

Cerro De Pasco Resources Files Preliminary Economic Assessment for the Santander Pipe Project

MONTREAL, CANADA – (April 11, 2023) Cerro de Pasco Resources Inc. (CSR: CDPR) (OTCMKTS: GPPRF) (Frankfurt: N8HP) (“CDPR” or the “Company”) announces it has filed on SEDAR an independent Preliminary Economic Assessment (“PEA”) for its brownfield Pipe Project (“the Project” or “the Santander Pipe”). The Project forms a strategic cornerstone for CDPR’s 100% owned Santander Mine, located in central Peru. The PEA report is entitled “NI 43-101 Technical Report Cerro de Pasco Resources Preliminary Economic Assessment Santander Pipe Deposit, Huaral, Lima, Peru”, dated April 11th, 2023 (effective date January 31st, 2023) and was prepared by DRA Global, an international mining consultancy, in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

Highlights of the PEA are tabled below, with additional details of the NI 43-101 Technical Report filed on www.sedar.com under CDPR’s profile and on the Company’s website at www.pascoresources.com.

Table 1. PEA Highlights

	Unit	TOTAL
Throughput Rate (tonne-per-day processed)	tpd	2,500
Estimated Production Period	years	5
Tonnes Processed	Million tonnes	3.85
Head Grade Zn	%	4.67
Metallurgical Recovery Zn	%	89.0
Head Grade Cu	%	0.11
Metallurgical Recovery Cu	%	70
Zn Concentrate Production	Thousand tonnes	313.6
Cu Concentrate Production	Thousand tonnes	13.8
Revenues (less by product cost) ⁽¹⁾	MUSD	388.6
Total OPEX	MUSD	182.14
Initial + Sustaining CAPEX	MUSD	67.96
EBITDA	MUSD	167.6
Pre-Tax Free Cash Flow (FCF)	MUSD	99.6

	Unit	TOTAL
Operating Cost (\$/t processed)	\$/t	47.35
Total Cash Cost C1 ⁽²⁾ (\$/lb Zn)	\$/lb	0.82
All-In Sustaining Cost ⁽²⁾ ("AISC") ¹ (\$/lb Zn)	\$/lb	1.05
Pre -Tax - Net Present Value (6%)	MUSD	71.3
Pre-Tax Internal Rate of Return	%	46.6
After-Tax - Net Present Value (6%)	MUSD	31.2
After-Tax Internal Rate of Return	%	25.1
After-Tax Payback	years	2.6

(1) Long-term metal price assumptions are: US\$2,800/t of Zn, US\$1,820/t of Pb, US\$9,002/t of Cu, and US\$22.0/oz of Ag

(2) Total cash cost C1 and AISC are non-GAAP measures; these parameters were estimated by CDPR in accordance with its cost structure, the remaining parameters in the table come directly from the PEA Financial Model prepared by DRA.

Table 2. Project Economics Sensitivity to Zinc Price

	% of Zn Price	80%	85%	90%	100% ⁽¹⁾	110%	115%	120%
	US\$/t Zn	2,240	2,380	2,520	2,800	3,080	3,220	3,360
Pre-Tax	NPV 6% (MUSD)	9.9	25.3	40.6	71.3	102.1	117.5	132.9
	NPV 8% (MUSD)	6.5	20.8	35.1	63.7	92.4	106.7	121.1
	IRR (%)	12.6	22.0	30.7	46.6	61.2	68.2	75.0
After-Tax	NPV6% (MUSD)	-10.4	0.1	10.5	31.2	51.7	61.6	71.7
	NPV 8% (MUSD)	-12.5	-2.7	7.0	26.3	45.4	54.7	64.0
	IRR (%)	-1.4	6.1	12.9	25.1	36.2	41.3	46.2

(1) Base Case (Pre-Tax NPV 6% and After-Tax 6%)

Qualified Person

The scientific and technical information contained in this news release has been reviewed and approved by:

- Mr. Graeme Lyall (FAusIMM), an independent consulting geologist with over 30 years of professional experience in precious and base metals exploration, geological modelling and mineral resource estimation for the purposes of reporting in compliance with NI 43-101.
- Mr. Martin Mount (FGS CGeol, FIMMM CEng), an independent consultant and geoscientist, is a professional geoscientist and engineer in the fields of geology, Mineral resource and

Mineral Reserve estimation and classification, geotechnical engineering, geometallurgy, and mine planning. Mr. Mount is a Qualified Person for the purposes of reporting in compliance with NI 43-101.

- Mr. David Frost (FAusIMM), DRA Americas VP Process Engineering, consulting metallurgical engineer with more than 27 years of technical and management experience in plant operations, process plant design, commissioning, due diligence review, laboratory supervision and consulting. Mr. Frost is a Qualified Person for the purposes of reporting in compliance with NI 43-101.
- Mr. Javier Aymachoque Tincusi (MAusIMM CP (Min)), consulting mine engineer and project infrastructure specialist, is a professional engineer in the fields of mine engineering, mine operations, site wide mine and infrastructure design, environmental permitting, capital and operating cost estimation, and mineral economics. Mr. Aymachoque is a Qualified Person for the purposes of reporting in compliance with NI 43-101.
- Mr. Pete Ferreira (FSAIMM), DRA South Africa Principal Mining Engineer, with nearly 40 years of international experience in the mining sector, including backfill design and installation, raise boring, mine management, flat raise boring, and classified backfill. Mr. Ferreira is a Qualified Person for the purposes of reporting in compliance with NI 43-101.

Jorge Lozano, MMSAQP and Chief Operating Officer for CDPR, has reviewed and approved the scientific and technical information contained in this news release. Mr. Lozano is a Qualified Person for the purposes of reporting in compliance with NI 43-101.

Note on Assumptions

The PEA results are based on important assumptions made by the Qualified Persons who prepared the PEA. These assumptions, including those mentioned above, and the justifications for them, are described in the PEA.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

About Cerro de Pasco Resources

Cerro de Pasco Resources Inc. is a resource management company, founded in 2012 with the original purpose of developing the El Metalurgista mining concession comprising mineral tailings and stockpiles extracted from the Cerro de Pasco open pit mine in central Peru. Our strategic strength lies in our extensive team experience and knowledge of the opportunities and challenges in and around Cerro De Pasco. The company is founded on clear objectives, to engender long-term economic sustainability and benefit for the local population, from an economic, social and health point of view. The Company's approach at El Metalurgista entails the reprocessing and



environmental remediation of mining waste and the creation of numerous opportunities in a circular economy.

About DRA Americas Peru

DRA Americas Peru is a subsidiary of DRA Global Limited and is responsible for the PEA report entitled “NI 43-101 Technical Report Cerro de Pasco Resources Preliminary Economic Assessment Santander Pipe Deposit, Huaral, Lima, Peru”, dated April 11th, 2023 (effective date January 31st, 2023). DRA Global Limited (ASX: DRA | JSE: DRA) is a diversified global engineering, project delivery and operations management group, headquartered in Perth, Australia. It has more than 4,500 professionals and a proven track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent evaluations on behalf of exploration and mining companies, and financial institutions worldwide.

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 estimates and assumptions underlying the PEA, projected production, cost estimates, capex estimates, projected recovery, projected gross revenue and taxes, future results, the significance of the results disclosed in this news release, the expectations of CDPR’s management regarding the completion of the project 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.

Such factors include, among others, risks relating to the ability of CDPR’s activities to accurately predict mineralization; errors in management’s geological modelling; key assumptions, parameters or methods used to prepare the PEA becoming untrue or unachievable; the ability of the Company to obtain required approvals; the results of exploration activities; title deficiencies; risks relating to mining activities; the global economic climate; metal prices; environmental risks; community and non-governmental actions as well as other assumptions and risk 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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