



CSE:CDPR

Cerro de Pasco Announces \$1M Convertible Debenture Financing & Quiulacocha Drilling Program

MONTREAL, QUÉBEC, CANADA — (October 16, 2020) Cerro de Pasco Resources Inc. (CSE : CDPR) (OTCMKTS: GPPRF) (Frankfurt : N8HP) (“CDPR” or the “Company”) announces that it has completed a convertible debenture financing of \$1,000,000 (the “Debenture”). The Debenture is repayable in one year with interest at 10% per year. The Debenture will be used for general working capital and beginning of Quiulacocha Drilling Program.

The Loan is convertible, at the option of the lender, into common shares of the Company, at \$0.60 per share, which represents a 64% premium over the closing price of the Company’s shares on October 14, 2020.

An aggregate of 1,857,143 common share purchase warrants (the “Warrants”) were also issued to the lender. Each warrant entitles the holder to acquire an additional common share at a price of \$0.60 until October 15, 2022. Any securities issued pursuant to the Loan are subject to a hold period expiring on February 16, 2021.

Cerro de Pasco Acquisition Agreement

CDPR has agreed to extend the Acquisition Agreement of the Cerro de Pasco Mine, from Volcan Compañia Minera S.A.A. (BVL: VOLCABC1) and its subsidiaries (collectively, “Volcan”), to October 30, 2020. The amended agreement is expected to be executed on or before October 30, 2020, with closing afterward being subject to standard closing conditions and regulatory approvals having been met.

Quiulacocha Exploration and Development

On July 7th, 2020 CDPR submitted an exploration permit application to the Peruvian Ministry of Energy & Mines (MINEM) providing the details and coordinates for a 40-hole drilling program on its El Metalurgista concession. The concession comprises a large part of the historical Quiulacocha Tailings Storage Facility (“Q-TSF”), which was closed in 1992 and is understood to contain approximately 70 million tonnes of processed tailings from silver, gold, copper, zinc and lead sulphide ores processed from the Cerro de Pasco Mine.

In 2004, Cory Gold Mining SAC completed a program of auger sampling of the Q-TSF. A total of 268 samples were taken from 105 vertical auger holes drilled to depths ranging from 2.0 to 13.6 metres. Samples were assayed by independent ISO-certified laboratory CIMM Peru.

A Historical Resource Estimate covering 8 to 11% of the total volume based on these samples was calculated to be 7.3 million tonnes containing 41 g/t silver, 1.44% zinc and 0.79% lead. Historical Mineral Estimates are historical in nature and cannot be relied upon for economic evaluations.

Historical production records of the mine are shown in the table below:

Historical Production from Cerro de Pasco Mine

Production	Tonnes (Millions)	Average Mill Head Grade				
		Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)
Copper Mining Era (1906-1965)	16.369	4.0%			200	3.0
Polymetallic Mining Era (1952-1992)	58.299		3.3%	8.6%	98	
Average Processing Recovery		60%	60%	75%	60%	60%
Estimated Plant Tailings /Residues	Tonnes (Millions)	Estimated Average Tailings Grade				
		Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)
Copper Mining Era (1906-1965)	16.369	1.6%			80	1.2
Polymetallic Mining Era (1952-1992)	58.299		1.3%	2.2%	39	

Given the grades and relatively poor historical recoveries CDPR believes that a material quantity of metal remains to be retreated from Q-TSF. The company intends to carry out the new drilling program on the Q-TSF as soon as the permit is awarded.

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 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 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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