



Cerro de Pasco Resources Announces Sale of its Santander Mine

MONTREAL, QUÉBEC, CANADA — (September 3, 2024) Cerro de Pasco Resources Inc. (CSE: CDPR) (Frankfurt: N8HP) (“CDPR,” or the “Company”) today announced that it has entered into a share purchase agreement (the “Agreement”) with FIC03 Fondo de Inversión Privado (“FIC03”), a Peruvian investment company controlled by Finanzas e Inversiones Corporativas (“FIC”). FIC specializes in managing alternative and distressed investments across various industries. Under the Agreement, the Company has agreed to sell its Santander Mine in Peru to FIC03 (the “Transaction”).

Guy Goulet, CEO, commented, "The sale of the Santander Mine aligns with our strategy to focus on reducing corporate debt. We thank the Santander team for their commitment and dedication, and we wish them success in executing the projects we have developed together."

Transaction Highlights

Pursuant to the Agreement which is effective as of August 29, 2024, CDPR has sold the shares of its Peruvian subsidiary Cerro de Pasco Resources Subsidiaria del Peru S.A.C., that holds the interest in the Santander mine, including all assets and liabilities associated with it, to FIC03, in exchange for a consideration comprised of a cash component of \$2.00 and a variable price of up to \$10,000,000, to be calculated, determined and paid according to the terms of the Share Purchase Agreement, from the date on which commercial production has been reached in the Santander Pipe. As part of the Transaction, the Company agrees to settle over time outstanding obligations incurred between itself and its subsidiaries.

The Transaction is an "arm's length transaction".

About Finanzas e Inversiones Corporativas

FIC is a leading firm in private equity fund management in Peru. FIC recently announced an ambitious expansion of its investment portfolio, focusing on large-scale mining projects in the central region of the country. This move is driven by growing international demand for key minerals such as gold, copper, and zinc, where FIC aims to strengthen its market position.

The Santander Mine

Cerro de Pasco Resources acquired the Santander mine in late 2021. In June 2023 the operation underwent curtailment due to macro-economic pressures affecting zinc price. The assets include a 2,500 tonne per day sulfide milling and flotation plant. CDPR developed a consolidated Mine Plan comprising the current resource at Magistral and all the known resources at the Santander Pipe.

About Cerro de Pasco Resources Inc.

Cerro de Pasco Resources is focused on the development of its principal 100% owned asset, the El Metalurgista mining concession, comprising silver-rich mineral tailings and stockpiles extracted over a century of operation from the Cerro de Pasco open pit mine in Central Peru. 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. The asset is one of the world's largest above-ground resources.

Forward-Looking Statements and Disclaimer

Certain information contained herein may constitute "forward-looking information" or "forward-looking statements" under Canadian securities legislation. Generally, forward-looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, occur or be taken or achieved. Such forward-looking statements, including but not limited to statements relating to: the ability of the parties to satisfy the conditions precedent to the Transaction; the anticipated closing, timing, benefits and effects of the Transaction; and expected development and operations, involve risks, uncertainties and other factors which may cause the actual results to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others, the exercise of any termination rights under the Agreement, inability of the parties to satisfy or waive in a timely manner the conditions to the closing of the Transaction, inability of the Company to realize the benefits of the Transaction, risks related to the exploration, development and mining operations; impacts of macroeconomic developments as well as the impact of the COVID-19 pandemic; and any material adverse effect on the business, properties and assets of the Company. 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. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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