

# FORM 7

## **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: [Cerro de Pasco Resources Inc.](#) (the "Issuer").

Trading Symbol: [CDPR](#)

Number of Outstanding Listed Securities: [287,780,934](#)

Date: [May 5, 2022](#)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

[On April 26, 2022, the Issuer provided an interim operational update for its Santander Mine, for the first quarter ending March 31, 2022.](#)

### **Q1 Highlights**

- [7,771,756 lbs of payable ZnEq<sup>1</sup> metal produced](#)
- [7,210,518 lbs of payable zinc, 294,790 lbs of payable lead, and 24,944 oz of payable silver produced](#)

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<sup>1</sup> ZnEq. Or zinc equivalent production includes payable zinc, silver and lead production expressed in terms of zinc using the \$1.60/lb zinc, \$1.10/lb lead and \$23/oz.

- Santander continues to operate, mine life extended beyond end of 2022 on immediately available Mineral Resources
- New mining contractor brought to site, ramping up operations
- 4,171.3m of exploration and infill drilling completed against a plan of 30,750m
- Engineering work underway to complete a new NI 43-101 technical report supporting a material increase in mine life

### **Santander Q1 Results, Guidance and Operational Outlook**

As part of CDPR's commitment towards a safe operation, the Issuer took the strategic decision to stop the mine for 19 days after the very unfortunate fatal incident on January 31st. For the balance of Q1, CDPR focused on intensifying retraining, improving equipment readiness, underground conditions, and ensuring safe transition of production over to the new contractor. CDPR's board and management take safety very seriously, and these intentional steps to improve the safety "wiring" of the whole team obviously took its toll on the production throughput which was secondary during the process. Despite this, the Company was able to produce 7,771,756 lbs of payable ZnEq metal during the first quarter of 2022, consisting of, 7,210,518 lbs payable zinc, 294,790 lbs payable lead and 24,944 oz payable silver.

CDPR has committed to 30,750m of exploration and infill drilling at Santander Mine with the purpose of increasing Mineral Resources and Reserves.

### **Q1 2022 Santander Production Results**

- 94,918 tonnes processed
- Average Plant Head Grade
- Zn 4.33 %
- Pb 0.20 %
- Ag 16.17 g/t
- Average plant recovery
- Zn 95.34 %
- Pb 74.66 %
- Ag 49.61 %
- 7,771,756 lbs payable ZnEq produced, comprised of
- 7,210,518 lbs Zinc payable,
- 294,790 lbs Lead payable, and
- 24,944 oz Silver payable

### **2022 Santander Production Guidance**

	Units	Guidance 2022		
Payable production of ZnEq	(000)s lbs	46,066	-	58,260
Payable production of Zinc	(000)s lbs	40,854	-	51,669
Payable production of Lead	(000)s lbs	2,701	-	3,415
Payable production of Silver	(000)s oz	233	-	295
C1 Cost	US\$/ lb	1.00	-	1.27
AISC Cost	US\$/ lb	1.20	-	1.52

The Issuer acquired Santander with the objective of extending the operating life of the Magistral orebody over the previous plan which was to wind down operations ending in Q1 2022 (see press release dated Nov 8, 2021). Per the Iss guidance, a short-term plan through 2022 and into Q1 2023

has been finalized on immediately available and near-term mineralization close to existing workings. Additionally, the new infill drilling program has highlighted several months of mineralized material in lateral, footwall and hanging wall extensions of the Magistral ore body that will be included into the short-term plan with minimum development. The Company is currently focused on recouping development meters and ramping up production to a steady state of 2,000 tpd through Q2 and Q3.

Upon completion of the 30,750-meter drilling campaign, the company plans to complete an industry compliant Technical Report with a new LOM Plan including the Santander Pipe and other relevant satellite but ore bodies to Magistral.

The Issuer is also focusing on optimization of the mine dewatering system, critical for operating continuity and overall efficiency of the mining operation; the enhancement of the power supply system and peak-power management efficiencies; bolstering the site leadership and supervisor teams at the site, and working on management systems to optimize overall runtime for mining operations and reduce associated costs.

#### **Changes in the CDPR Board of Directors and Management.**

The Company is delighted to announce the appointment of Eduardo Loret de Mola as Non-Executive Director. Mr. Loret de Mola is a Mining Engineer with a Master's Degree in Mining Economy. A Peruvian national, he brings a wealth of experience in operations, planning and commissioning of mining projects in Peru and abroad, in multinational and national mining companies.

The appointment follows the recent retirement of Neil Ringdahl (as President and Director) and David Shaw from the Board of Directors.

Mr. Ringdahl and Mr. Shaw will remain as senior advisors of the Company.

Mr. Manuel Rodriguez Mariátegui, Executive Director, will assume the role of President and Director of the Company. This change follows the recent appointment of Jorge Lozano as COO at CDPR.

On April 27, 2022, the Issuer provide an update to its exploration and infill drilling programs as outlined in their NI 43-101 report "Cerro de Pasco Resources - NI 43-101 and Resource Estimate Update for Santander Mine Magistral and Pipe Deposits, Huaral, Department of Lima, Peru, effective date 31st December 2021."

The exploration drill program consists of 20,020 m (53 drill holes) along with an additional 10,730 m (81 holes) of underground resource infill drilling. The resource infill drilling program consists of 3,070 m in Magistral North, 3,990 m in Magistral Central and 3,670 m in Magistral South which is currently drilling.

The Issuer has allocated \$3.5 M for the 2022 exploration and infill drilling programs. The drilling programs are designed to increase Resource and Reserves in the existing Magistral deposit, drill test targets to the North and South of the known Magistral orebodies, and drill test new areas in Blanquita, Santander Pipe North and the Puajanca deposit.

To date, 4,247.60 m (10 drill holes) of surface exploration and 1,679.30 m (17 drill holes) of underground infill drilling have been completed.

All infill drilling samples are assayed at CDPR's onsite assay laboratory managed by SGS and all exploration samples are sent to ALS Lima for assay, both drilling programs are accompanied by QA/QC programs.

The initial results provide CDPR with confidence that following an extended period of little exploration activity at Santander, the company is now looking at the opportunity to enhance the resource, and the possibility to increase head grades into the mining production schedule in the near term.

Guy Goulet CEO of CDPR commented: "This initial set of drill results from our 2022 drill program are well above current mining grades and highlight the potential for additional high-grade zinc mineralization at our Santander property. Part of our theory during our acquisition of Santander was that lack of exploration over the course of many years has created a great opportunity to significantly expand the resources and grade at the mine, and results like these continue to inspire this confidence."

## Result Highlights

Surface exploration to date has targeted the Northern and Southern extents of the known Magistral mineralized bodies as Shown in Figure 1.

Extension Magistral North - Approximately 200m to the north of the Magistral orebody, CDPR has intersected high-grade mineralisation in 2 of the 5 boreholes drilled to date.

SAN-0269-22 intersected:

2.55 m at 0.45% Zn, 0.88 % Pb, 0.01% Cu, 273.78 g/t Ag;

4.00 m at 1.83 % Zn, 1.44% Pb, 0.01% Cu, 68.13 g/t Ag;

5.00 m at 0.23 % Zn, 0.18% Pb, 0.01% Cu, 14.72 g/t Ag;

1.50 m at 4.14 % Zn, 2.12% Pb, 0.01% Cu, 443.83 g/t Ag.

SAN-0271-22 intersected 4.30 m at 6.87 % Zn, 2.68% Pb, 0.10 % Cu, 120.67 g/t Ag.

The site geologists consider the style of mineralisation intersected to be similar to that of the Rosa and Fatima bodies which are vein fault structures that crosscut the Magistral orebody. CDPR plan to continue drilling this target which is only a short distance from the Magistral North orebody (around 200 m).

Extension Magistral South - CDPR drilled four surface exploration boreholes targeting mineralisation to the immediate south of the Magistral South deposit. All boreholes successfully intersected mineralisation, but only one (SAN-0267-22) cut economic-grade mineralisation. CDPR are following up the SAN-0267-22 intersects with additional infill drilling which will be undertaken from within the underground mine.

SAN-0265-22 intersected 0.40 m at 1.87% Zn, 0.01 % Pb, 0.01% Cu, 2 g/t Ag.

SAN-0266-22 intersected 0.70 m at 5.99 % Zn, 0.01% Pb, 0.05% Cu, 4.87 g/t Ag.

SAN-0267-22 intersected:

4.25 m at 4.63 % Zn, 0.01% Pb, 0.06% Cu, 2.61 g/t Ag;

8.0 m at 2.26 % Zn, 0.01% Pb, 0.01% Cu, 2.78 g/t Ag.

SAN-0268-22 intersected 0.35 m at 7.51% Zn, 0.01% Pb, 0.07% Cu, 2.0 g/t Ag.

**Blanquita Target** - The Blanquita target is located 0.7 km SE of Magistral South and 0.5 km NW of Santander Pipe. The mineralisation intersected to date lies directly under a spur coming out of the large project wide Magnetotelluric (MT) geophysical anomaly (Figure 2) and below an area of pervasive jasperoid silica alteration (470 m x 20 m) and As, Mn, Sb, Mo, Cs and Sr geochemical anomalies. Assay results returned to date include:

SAN-0261-21 Intersected:

14.90 m at 0.90% Zn, 0.82% Pb, 0.01% Cu, 121.64 g/t Ag, 0.16 g/t Au, of which 3.85 m returned assay results of 2.51 % Zn, 2.52% Pb, 0.04% Cu, 346.12 g/t Ag, 0.39 g/t Au. An additional intersect returned assay results of 3.15m at 0.18% Zn, 0.14% Pb, 0.02% Cu, 199.27 g/t Ag, 0.14 g/t Au.

SAN-0271-22 Intersected - 5.25 m at 3.03% Zn, 2.12% Pb, 0.03% Cu, 214.38 g/t Ag.

The Blanquita target has been interpreted from the first boreholes to be a series of veins and faults with mineralisation style and texture that suggest CDPR intersected the upper part of an epithermal vein system. CDPR will continue to drill the Blanquita target whose location is close to both the Magistral and Santander Pipe deposits.

Resource Infill Drilling – The resource infill drilling program started in the Magistral South orebody and has targeted Magistral South (MS) and hanging wall structures T1 and T2. Drilling has successfully intersected the identified targets with results shown in Table 1. Some of the top intersects are:

**MSD-0646-22 Intersected:**

(MS) 9.2 m at 3.16% Zn, 0.03% Pb, 6.32 g/t Ag;

(MS-1T) 1.0 m at 4.76% Zn, 0.09% Pb, 21.62 g/t Ag;

(MS-2T) 2.2 m at 2.24% Zn, 0.06% Pb, 15.89 g/t Ag.

**MSD-0647-22 Intersected:**

(MS) 9.6 m at 4.94% Zn, 0.01% Pb, 2.21 g/t Ag;

(MS-1T) 0.8 m at 0.84% Zn, 0.35% Pb, 36.28 g/t Ag;

(MS-2T) 1.4 m at 2.43% Zn, 0.21% Pb, 19.93 g/t Ag.

**MSD-0651-22 Intersected:**

(MS) 11.0 m at 4.45% Zn, 0.11% Pb, 17.69% Ag;

(MS-1T) 1.1 m at 9.74% Zn, 0.04% Pb, 11.32 g/t Ag;

(MS-1T) 3.7 m at 2.85% Zn, 0.02% Pb, 5.97 g/t Ag.

MSD-0652-22 Intersected – (MS) 8.4 m at 7.41% Zn, 0.01%.

Note: \* MS – Magistral South, MS 1T – Magistral South hanging wall structure 1, MS 2T – Magistral South hanging wall structure 2.

### **Technical Information**

Shane Whitty, CGeol and V.P. of Exploration and Technical Services for CDPR, has reviewed and approved the scientific and technical information contained in this news release. Mr. Whitty is a Qualified Person for the purposes of reporting in compliance with NI 43-101.

### **The Issuer announced MTCO**

On April 29, 2022, the Issuer announced that it has applied to the Autorité des marchés financiers (Québec) (the “AMF”), as principal regulator of the Company, and expects to be granted a management cease trade order (the “MCTO”) on May 2, 2022, pursuant to Policy Statement 12-203 Respecting Management Cease Trade Orders (“PS 12-203”). Under the MCTO, the Company’s Chief Executive Officer (CEO), Chief Financial Officer (CFO) and directors may not trade in securities of the Company until such time as the Company files its audited consolidated financial statements, its management’s discussion and analysis as well as the CEO and CFO certificates, for the year ended December 31, 2021 (the “Required Documents”), which were to be filed on April 30, 2022.

The MCTO does not affect the ability of shareholders to trade their securities. The Company expects to file the Required Documents as soon as they are available, but in any event no later than May 27, 2022. The Company’s board of directors and management confirm that they are working expeditiously to file the Required Documents and confirm that since the Company’s press release dated April 27, 2022: (i) there have been no material changes that would reasonably be expected to be material to an investor; (ii) there have been no failures by the Company to fulfill its stated intentions with respect to satisfying the provisions of the alternative information reporting guidelines under PS 12-203; and (iii) there has been no material information concerning the Company’s affairs that has not been generally disclosed. Until the Required Documents have been filed and the MCTO has been revoked, the Company intends to continue to satisfy the provisions of the alternative information guidelines specified in PS 12-203 by issuing default status reports in the form of further press releases every two weeks.

### **Reasons for the Default and Plans for Remedying the Default**

Due to the acquisition of the shares of Trevali Peru completed in December 2021, the Company must consolidate Trevali Peru’s financial statements in its own audited financial statements for the year ended December 31, 2021. Although Trevali Peru’s auditors undertook the audit of Trevali Peru’s financial statements for the year ended December 31, 2021, they were unable to complete their work

and deliver their report on Trevali Peru's audited financial statements to the Company's auditors in order for them to complete the audit of the Company's financial statements for the year ended December 31, 2021.

CDPR has identified and organized all the documentation required to enable its auditors to proceed with the audit. CDPR's Audit Committee requested that the auditors review the documentation in order to issue a report on the financial statements and a management's discussion and analysis. The auditors have notified CDPR of their availability to carry out the audit and audit the financial statements as soon as possible.

CDPR's CFO and financial services personnel have made it a priority to prepare the audit file and a first draft of the financial statements and management's discussion and analysis for the week of April 25, 2022. Once this work is complete and the audit report is sent to the auditors, the auditors will finalize the audit. CDPR's Audit Committee will review the financial statements and management's discussion and analysis and submit them to the CDPR's board of directors for approval.

CDPR's board of directors will approve same, subject to any corrections or amendments put forward by CDPR's officers and directors. CDPR will then file the annual documents with the securities regulators.

#### **Appointment of James Cardwell as Chief Financial Officer**

On April 29, 2022, the Issuer announced the appointment of James Cardwell as Chief Financial Officer, effective today. Mr. Cardwell has over 16 years of experience as Chief financial officer and Chief Operating Officer. Mr. Cardwell has served as Chief financial officer for several entities including but not limited to NanoVibronix, Inc. (NASDAQ: NAOV), a medical device company, from June 2019 to October 2020; Esports Entertainment Group (NASDAQ: GMBL), an esports and online gambling company, from February 2020 to June 2020; Stemtech Corporation (OTC:GNTW), a nutrition supplement company, since May 2020; Ehave, Inc. (EHVVF), a health data platform company since October 2020; Artemis Acquisition Corporation, a SPAC in the Healthcare Industry June 2021 to December 2021; NewGioco Group Inc., a gaming technology company, from August 2018 to December 2018; and VerifyMe Inc., a company that provides comprehensive brand protection and customer engagement solutions, from January 2018 to May 2018. Mr. Cardwell started his public accounting career at Arthur Andersen & Co. (St. Louis) and worked as a Tax Accountant from 1981 to 1985, with clients including General Dynamics, Anheuser-Bush, May Department Stores and others. Mr. Cardwell has extensive experience in corporate structure, financial reporting and modelling, mergers and acquisition, quality of earnings and business analysis, SEC reporting, tax and compliance. He currently serves as the Trustee of John Street United Methodist Church and John Street Trust Fund Society. He is also the Treasurer and Director of Southold Historical Museum

2. Provide a general overview and discussion of the activities of management.

During the month of April, management focused its effort on evaluating potential acquisitions.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A



5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
N/A
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
N/A
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
N/A
8. Describe the acquisition of new customers or loss of customers.  
N/A
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
N/A
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
N/A
11. Report on any labour disputes and resolutions of those disputes if applicable.  
N/A
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
N/A
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
N/A
14. Provide details of any securities issued and options or warrants granted.  
N/A

15. Provide details of any loans to or by Related Persons.  
N/A.
16. Provide details of any changes in directors, officers or committee members.  
On April 14, 2022, Mr. Neil Torben Ringdahl resigned as President and Director of the Corporation.  
On April 25, 2022, Mr. Eduardo Loret de Mola was nominated as Non-Executive Director of the Corporation.  
Mr. Manuel Rodriguez Mariátegui, Executive Director, will assume the role of President and Director of the Company.  
On April 29, 2022, Mr. Robert Boisjoli resigned as Chief Financial Officer.  
On April 29, 2022, the Issuer announced the appointment of Mr. James “Jay” Cardwell as Chief Financial Officer of CDPR.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.  
Please see the risk factors described in “*Risk and uncertainties*” of the Management’s Discussion and Analysis for the three-month period ended on September 31, 2021, of the Issuer dated November 26, 2021, and available on the Issuer’s profile on SEDAR.



## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 5, 2022

Guy Goulet

Name of Director or Senior Officer



Signature

Chief Executive Officer

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<a href="#">Cerro de Pasco Resources Inc.</a>	<a href="#">April, 2022</a>	<a href="#">2022/04/05/</a>
Issuer Address		
<a href="#">22 Lafleur Avenue North, Suite 203</a>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<a href="#">Saint-Sauveur (Québec)</a>		<a href="#">(579) 476-7000</a>
Contact Name	Contact Position	Contact Telephone No.
<a href="#">Guy Goulet</a>	<a href="#">CEO</a>	<a href="#">(514) 294-7000</a>
Contact Email Address	Web Site Address	
<a href="mailto:ggoulet@pascoresources.com">ggoulet@pascoresources.com</a>	<a href="http://www.pascoresources.com">www.pascoresources.com</a>	