

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of the Company

Cerro de Pasco Resources Inc. (the “Corporation” or “CDPR”)
22 Lafleur Nord, Suite 203
Saint-Sauveur, Québec J0R 1R0

Item 2 Date of Material Change

November 27, 2019

Item 3 News Release

A news release pertaining to the material change being the subject of the present report was disseminated through Newswire on November 28, 2019 and filed on SEDAR. A copy of the news release is attached to the present report.

Item 4 Summary of Material Change

The Corporation announced that it has executed a definitive share purchase agreement dated November 27, 2019 (the “**Agreement**”) with Volcan Compañía Minera S.A.A. (BVL:VOLCABC1) and its subsidiaries (collectively, “**Volcan**”), whereby CDPR will acquire all of the issued shares of Oxidos de Pasco S.A.C. (“**Oxidos**”), Empresa Administradora de Cerro S.A.C (“**Cerro SAC**”) and Remediadora Ambiental S.A.C. (together the “**Target Companies**”). The arm’s length transaction (the “**Transaction**”) will provide CDPR ownership and operation of all mining and processing assets in Cerro de Pasco, Central Peru.

Item 5 Full Description of Material Change

The Corporation announced that it has executed the Agreement with Volcan, whereby CDPR will acquire all of the issued shares of the Target Companies. The Transaction will provide CDPR ownership and operation of all mining and processing assets in Cerro de Pasco, Central Peru.

Under the terms of the Agreement, 100% of the Target Companies’ issued and outstanding common shares will be acquired by CDPR for a total cash consideration of USD 30 million, a variable consideration and a net smelter royalty over the concessions, as outlined in the Transaction details below.

CDPR will acquire the Target Companies as a going concern, including all their permits, licenses and concessions. The Target Companies’ properties are located at the Cerro de Pasco mining complex and consist of the following:

- The Oxidos precious metals leach processing facility, permitted at 2,500tpd;

- The Paragsha base and precious metals concentrator, permitted at 17,500tpd;
- The San Expedito base and precious metals concentrator, permitted at 1,800tpd;
- The Santa Rosa oxide open pit that hosts mineral for processing through the Oxidos plant.
- The Raul Rojas sulphide open pit.
- The Lourdes and Excelsior Underground shafts
- All associated surface infrastructure including the Ocroyoc tailings storage facility, offices, workshops, staff accommodations; and
- Over 12,000 hectares of exploitation and exploration concessions that host existing porphyry exploration potential.

CDPR has already acquired the mineral rights on the Excelsior mineral pile and the Quiulacochoa tailings on the El Metalurgista mining concession and plans to complete a 43-101 resource calculation in a near future.

Under the terms of the Agreement, 100% of the Target Companies' issued and outstanding common shares will be acquired based on the following components:

- A cash payment of USD 30 million;
- In respect of the silver and gold doré production from the Oxidos in any year:
 - CDPR will pay Volcan 100% of the price difference between the average monthly spot silver price and USD 9.00/oz (the "Base Silver Price") and where average monthly spot silver price is above USD 18.00/oz, CDPR would share 50% of the difference in price;
 - CDPR will pay Volcan 100% of the price difference between the average monthly spot gold price and USD 950.00/oz (the "Base Gold Price"), and where average monthly spot gold price is above USD 1,400.00/oz, CDPR will share 50% of the difference in price;
 - The Base Silver Price and Base Gold Price shall increase by a percentage equal to the increase in the Consumer Price Index over the previous twelve-month period on each anniversary of the Closing;
- Volcan will receive a royalty of 2% of the net smelter return as provided under a net smelter return royalty deed to be entered into between Cerro SAC, CDPR and Volcan (the "NSR Royalty Deed") on all metal production from all the concessions owned by Cerro SAC, other than material processed through the Oxidos facilities.

In addition and in accordance with the terms of an offtake agreement to be entered into between Cerro SAC and Volcan (the "Off-take Agreement"), Volcan will have an

offtake in respect of 100% of all zinc and lead concentrates from ore resources owned by Cerro SAC as at the Closing Date, as well as a right of first refusal to purchase all concentrates produced from CDPR's El Metalurgista concessions.

Post-closing of the Transaction, CDPR will adopt a health, safety, environment and community work plan (the "HSEC Work Plan") based on Volcan's existing HSEC Work Plan prior to entering into this transaction. The HSEC Work Plan will have an agreed budget to be financed from Cerro SAC's and Oxidos' future cash flows. As CDPR will take over the operations and the assets, it intends to maintain Volcan's commitments with regards to mitigating the impact of the operations.

All flows and assets will remain held in trust until such time as provided under a security trust agreement to be entered into between Volcan, CDPR, the Target Companies and a Peruvian trustee.

The closing of the Transaction is expected to occur within four months of this announcement.

The closing of the Transaction is subject to standard closing conditions as well as certain specific closing conditions such as provided under the SPA agreement.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The name and business telephone number of an officer of the Corporation who is knowledgeable about the material change and this report are as follows:

Investor Relations : Guy Goulet, President & CEO

Telephone: +1-579-476-7000

Mobile: +1-514-294-7000

ggoulet@pascoresources.com

Item 9 Date of Report

December 6, 2019.



CSE:CDPR

CDPR to Acquire Cerro de Pasco Operations in Peru

MONTREAL, QUÉBEC, CANADA — (November 28, 2019) Cerro de Pasco Resources Inc. (CSE : CDPR) (« **CDPR** ») (OTCMKTS : GPPRF) (Frankfurt : N8HP) is pleased to announce that it has executed a definitive share purchase agreement dated November 27, 2019 (the “**Agreement**”) with Volcan Compañía Minera S.A.A. (BVL:VOLCABC1) and its subsidiaries (collectively, “**Volcan**”), whereby CDPR will acquire all of the issued shares of Oxidos de Pasco S.A.C. (“**Oxidos**”), Empresa Administradora de Cerro S.A.C (“**Cerro SAC**”) and Remediadora Ambiental S.A.C. (together the “**Target Companies**”). The arm’s length transaction (the “**Transaction**”) will provide CDPR ownership and operation of all mining and processing assets in Cerro de Pasco, Central Peru.

Under the terms of the Agreement, 100% of the Target Companies’ issued and outstanding common shares will be acquired by CDPR for a total cash consideration of USD 30 million, a variable consideration and a net smelter royalty over the concessions, as outlined in the Transaction details below.

Transaction Highlights

CDPR will acquire the Target Companies as a going concern, including all their permits, licenses and concessions. The Target Companies’ properties are located at the Cerro de Pasco mining complex and consist of the following:

- The Oxidos precious metals leach processing facility, permitted at 2,500tpd;
- The Paragsha base and precious metals concentrator, permitted at 17,500tpd;
- The San Expedito base and precious metals concentrator, permitted at 1,800tpd;
- The Santa Rosa oxide open pit that hosts mineral for processing through the Oxidos plant.
- The Raul Rojas sulphide open pit.
- The Lourdes and Excelsior Underground shafts
- All associated surface infrastructure including the Ocroyoc tailings storage facility, offices, workshops, staff accommodations; and
- Over 12,000 hectares of exploitation and exploration concessions that host existing porphyry exploration potential.

CDPR has already acquired the mineral rights on the Excelsior mineral pile and the Quiulacocha tailings on the El Metalurgista mining concession and plans to complete a 43-101 resource calculation in a near future.

Transaction Details

Under the terms of the Agreement, 100% of the Target Companies' issued and outstanding common shares will be acquired based on the following components:

- A cash payment of USD 30 million;
- In respect of the silver and gold doré production from the Oxidos in any year:
 - CDPR will pay Volcan 100% of the price difference between the average monthly spot silver price and USD 9.00/oz (the "**Base Silver Price**") and where average monthly spot silver price is above USD 18.00/oz, CDPR would share 50% of the difference in price;
 - CDPR will pay Volcan 100% of the price difference between the average monthly spot gold price and USD 950.00/oz (the "**Base Gold Price**"), and where average monthly spot gold price is above USD 1,400.00/oz, CDPR will share 50% of the difference in price;
 - The Base Silver Price and Base Gold Price shall increase by a percentage equal to the increase in the Consumer Price Index over the previous twelve-month period on each anniversary of the Closing;
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In addition and in accordance with the terms of an offtake agreement to be entered into between Cerro SAC and Volcan (the "**Off-take Agreement**"), Volcan will have an offtake in respect of 100% of all zinc and lead concentrates from ore resources owned by Cerro SAC as at the Closing Date, as well as a right of first refusal to purchase all concentrates produced from CDPR's El Metalurgista concessions.

Post-closing of the Transaction, CDPR will adopt a health, safety, environment and community work plan (the "**HSEC Work Plan**") based on Volcan's existing HSEC Work Plan prior to entering into this transaction. The HSEC Work Plan will have an agreed budget to be financed from Cerro SAC's and Oxidos' future cash flows. As CDPR will take over the operations and the assets, it intends to maintain Volcan's commitments with regards to mitigating the impact of the operations.

All flows and assets will remain held in trust until such time as provided under a security trust agreement to be entered into between Volcan, CDPR, the Target Companies and a Peruvian trustee.

Closing

The closing of the Transaction is expected to occur within four months of this announcement.

The closing of the Transaction is subject to standard closing conditions as well as certain specific closing conditions such as provided under the SPA agreement.

About Cerro de Pasco Resources

Cerro de Pasco Resources Inc. is a resource management company, with a focus on applying the latest technology in the production of commodity metals through the treatment and reprocessing of all material resources, dumps, tailings, mining waste etc. at Cerro de Pasco in order to secure long-term economic prosperity. CDPR strives to meet to the highest level of environmental, social and legal compliance. CDPR

provides extensive knowledge of Cerro de Pasco's challenges and potential, based on first-hand experience and a team of top experts.

Technical Information

Donald E. Hulse, P. E., SME-RM and V.P. of Mining with Gustavson Associates in Denver, has reviewed and approved the scientific and technical information regarding the technical information contained in this news release. Mr. Hulse is a Qualified Person within the meaning of Canadian Securities Administrator's National Instrument 43-101 ("NI 43-101").

Forward-Looking Statements and Disclaimer

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "seeks", "expects", "estimates", "intends", "anticipates", "believes", "could", "might", "likely" or variations of such words, or statements that certain actions, events or results "may", "will", "could", "would", "might", "will be taken", "occur", "be achieved" or other similar expressions. Forward-looking statements, including the expectations of CDPR's management regarding the completion of the Transaction as well as the business and the expansion and growth of CDPR's operations, are based on CDPR's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of CDPR to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Forward-looking statements are subject to business and economic factors and uncertainties, and other factors that could cause actual results to differ materially from these forward-looking statements, including the relevant assumptions and risks factors set out in CDPR's public documents, available on SEDAR at www.sedar.com. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although CDPR believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements and forward-looking information. Except where required by applicable law, CDPR disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Further Information

Investor Relations : Guy Goulet, President & CEO

Telephone: +1-579-476-7000

Mobile: +1-514-294-7000

ggoulet@pascoresources.com

Medias Relations

Leslie Molko, Manager Corporate Communications, NATIONAL Public Relations

Telephone : +1-514-843-2337

lmolko@national.ca