



CSE:CDPR

Cerro de Pasco Resources Extends Date for Landmark Acquisition of the Cerro de Pasco Mine

- **Agrees to a 60 days Extension to the Cerro de Pasco Mine Acquisition Agreement**
- **Mandates Sprott Capital Partners LP as Financial Advisor**
- **Adds \$1M to Recent Financing**
- **Grants Stock Options to Directors, Officers, Employees and Consultants**

MONTRÉAL, QUÉBEC, CANADA — (September 1, 2020) Cerro de Pasco Resources Inc. (CSE: CDPR) (OTCMKTS: GPPRF) (Frankfurt : N8HP) (“CDPR” or the “Company”) is providing the following update.

60-day Extension of the Cerro de Pasco Acquisition Agreement

CDPR has agreed to extend the acquisition agreement of the Cerro de Pasco Mine, described below, with Volcan Compañía Minera S.A.A. (BVL: VOLCABC1) and its subsidiaries (collectively, “**Volcan**”) until October 30, 2020. The Company’s management continues to advance towards a successful closing and has extended the agreement date to enable the amendment of certain key terms to the benefit of both parties in the Transaction. The closing of the Transaction is expected to occur on or before October 30, 2020 subject to standard closing conditions and procedures being met.

About the Transaction

On November 28, 2019, the Company announced the execution of a definitive share purchase agreement dated November 27, 2019 (the “**Agreement**”) with Volcan, whereby CDPR will acquire all of the issued shares of Oxidos de Pasco S.A.C., Empresa Administradora de Cerro S.A.C and Remediadora Ambiental S.A.C.. 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, together having a permitted capacity of almost twenty thousand tonnes per day.

For further details about the Transaction please referred to the press release issued on November 28, 2019.

Sprott Capital Partners LP

Cerro de Pasco has retained **Sprott Capital Partners (“Sprott Capital”)** as its financial advisor in relation to the funding of the Transaction. Sprott Capital is uniquely positioned to advise and support CDPR in this landmark and transformational transaction, having recently completed numerous transactions in the natural resources sector. Sprott Capital is a division of Sprott Inc., an alternative asset manager.

Private Placement

Further to the news release of August 21, 2020, CDPR completed a non-brokered private placement offering (the “**Offering**”) for gross proceeds of \$1,000,000 and issued 3,333,334 units of the Company (“**Units**”) at a price of at a price of \$0.30 per Unit.

Under the different tranches of the Offering, the Company raised aggregate gross proceeds of **\$3,000,000** (please refer to the press releases issued on August 21, July 2, June 16 and June 11, 2020).

Each Unit consists of one common share of the Company (“**Share**”) and one common share purchase warrant (“**Warrant**”). Each Warrant entitles the holder to purchase one Share at a price of \$0.50 per Share for a period of 24 months from the date of issuance provided however that the Company shall be entitled to accelerate the expiry of the Warrants to the date that is 30 days following the date a notice is provided to the holder in the event that the volume weighted average price of the Shares on the Canadian Securities Exchange exceeds \$1.00 per Share for any twenty (20) consecutive trading days at any time prior to the expiry of the Warrants.

In connection with the current tranche of the Offering, the Company issued 250,000 finder warrants to arm’s length third parties, each entitling its holder to purchase one Share at a price of \$0.365 per Share until August 28, 2022.

The Company will use the net proceeds of the Offering for working capital purposes and towards advancing exploration drilling at its historical Quiulacocha polymetallic tailings storage facility which is an immediately adjacent property to the Cerro de Pasco Mine.

Any securities issued pursuant to the Offering will be subject to a hold period under applicable securities laws which will expire four months and one day from the date of their issuance

Grant of Stock Options

Cerro de Pasco also announces that it has granted incentive stock options to directors, officers, employees, and consultants of Cerro de Pasco to acquire an aggregate of 4.5 million common shares at \$0.40 per share, for a period of 3 to 5 years. These incentive stock options have been granted in accordance with CDPR’s Stock Option Plan.

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.

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, 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. 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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