

Cerro de Pasco Resources closes first tranche of \$1.8M equity financing, provides update on Land Easement Application Process for Quiulacocha Tailings

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MONTRÉAL, Nov. 20, 2023 - [Cerro de Pasco Resources Inc.](#) (CSE:CDPR) (OTCPK: GPPRF) (FRA: N8HP) ("CDPR" or the "Company") has closed a first Tranche of its previously announced non-brokered private placement, for total aggregate gross proceeds of \$ 1,772,000 (the "Offering").

CDPR also confirms that it is currently addressing final requirements in relation to a two-year Legal Easement ("Easement"), providing access to the surface areas corresponding to CDPR's El Metalurgista Concession and the Quiulacocha Tailings Project ("QT Project"). The Easement, enabling the Company to perform confirmatory exploration via a 40-hole sonic drilling program, is expected to be passed by Supreme Resolution in December 2023.

Easement Process

The Easement process was initiated by CDPR on 25 August 2022 with the authority and guidance of the General Mining Bureau ("DGM"), the organic unit within the Ministry of Energy and Mines ("MINEM") responsible for formulating technical standards and issuing opinions related to mining permits and authorizations. Audiences were held between CDPR and Activos Mineros SAC ("AMSAC"), as further described below, who control surface rights over the entire QT Project area. Having confirmed AMSAC's rejection of a voluntary land easement, DGM endorsed the initiation of a Legal (or "Forced") Easement process.

The process recognizes that CDPR owns an irrevocable and indefinite right to explore and exploit the El Metalurgista concession, covering the Quiulacocha Tailings.

Easement Approvals

Approvals were obtained from four ministries including 1. Energy and Mines, 2. Environment, 3. Housing and Construction, and 4. Agriculture. With the file complete, CDPR had expected DGM to draft a Supreme Resolution granting the Legal Easement in August, for signature by the MINEM Minister and the President of the Republic in September 2023.

Delays

However, delays have been incurred as a result of two separate and consecutive appeals by AMSAC. The first was reviewed by the independent Mining Council, and duly resolved by DGM. The second, filed on 19 September 2023 and likewise relating to formal matters is currently in process, due to be assessed by the Mining Council on November 30th, following which the Council is expected to issue a definitive ruling in favor of the Easement.

Timeline

As a result of delays caused by the AMSAC's appeals, the Supreme Resolution is now expected to be submitted for signature in December.

During the Peruvian rain season, constant rain condition makes the drilling process difficult. It is, however, possible to drill in the rain, granted conditions allowing for safe and quality execution of the drilling campaign.

A further contributing factor relates to anomalous weather patterns this year with the Niño phenomenon raising the possibility of increased precipitation during the rainy season. As a result, CDPR expects to begin Geophysics and Tomography studies before the end of the year, and also to begin the QT-Drilling-Program as soon as weather conditions allow.

In accordance with the new timeline, CDPR expects to complete the 40-hole drilling program and the first phase of the QT preliminary economic assessment (PEA) by Q2 of 2024 and immediately begin the preparation of a technical report on Mineral Resources compliant with NI 43-101 (as defined herein) for the Quiulacocha tailings within our "El Metalurgista" concession.

Guy Goulet, CEO of Cerro De Pasco Resources, *"The AMSAC appeals are, of course, beyond our control. This process has been lengthy, but Forced Easements are rare and have only occurred five times in the past. We respect the formalities of the country and recognize the diligence of those authorities who continue to help us to find a way to break the deadlock and move ahead. The easement will pave the way to rapid development of QT Project. It is a project that is fully supported by the local community and is of critical importance to Cerro de Pasco. It brings innovation, health and environmental benefits, and much-needed revival to the local economy. I am confident that we will achieve the objective of drilling the entire QT resource and obtain permits to start production within a reasonable timeframe."*

Terms of the Easement

CDPR will pay AMSAC approximately US\$1 million (3.7M soles) for the Easement and will be permitted to access and perform drilling inside its own concession area over a period of up to two years, providing access to the surface areas corresponding to CDPR's El Metalurgista Concession and the QT Project. The Easement will enable the Company to perform confirmatory exploration via a 40-hole sonic drilling program.

Private Placement

Under the First tranche of its private placement, CDPR issued 17,720,000 units of the Company ("Units") at a price of \$0.10 per Unit. Each Unit is comprised of one common share in the capital of the Company (a "Common Share") and half of one unit purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one additional unit (each a "Warrant Unit") at a price of \$0.15 per Warrant Unit until the earlier of the date which is 24 months after its issuance and, if applicable, the Accelerated Expiry Date (as defined hereinafter) (the "Expiry Date"). Each Warrant Unit will consist of (i) one additional Common Share and (ii) one additional transferable Common Share purchase warrant (the "Underlying Warrants"). Each Underlying Warrant will entitle the holder thereof to acquire one additional Common Share (the "Underlying Warrant Shares") at a price of \$0.25 per Underlying Warrant Share until the Expiry Date.

In the event that, during the period following 24 months from the closing date of the Offering, the volume-weighted average trading price of the Common Shares exceeds \$0.60 per Common Share for any period of 20 consecutive trading days, the Corporation may, at its option, following such 20-day period, accelerate the expiry date of the Warrants by delivery of notice to the registered holders (an "Acceleration Notice") thereof and issuing a press release (a "Warrant Acceleration Press Release", and, in such case, the expiry date of the Warrants and the Underlying Warrants, as applicable, shall be deemed to be 5:00 p.m. (Montreal time) on the 30th day following the later of (i) the date on which the Acceleration Notice is sent to Warrant holders, and (ii) the date of issuance of the Warrant Acceleration Press Release (the "Accelerated Expiry Date").

In connection with the Offering, the Corporation paid an amount of \$10,400 and issued 104,000 Warrants to arm's length third parties as finder's fees.

The Corporation intends to use the net proceeds from the Offering towards the development of the Quiulacocha tailings and for working capital.

All securities issued in connection with the Offering will be subject to a four-month-and-one-day statutory

hold period in accordance with applicable securities laws.

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release does not constitute an offer to sell or the solicitation of any offer to buy securities in the United States, nor in any other jurisdiction.

Exploration program

The program will include geophysical studies, laboratory testing, mineralogy testing, resource estimation and economic assessment, in collaboration with Glencore International AG and Volcan Compania Minera (see press release dated March 21, 2023), with the objective of filing a technical report compliant with NI 43-101.

Activos Mineros SAC ("AMSAC")

Activos Mineros SAC ("AMSAC") is a state-owned entity formed in 2006, originally mandated to carry out closure and remediation of state environmental liabilities stemming primarily from the privatization of Centromin, the state mining company, in 1994.

The Quiulacocha Tailings

The Quiulacocha tailings deposit (4,300 masl) covers approximately 115 hectares with tailings deposited in the Quiulacocha Tailings Storage Facility (TSF) from the early 1920's to 1992. The tailings stored in the TSF, comprised of processing residues, come from the Cerro de Pasco open pit and 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.

The most recent Historical Mineral Resource Estimate for the Quiulacocha tailings, prepared by BO Consulting in 2012, reported 2.9 Mt at 1.43% Zn, 0.79 % Pb, 43.1 g/t Ag, and 0.04% Cu. This estimate was based on a shallow surface auger sampling program which was estimated to represent only 4% of the expected tonnes of the deposit.

This Historical Resource Estimate is detailed and discussed in the technical report titled "The Excelsior Mineral Pile (EMP) and Quiulacocha Tailings (QT) associated with the Cerro de Pasco Mine, Cerro de Pasco District, Altiplano Region, North-Central Peru" filed on July 26, 2018. They are treated as historic information and have not been verified for economic evaluation by the Company. These are considered Historical Mineral Resources and do not refer to any category of sections 1.2 and 1.3 of the Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") such as Mineral Resources or Mineral Reserves as stated in the 2010 CIM Definition Standards on Mineral Resources and Mineral Reserves. A Qualified Person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current Mineral Resources or Mineral Reserves. The explanation lies in the inability by the Qualified Person to fully verify the data acquired by the various historical drilling campaigns and other sampling works. Further drilling would be required to upgrade or verify the historical resources. However, the Qualified Person has read the documents pertaining to historical evaluation of the Mineral Resources and is of the opinion that they need to be updated to fully conform to the NI 43-101 or CIM norms.

Background

CDPR is the titleholder of the concession located in Peru called "El Metalurgista" ("the Concession"), which grants it the right to explore and exploit the Quiulacocha Tailings located within its assigned area. The enforceability of these rights has been formally confirmed by the General Mining Bureau of Peruvian Ministry of Energy and Mines.

CDPR has obtained most of the certifications and authorizations required to start exploration activities at the Concession, including an environmental certification ("DIA"), and an agreement with the Quiulacocho Community providing certain surface rights. The Company is fully committed to applying the highest standards in community relations and endorses guidelines set out by the International Organization for Standardization (ISO), in its 26000:2010 Standard that defines Corporate Social Responsibility.

Technical Information

Mr. 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.

About Cerro de Pasco Resources

[Cerro de Pasco Resources Inc.](#) is a mining and resource management company with unparalleled knowledge of the mineral endowment in the city of Cerro de Pasco and its surroundings. Initially, the Company will unlock the useful life of the mine and extend the concession areas in its Santander mining operation, applying the highest safety, environmental, social and governance standards. The key focus of the growth for the Company is on the development of the El Metalurgista mining concession, one of the world's largest surface mineralized resources, applying the latest techniques and innovative solutions to process tailings, extract metals and convert the remaining waste into green hydrogen and derivatives.

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 anticipated use of the proceeds raised under the Offering, the signature of a definitive ruling in favor of the Easement, the terms of such Easement and the timing of such signature, the projected timeline of the exploration program described herein, the commencement of the first phase of the QT PEA and of the preparation of a report compliant with NI 43-101, 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 risks associated with exploration, development and mining activities; the impact of macroeconomic events, and any material adverse effect on the business, properties and assets of CDPR, as well as the relevant assumptions and risks factors set out in CDPR's public documents, available on SEDAR+ at www.sedarplus.ca. 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.

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