable to:		
Shareholders of Cerro de Pasco Resources Inc.	-	(175)
Non-controlling interest	-	(44)
		(219)

The below consolidated cash flow table summarizes the cash flow statement activity, for the three-months ended June 30, 2024 and 2023:

Consolidated Cash Flow Summary	**For the three-months ended June 30, 2024**	**June 30, 2023**
Cash flows provided by (used in) operating activities from continuing operations	**$** (944,975)	$ (401,156)
Cash flows provided by (used in) operating activities from discontinued operations	-	(15,064)
Cash flows provided by (used in) financing activities from continuing operations	2,046,826	552,374
Cash flows provided by financing activities from discontinued operations	-	4,404
Cash flows used in investing activities from continuing operations	(1,032,113)	(62,711)
Cash flows used in investing activities from discontinued operations	-	17,614)
Net decrease in cash and cash equivalents	**69,738**	95,461
Net foreign exchange differences related to continuing operations	(39,897)	(7,014)
Net foreign exchange differences related to discontinued operations	-	9,575
Cash and cash equivalents at beginning of period	136,721	1,465,169
Cash and cash equivalents at end of period	**$ 166,562**	$ 1,563,191

(Expressed in US Dollars unless otherwise noted)

7. CASH AND CASH EQUIVALENTS:

The decrease of $1,889,258 in restricted cash is due to the transfer of funds received upon closing of the private placement during the period from restricted cash to unrestricted cash.

	June 30, 2024	March 31, 2024
	$	$
Cash	166,562	136,721
Cash and cash equivalents – restricted	4,589,876	6,479,134
	4,756,438	**6,615,855**

8. INVENTORIES:

The amount of inventories recognized as expenses during the year corresponds to the cost of sales presented in the consolidated statement of comprehensive loss. A summary of inventory components can be detailed as follows:

	June 30, 2024	March 31, 2024
	$	$
Finished products	128,138	-
Stockpile	451	91,813
Supplies	1,693,840	1,774,857
	1,822,429	**1,866,670**

9. OTHER RECEIVABLES:

	June 30, 2024	March 31, 2024
	$	$
Sales tax receivable (Corporate)	26,734	23,078
Sales tax receivable (Santander)	5,977,953	6,355,303
Temporary tax on net assets (ITAN)	38,260	217,437
Refunds receivable	161,528	13,773
Advances to employees	11,766	11,028
Advances to third parties	818,857	645,593
Other receivables	168,970	119,613
	7,204,068	**7,385,825**
Current portion of other receivables	1,226,115	1,030,522
Non-current portion of other receivables	5,977,953	6,355,303

(Expressed in US Dollars unless otherwise noted)

10. PROPERTY, PLANT AND EQUIPMENT ASSETS:

The movement of these items and their accumulated depreciation for the period ended June 30, 2024 is as follows:

Cost	Balance as of March 31, 2024	Additions	Write-off/ Adjustments	Transfers from work in Progress	Balance as of June 30, 2024
Buildings	8,003,308	-	-	-	**8,003,308**
Mining Unit	39,765,494	-	-	-	**39,765,494**
Plant	17,142,754	-	-	-	**17,142,754**
Facilities	7,390,452	18,900	1,669,249	-	**9,078,601**
Miscellaneous equipment	3,227,279	-	-	-	**3,227,279**
Computer equipment	129,009	-	-	-	**129,009**
Software	8,529	-	-	-	**8,529**
Communication equipment	166,156	-	-	-	**166,156**
Furniture and Fixtures	262,618	-	-	-	**262,618**
Development costs	4,302,793	-	-	(1,484)	**4,301,309**
Work in progress	3,884,804	-	(1,669,249)	-	**2,215,555**
	84,283,196	**18,900**	**-**	**(1,484)**	**84,300,612**

Accumulated Depreciation and Amortization	Balance as of March 31, 2024	Depreciation and Amortization	Write-off/ Adjustments	Transfers from Work in Progress	Balance as of June 30, 2024
Buildings	(6,736,076)	(30,963)	-	-	**(6,767,039)**
Mining Unit	(38,526,917)	(30,059)	-	-	**(38,556,976)**
Plant	(16,666,270)	(11,919)	-	-	**(16,678,189)**
Facilities	(7,088,994)	(180,880)	-	-	**(7,269,874)**
Miscellaneous equipment	(2,431,554)	(50,002)	-	-	**(2,481,556)**
Computer equipment	(121,944)	(565)	-	-	**(122,509)**
Software	(4,829)	(145)	-	-	**(4,974)**
Communication equipment	(164,078)	(246)	-	-	**(164,324)**
Furniture and fixtures	(243,046)	(676)	-	-	**(243,722)**
Development costs	1,744,824)	(28,573)	-	-	**(1,773,397)**
	(73,728,532)	**(334,028)**	**-**	**-**	**(74,062,560)**
Net carrying value	**10,544,664**	**(315,130)**	**-**	**-**	**10,238,052**

11. MINING PROPERTIES, EXPLORATION AND EVALUATION ASSETS:

Mining properties, Exploration and Evaluation Assets by properties are detailed as follows:

	March 31, 2024	Additions	Adjustments	June 30, 2024
	$	$	$	$
Quiulacocha Tailings and Excelsior Stockpile				
Mining properties	1,453,246	973,160	-	2,426,406
Exploration and evaluation	144,111	10,927	-	155,038
Santander				
Exploration and evaluation	7,949,104	29,127	(48)	7,978,183
	9,546,461	**1,013,214**	**(48)**	**10,559,627**

(Expressed in US Dollars unless otherwise noted)

Quiulacocha Tailings and Excelsior Stockpile, Cerro de Pasco, Peru:

CDPR owns a 100% interest in the El Metalurgista Concession (where the Quiulacocha Tailings and Excelsior Stockpile are located), located in Cerro de Pasco, Peru (“Quiulacocha"). Quiulacocha consists of tailings, stockpiles and metal slag generated by legacy mining operations at the Cerro de Pasco Mine located near Lima, in Peru.

On June 24 2024, the Company signed an Easement Agreement with Activos Mineros (AMSAC) with the participation of the General Directorate of Mining (the Peruvian Ministry of Energy and Mines) allowing the Company to proceed with engineering studies and a 40-hole drilling program at its Quiulacocha Tailings Project (“QT Project”) including the payment of approximately $1 million into the Peruvian National Bank on May 29, 2024.

Santander Mine:

CDPR owns a 100% interest in Santander Mine which consists of a processing facility and mineral rights, located near the city of Lima, in the district of Santa Cruz de Andamarca, province of Huaral, department of Lima, in Peru.

	December 31, 2022	Additions	Adjustments	March 31, 2024
	$	$	$	$
Quiulacocha Tailings and Excelsior Stockpile				
Mining properties	1,231,724	221,522	-	1,453,246
Exploration and evaluation	144,111	-	-	144,111
Santander				
Exploration and evaluation	7,334,833	616,956	(2,685)	7,949,104
	7,334,833	**838,478**	**(2,685)**	**9,546,461**

12. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES:

Trade accounts payable and other liabilities recognized in the interim condensed consolidated statements of financial position can be analyzed as follows:

	June 30, 2024	March 31, 2024
	$	$
Trade accounts payable and accrued liabilities:		
Related parties	273,458	331,072
Factored payables	15,086,384	15,245,699
Income and mining taxes	12,916	13,205
Trade accounts payable	32,435,186	31,340,348
Accrued payroll and benefits	2,254,166	2,365,084
Accrued royalties payable	4,942	1,975
Trade association	17,940	17,351
Other payables and accrued expenses	4,672,529	4,524,981
	54,757,521	**53,839,715**

On January 29, 2024, the Company’s subsidiary, Santander, was granted protection from its creditors by the Insolvency Proceedings Commission (the “Commission”) of the National Institute for the Defense of the Competition and the Protection of Intellectual Property of Peru (“INDECOPI”), which establishes a suspension of enforceability of their unpaid obligations accrued until the future 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, there are $53,032,656 payables suspended under the order issued by the Commission as part of the reorganization of Santander.

(Expressed in US Dollars unless otherwise noted)

13. PROVISION FOR REMEDIATION AND MINE CLOSURE:

	June 30, 2024	March 31, 2024
	$	$
Opening Balance	12,539,586	14,199,137
Provision update (accretion expense)	51,484	250,097
Variation due to change in key assumptions used	-	(1,909,648)
	12,591,070	**12,539,586**
Current portion	**401,043**	**349,559**
Non-current portion	**12,190,027**	**12,190,027**

The Company must comply with environmental regulations in the development of all its activities, in all the jurisdictions in which it operates. It also includes the obligation, at the close of its operations, to remediate the disturbed areas where it has carried out its activities and over which it maintains mining title.

The Company is not aware of any negative effects on the environment arising from any of its properties that may give rise to significant obligations to third parties.

Environmental legislation has regulated the obligation to assume the costs and expenses associated with the closure obligation and, remediation of operations at the time of the conclusion of their activities, which results in financial planning to reduce the impact that these expenses and future costs it could bring the Company. In addition to legislative measures by which the Company must guarantee the necessary funds to carry out the remediation activities.

The main assumptions used by the Company to calculate the provision are summarized below:

	June 30, 2024	March 31, 2024
	$	$
Estimated costs	13,343,000	12,545,568
Useful life of mine	4	4
Claim period (years)	9	9
Discount rate (Risk free rates)	1.44%	4.20%
Inflation rate	2.30%	2.38 – 8.20%

As at December 31, 2022, in compliance with the provisions of the Regulations for the Closure of Mines approved by Supreme Decree No. 033-2005-EM, the Company had letters of guarantee issued in favor of the Peruvian Ministry of Energy and Mines for $11,516,713. In February 2022, the Company increased the guarantee to $14,913,975.

On January 31, 2023, in compliance with the provisions of the Regulations for the Closure of Mines approved by the Supreme Decree No. 004-2023/MINEM-DGAA, the Company had letters of guarantee issued in favor of the Peruvian Ministry of Energy and Mines for $13,176,612.

14. PROMISSORY NOTE:

On November 26, 2021, the Company entered into a promissory note agreement with Alpha Capital Anstalt (“Alpha”) for CAD $1,500,000 ($1,183,200) which bears interest at 4.5% annually until the maturity date of May 26, 2022. The Company also issued 3,000,000 warrants to Alpha. The initial fair value of the note of CAD $1,324,086 ($1,044,439) was determined using an effective interest rate of 30%. The residual value of CAD $175,914 ($137,282) was attributed to the warrants. The Company incurred transactions costs of CAD $32,641 ($25,747). The note is secured against certain assets of the Company, including inventory and property, plant, and equipment.

The promissory note was amended on October 7, 2022, with a remaining principal balance of CAD $1,200,000 ($879,720), which bears interest at an increased interest rate of 10% per annum until the new maturity date of the sooner of April 3, 2023, or upon the receipt of funding from the forward sale of zinc concentrate related to the Santander Pipe deposit. Under the terms of the Amending Agreement, the Company shall use 25% of all capital raises to pay down the amounts owed on the Note. On November 4, 2022, the Company repaid CAD $20,000 reducing the principal amount due to CAD $1,180,000 ($865,058). The Company also granted up to 2,400,000 warrants at an exercise price of CAD $0.25 per unit, awarded in monthly installments of 400,000 warrants, until payment of the note is completed. The warrants were valued at CAD $128,880 ($95,010) and accreted over the life of the remaining maturity. The effective interest rate on the value of the warrant was determined to be about 39%.

(Expressed in US Dollars unless otherwise noted)

The warrants were valued using the Black-Scholes pricing model with the following inputs: Share price of CAD $0.14, risk-free interest rate of 3.87%, expected life of 3 years, and expected volatility of 81%. The expected volatility used was determined using historical price volatility for the Company.

On March 15, 2023, the promissory note was renegotiated. The maturity date was extended to the sooner of (i) December 31, 2023; or (ii) upon receipt of funding from the forward sale of zinc concentrate related to the Santander Pipe deposit. The Company paid CAD $600,000 towards the principal balance during March 2023. The amendment resulted in an accounting gain on extinguishment of CAD $70,998. The Company agreed to the following payment terms under the amendment:

- March 27, 2023: $600,000 CAD (paid)
- Pay CAD $150,000 at end of each month from August to November 2023
- Remaining balance to be paid on December 31, 2023 for CAD $155,834

On February 20, 2024, the promissory note was amended. The maturity date was extended to July 31, 2024. The principal of CAD $555,000, bearing interest of 10% per annum and payable on maturity, and a penalty fee of CAD $110,000 is due upon the new maturity date. The amendment resulted in modification of the debt per accounting guidance. A loss of CAD $52,317 was recognized. Subsequent to year-end on July 5, 2024, the Company paid off the promissory note in full (see Note 21 for details).

15. LOANS AND LINE OF CREDIT:

	June 30, 2024	**March 31, 2024**
	$	**$**
Caterpillar Leasing Chile S.A. (a)	571,012	567,780
Grupo Coril Sociedad Agente de Bolsa S.A. (b)	2,997,947	3,001,179
Banque Royale Du Canada (c)	27,303	28,749
	3,596,262	**3,597,708**
Current portion	3,568,959	3,568,959
Non-current	28,749	28,749

(a) The Company purchased an electric generator for the Santander mine through a lease financing agreement for approximately $800,000. The lease comes due during August 2025 and has an annual interest rate of 9.95%.

(b) The Company entered into a working capital financing agreement with Grupo Coril Sociedad Agente de Bolsa S.A. on January 10, 2023. The loan comes due December 2024 and has an annual interest rate of 19.56%. The loan is collateralized against the mineral rights of the mine owned by the Santander subsidiary.

(c) If $40,000 CAD of the $60,000 CAD loan is repaid by December 31, 2023, then loan forgiveness of $20,000 CAD will apply. The full amount of the loan (principal and interest) is due payable on December 31, 2025. On January 17, 2024, in compliance with the CEBA loan requirements, the Company paid off the $40,000 CAD loan outstanding by refinancing the loan with Banque Royale du Canada. The loan accrues interest at a rate of 2.84% and payments of approximately $628 are made monthly. The loan matures in 5 years from date of refinancing.

Line of Credit:

During 2022, CDPR Subsidiaria del Perú entered into a credit agreement with BBVA Bank. The Company has $2,000,000 to issue guarantee letters to its suppliers. BBVA charges an annual commission fee of 4.75%. As of June 30, 2024 and March 31, 2024, there were approximately $0 letters of credit issued.

(Expressed in US Dollars unless otherwise noted)

16. CONVERTIBLE DEBENTURE:

	June 30, 2024	March 31, 2024
	$	$
Convertible debenture		
Convertible debenture capital of CAD $1,641,215, bearing interest at 20.04% payable annually and maturing on June 30, 2025	1,052,952	1,208,623
	1,052,952	1,208,623
Current portion of convertible debenture	1,052,952	1,208,623
Non-current portion of convertible debenture	-	-

On June 15, 2021, the Company refinanced their existing convertible debt with a face value of $1,500,000 CAD ($1,230,450) and 1,857,143 warrants were issued due June 18, 2022. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.50 CAD until June 15, 2023. The warrants include an option to allow the Company to change the exercise price, subject to the approval of exchange. For accounting purposes, this option resulted in the warrants being classified as a financial liability at fair value through profit or loss. The fair value of the components as of June 15, 2021 is $1,263,188 CAD ($1,036,193) for the debenture, $57,125 CAD ($48,860) for the embedded derivative on the convertible debenture, $108,830 CAD ($89,273) for the warrants and $58,800 CAD ($48,234) for the conversion option. The initial values of the warrants and the conversion option were determined using the Black & Sholes evaluation model based on the following assumptions: Share price of $0.33 CAD, exercise price of $0.50 CAD, risk-free interest rate of 0.33%, Expected life of 2 and 1 year and expected volatility of 56% and 47%. The expected volatility used was determined using the historical price volatility. of the Company.

On July 11, 2022, the Company paid $300,000 towards the principal balance of the convertible debenture.

On November 8, 2022, the lender agreed to extend the maturity date of the agreement to August 20, 2023. An additional 3,000,000 warrants at an exercise price of $0.25 CAD per unit, were issued on the amendment date. Per accounting guidance, this transaction was considered an extinguishment of the old debt with the change in fair value recognized through the P&L as a gain/loss on extinguishment in the amount of $100,124. The fair value as of November 8, 2022 of the amended agreement is CAD $1,453,123 ($1,081,124) (the "Principal Amount") in change for a reduction in the conversion price from CA$0.50 to CA$0.25 and a reduction of the percentage of the fee payable upon the repayment of the Principal on the maturity date from 10% to 9% of the Principal Amount. The warrants were valued using the Black-Scholes evaluation model based on the following assumptions: Share price of $0.15 CAD, exercise price of $0.25 CAD, risk-free interest rate of 4.14%, Expected life of 2 years and expected volatility of 83%. The expected volatility used was determined using historical price volatility for the Company.

On May 8, 2023, an additional payment of $300,000 was due, of which the Company paid $100,000 on May 26, 2023. The Company was charged an additional $20,000 as an extension fee on the $200,000 unpaid cash.
On August 23, 2023, the lender agreed to extend the maturity date of the agreement to October 31, 2023 (the "Maturity Date"). On maturity, the Company agreed to pay back the principal balance of CAD$1,353,123, the extension fee of CAD$20,000, and a further extension fee of CAD$137,312. The amendment was treated as a modification, and the Company recognized a loss of CAD$60,694.

Effective January 31, 2024, the lender agreed to further extend the maturity date of the agreement to July 1, 2024. The new convertible debt has a principal balance of CAD$1,641,216 and carries a fixed monthly interest rate of 1.67% on the principal balance until the debt is paid in full, plus a redemption fee of 5%. The amendment resulted in an extinguishment of the old debt per accounting guidance, and a loss on extinguishment of CAD$217,829 was recognized. The fair value of the convertible debt was adjusted to CAD$1,636,188. No fair value was assigned to the conversion feature of the convertible debt, as the present value of the new convertible debt exceeded its face value.

As part of the amendment, the Company issued 5,000,000 warrants to the lender and the conversion price of the debt was amended to $0.15 CAD. Each warrant issued to the lender entitles the lender to purchase one common share at an exercise price of $0.15 for a period of 2 years. The warrants had a fair value of $222,857 CAD using the Black-Scholes evaluation model based on the following assumptions: share price of $0.10 CAD, exercise price of $0.15 CAD, risk-free interest rate of 4.17%, expected life of 2 years and expected volatility of 101%. The Company would also have to issue an additional 2,500,000 warrants if the convertible debenture has not been repaid back in full by May 1, 2024. The Company did not pay the principal outstanding by this date, therefore issued the warrants at an exercise price of $0.15 CAD per share, which expire on May 1, 2026.

Additionally, on April 22, 2024, the Company decreased their balance outstanding by $200,000 through a conversion of principal outstanding of $200,000 CAD ($146,120) into shares (see Note 17 for more details).

Effective July 1, 2024, the note was further extended to prevent default (see Note 21 for further detail).

17. SHARE CAPITAL AND WARRANTS

Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding:

As at June 30, 2024 the Company had 375,313,434 issued and outstanding common shares (March 31, 2024 – 347,813,434).

Transactions during the period ended June 30, 2024:

On April 22, 2024, the Company issued 2,000,000 shares of common stock in exchange for the conversion of $200,000 of principal on their outstanding convertible debenture utilizing the previously agreed-upon conversion price of $0.10 CAD per share.

On May 24, 2024, the Company issued a total of 25,500,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $1,222,413, net of share issuance costs. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and an underlying warrant at an exercise price of $0.25 CAD, with an expiration of May 24, 2026 for both instruments. The Company paid $38,442 and also paid additional finder fees warrants, equivalent to 210,000 in warrants and 210,000 in underlying warrants.

Transactions during the period ended June 30, 2023:

On May 17, 2023, the Company issued 40,000 common shares to two service providers valued at $3,565 for business development consultancy and consulting fees.

On May 31, 2023, the Company issued 1,840,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $135,258. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until May 31, 2025. The share issuance costs associated with this private placement amounted to $9,542. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 128,800 warrant units.

On June 5, 2023, the Company issued a total of 8,200,000 units from several private placements at a price of $0.10 CAD per unit for proceeds of $610,408. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 5, 2025. The share issuance costs associated with these private placements amounted to $12,543. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 157,500 warrant units.

On June 20, 2023, the Company issued 450,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $33,984. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 20, 2025.

On June 23, 2023, the Company issued a total of 577,500 units in several private placements at a price of $0.10 CAD per unit for proceeds of $43,752. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 23, 2025. The share issuance costs associated with these private placements amounted to $1,484. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 14,000 warrant units.

(Expressed in US Dollars unless otherwise noted)

Warrants:

The following table provides outstanding warrants information as at June 30, 2024:

Expiry date	Number of outstanding warrants	Exercise Price (CAD)	Remaining life
		$	(years)
November 8, 2024	3,000,000	0.25	0.4
November 26, 2024	3,000,000	0.50	0.4
March 22, 2025	8,895,000	0.25	0.7
March 24, 2025	7,160,000	0.25	0.7
March 31, 2025	9,190,000	0.25	0.7
May 31, 2025	1,968,800	0.25	0.8
June 5, 2025	8,357,500	0.25	0.9
June 20, 2025	450,000	0.25	0.9
June 23, 2025	591,500	0.25	1.0
July 18, 2025	500,000	0.50	1.0
July 26, 2025	500,000	0.50	1.1
August 26, 2025	500,000	0.50	1.2
September 26, 2025	500,000	0.50	1.2
September 29, 2025	1,705,000	0.15	1.2
September 29, 2025	**1,705,000	0.25	1.2
October 6, 2025	1,734,000	0.15	1.3
October 6, 2025	**1,734,000	0.25	1.3
October 26, 2025	400,000	0.25	1.3
November 20, 2025	5,525,000	0.15	1.4
November 20, 2025	**5,525,000	0.25	1.4
November 26, 2025	400,000	0.25	1.4
December 22, 2025	400,000	0.25	1.5
January 26, 2026	400,000	0.25	1.6
February 26, 2026	400,000	0.25	1.7
January 17, 2026	1,260,900	0.15	1.6
January 17, 2026	**1,260,900	0.25	1.6
January 31, 2026	5,000,000	0.15	1.6
March 28, 2026	1,600,000	0.15	1.7
March 28, 2026	**1,600,000	0.25	1.7
April 8, 2026	4,283,277	0.40	1.8
May 1, 2025	2,500,000	0.15	1.8
May 24, 2026	12,960,000	0.15	1.9
May 24,2026	**12,960,000	0.25	1.9
	107,965,877	**0.24**	**1.3**

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

(Expressed in US Dollars unless otherwise noted)

18. SHARE-BASED COMPENSATION:

Share option plan:

The Company has a stock option plan whereby the Board of Directors may grant directors, officers or consultants of the Company options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a "Rolling" stock option plan reserving a maximum of 10% of the shares of the Company at the time of the stock option grant, with a vesting period allowed of zero up to eighteen months, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares. The number of stock options granted to a beneficiary and the vesting period are determined by the Board of Directors.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee, or consultant of the Company or up to 90 days after the beneficiary has left.

The following table provides outstanding share options information as of June 30, 2024:

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	0.2
August 28, 2025	2,590,000	2,590,000	0.20	1.2
September 5, 2025	1,400,000	1,400,000	0.20	1.2
March 2, 2027	1,040,000	1,040,000	0.40	2.7
April 10, 2027	150,000	-	0.15	2.8
September 5, 2028	3,450,000	3,450,000	0.20	4.2
April 10, 2029	150,000	-	0.15	4.8
	9,080,000	**8,680,000**	**0.28**	**2.7**

19. 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:

	Three-month period ended	
	June 30, 2024	**June 30, 2023**
	$	$
Management and consulting fees	186,041	305,693
Salaries and director's fees	98,509	122,665
	284,550	**428,358**

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

These transactions, entered in 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.

20. CONTINGENCY:

On October 5, 2018, Genius Properties Ltd. completed an asset Transfer Agreement pursuant to which the Company transferred to Genius Metals Inc. ("Genius Metals") the ownership of all mining rights and titles, a part of its trade accounts payable and other liabilities and the other liability related to flow-through shares estimated at $23,086. In consideration for such transfer, Genius Metals issued to the Company 9,797,970 Genius Metals common shares for a consideration of $2,685,007. The transfer was recorded at the carrying amount of the assets and liabilities transferred. Notwithstanding that the liabilities related to the flow-through shares were transferred to Genius Metals, the Company retains the ultimate responsibility for the tax liability related to its financing. Genius Metals would indemnify the Company for any such liability.

21. SUBSEQUENT EVENTS:

On July 5, 2024, the Company paid off the promissory note with Alpha Capital in full of CAD $925,000, which included all principal, accrued interest, and fees.

On July 5, 2024, the Company issued 32,980,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of approximately $2,440,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD, with an expiration of July 5, 2026.

On July 17, 2024 the Company issued 500,000 shares as additional consideration and in compliance with the termination agreement signed on November 24, 2023, in which the Company agreed to grant their consultant the number of shares equal to $60,000 at the date at which Cerro de Pasco was granted easement by the Peruvian government. The Company converted the shares at $0.12 CAD per share following the date of grant.

On July 17, 2024, the Company issued 50,000 shares with a value of CAD $6,000 to a consultant, which are issued quarterly for a period of one year.

On July 31, 2024, the Company paid $275,000 CAD of outstanding principal towards the convertible debenture. Furthermore, the maturity date was extended from July 1, 2024 to June 30, 2025. The Company agreed to a two-year extension of a total of 10,500,000 outstanding share purchase warrants initially issued to the lender. As a result of the extension, 3,000,000 warrants with an exercise price of $0.25 CAD will expire on November 6, 2026, 5,000,000 warrants with an exercise price of $0.15 CAD will expire on January 21, 2028, and 2,500,000 warrants with an exercise price of $0.15 CAD will expire on May 1, 2028.