



CSE:CDPR

Cerro de Pasco Resources Provides Corporate and Transaction Update

MONTREAL, CANADA — (December 22, 2020) Cerro de Pasco Resources Inc. (CSE: CDPR) (OTCMKTS: GPPRF) (Frankfurt: N8HP) (“CDPR” or the “Company”) provides the following corporate update.

On November 27, 2019, the Company entered into a definitive share purchase (the “Agreement”) with Volcan Compañía Minera S.A.A. (BVL: VOLCABC1) and its subsidiaries (collectively, “Volcan”), whereby CDPR will acquire all the issued shares of Oxidos de Pasco S.A.C., Empresa Administradora de Cerro S.A.C and Remediadora Ambiental S.A.C. (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, including a precious metal leach plant and a base and precious metals concentrator.

Following multiple past extensions, the Company announced on November 2, 2020 that the Transaction had expired. Volcan, Glencore and CDPR continue to engage proactively to finalize a Transaction that is satisfactory to both parties and beneficial to the local communities.

In relation to the Transaction, CDPR has arranged financing commitments and expressions of interest in excess of USD60M in a combination of equity, unsecured debt financing, as well as lines of credit. Similarly, the Company has assembled a full team of first-class professionals ready to orderly transition the ongoing operations as well as continue current efforts and implement new projects, including but not limited to a comprehensive ESG program, to properly remediate the Cerro de Pasco Mine and have an immediate benefit to affected communities.

Independently the Company continues to advance its El Metalurgista concession and plans to commence drilling the Quiulacocha historical tailings facility in the first quarter of 2021. A geophysical survey has been completed in advance of this work and indicates the depth of up to 40m in places.

The Quiulacocha Tailings Storage Facility (TSF) covers approximately 115 hectares with tailings deposited from 1921 to 1992. The tailings are comprised of processing residues from the Raúl Rojas open pit and underground mine. Research indicates that tailings were first deposited on the eastern side of the TSF from January 1921 and were derived from processing of high-grade Cu-Ag-Au ore, with reported historical head grades of up to 10% Cu, 4 g/t Au and over 300 g/t Ag, sourced from east-west striking veins in the underground mine. The main period of tailings deposition at Quiulacocha came after 1943 when the Paragsha plant was put into commission, first treating Cu ore and later processing Zn-Pb-Ag ore. According to historical records, the Cerro de Pasco mine processed approximately 58.3 Mt of Zn-Pb-Ag ore between 1952 to 1992 from the open pit and underground workings with average historical grades of 8.6% Zn, 3.3% Pb and 98 g/t Ag.

Reprocessing the Quiulacocha tailings and storing it in a responsible manner in an approved modern facility is an important part of remediating the greater Cerro de Pasco Mine but would also provide value and multiple benefits to the communities of Cerro de Pasco.

Guy Goulet, CEO of CDPR commented: “Although we had hoped to have completed the Cerro de Pasco acquisition this year, we have weathered a very challenging period with the COVID-related delays and ensuing issues. Despite all of this, we continue to engage with Volcan and Glencore to finalize the Transaction for the benefit of all stakeholders, in particular the communities of Cerro de Pasco. We have and continue to receive tremendous support to fund the transaction from our existing shareholders and the market in general, we look forward to advancing the future of Cerro de Pasco. Our key objective with respect to finalizing the acquisition, is to re-prioritize cashflows generated post-closing to ensure the acquisition remains balanced and priority is given to the health and environmental issues facing the local population.”

Technical Information

Shane Whitty, CGeol and V.P. of Exploration and Technical Services for CDPR, has reviewed and approved the scientific and technical information regarding the technical information contained in this news release. Mr. Whitty is a Qualified Person within the meaning of Canadian Securities Administrator’s National Instrument 43-101 (“NI 43-101”).

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 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.

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 using 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, such as Covid-19, 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

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