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For Immediate Release

**CERRO MINING CORP. PROVIDES UPDATE ON
THE REVERSE TAKEOVER TRANSACTION WITH
CAIR BY DAVID COSMETICS INC.**

Vancouver, B.C., May 11, 2021 – Cerro Mining Corp. (NEX: CRX.H) ("**Cerro**" or the "**Company**") is pleased to provide an update on the proposed reverse take-over transaction with CAIR by David Cosmetics Inc. ("**CAIR by David**") previously announced on February 8, 2021.

The Transaction

Pursuant to the terms of the amended and restated letter of intent dated February 7, 2021 (the "**Letter of Intent**") between Cerro and CAIR by David, Cerro proposes to acquire all of the issued and outstanding common shares of CAIR by David (the "**CbD Shares**") by way of a three-cornered amalgamation (the "**Transaction**"). Pursuant to the terms of the Letter of Intent, CAIR by David will amalgamate with a new wholly-owned subsidiary of Cerro and the holders of CbD Shares will receive one common share of Cerro (a "**Cerro Share**") for every one CbD Share held. It is expected that approximately 43,000,000 Cerro Shares will be issued to the shareholders of CAIR by David as consideration for all of the issued and outstanding CbD Shares upon closing of the Transaction. This will result in the current shareholders of CAIR by David holding approximately 48.4% of the issued and outstanding shares of the resulting company on a post-transaction and non-diluted basis, after completion of the Concurrent Financing as described herein.

Upon completion of the amalgamation, Cerro will become the resulting issuer (the "**Resulting Issuer**") and the amalgamated company will become a wholly-owned subsidiary of the Resulting Issuer. Cerro is expected to change its name to "CAIR by David Holdings Inc." or such other name as agreed to by the parties and the business of the Resulting Issuer will be the current business of CAIR by David. In addition to customary conditions respecting sponsorship, regulatory and shareholder approvals and due diligence outlined below, the closing of the Transaction is subject to completion of a definitive amalgamation agreement by the parties.

Concurrent Financing

Prior to closing of the Transaction, Cerro intends to complete a private placement of a minimum of 18,200,000 subscription receipts ("**Subscription Receipts**") and a maximum of 22,000,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt to raise minimum gross proceeds of a minimum of \$9,100,000 and a maximum of \$11,000,000 (the "**Concurrent Financing**"). The gross proceeds of the Concurrent Financing will be deposited into escrow with Computershare Trust Company of Canada (the "**Escrow Agent**") and will be held in escrow pending satisfaction or waiver of the following conditions:

- (a) all conditions for the closing of the Transaction as stated in the definitive amalgamation agreement have been satisfied or waived on or before September 30, 2021;
- (b) receipt of all required shareholder and regulatory approvals, as applicable, for the Transaction and the Concurrent Financing; and
- (c) receipt of approval of the Transaction and the Concurrent Financing by the TSXV and all final conditions of the TSXV for the Transaction having been met, other than release of the escrowed funds,

(together, the "**Escrow Release Conditions**").

Upon satisfaction or waiver of the Escrow Release Conditions, each Subscription Receipt will be automatically exchanged for one Cerro Shares and the escrowed funds will be released from escrow by the Escrow Agent to Cerro. If the Escrow Release Conditions have not been satisfied or waived by September 30, 2021 or such other date as determined in accordance with the terms of the Subscription Receipt Agreement (as defined below), the escrowed funds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled. Closing of the Concurrent Financing will be subject to the entry into a definitive subscription receipt agreement with the Escrow Agent on or before closing of the Concurrent Financing (the "**Subscription Receipt Agreement**").

The proceeds of the Concurrent Financing will be primarily used for the following purposes: tooling for both bottles and over caps, bottles and over cap production, bottle filling and cost of materials asset production for marketing, packaging and packaging design work, ongoing marketing and inventory costs for roll out of SKU's, web site development and marketing costs, transaction expenses, listing fees and general working capital expenses. The Concurrent Financing is subject to approval of the TSXV. The Company will pay finder's fees equal to 6% of the gross proceeds raised in connection with the Concurrent Financing in cash, payable to the following registered investment dealers upon escrow release of the funds in accordance with the terms of the Subscription Receipt Agreement and subject to compliance with applicable securities laws: Haywood Securities Inc., Canaccord Genuity Corp., Industrial Alliance Securities Inc., PI Financial Corp. and Leede Jones Gable Inc. Closing of the Concurrent Financing may occur in tranches in the sole discretion of the Company.

Business of CAIR by David

CAIR by David is a Los Angeles-based consumer brand company founded by David Babaii, entrepreneur, and lifelong animal activist. CAIR by David is a Los Angeles-based consumer brand company that is commercializing a science-driven formulation portfolio of personal and pet care products which use natural, non-toxic ingredients and cruelty-free testing. The first products to be rolled out as part of CAIR by David's high margin, diversified product portfolio will be its Blu & Friends pet care merchandise, with women's, men's and children's personal care products to follow. CAIR by David has two wholly owned subsidiaries in the United States: CAIR by David Cosmetics (USA) Inc., a Delaware company, and CAIR by David Cosmetics (California) Inc. CAIR by David has one Canadian subsidiary, CAIR by David Cosmetics (Canada) Inc.

CAIR by David's prestige product category is marketed as "CAIR by David" and the downward brand extension masstige product category is marketed as "By David Babaii". CAIR by David's masstige products are still in their incubation stage. Blu & Friends is a portfolio of pet care products targeting a diversity of dog breeds. The entire pet care product portfolio consists of 18 SKUs in total which are focused on several product categories: wash and care products, high-quality medicated aids, premium calming treats and grooming tools. The majority of the Blu & Friends products are for pet wash and care/grooming.

In 2021, CAIR by David intends to introduce and launch six SKUs in the wash and care product category, one

SKU in the calming treats category, and one SKU in grooming tools. All products, both the pet grooming and pet food, will be free of additives and toxins, with cruelty-free testing. Following a careful review and assessment of all competitors' pet care products that are currently available in the same categories, product briefs were prepared, and CAIR by David engaged SynergyLabs, Inc. of Fort Lauderdale, Florida ("Synergy") to develop the formulas with ingredients that would produce the desired attributes. While there are no regulations that hold manufacturers to standards for ingredient purity, all Blu & Friends dog grooming products have non-toxic ingredients.

The pet care products will be packaged in plastic bottles, or food safe, resealable, flexible packaging. Generic containers which come in a variety of shapes, and volumes and functional tops (pour, spray, pump, dropper) provide the base to which distinctive details are then added to customize the packaging.

The Blu & Friends containers are topped with distinctive, iconic bottlecaps, two of which are modelled after David Babaii's beloved pets, Blu & Floyd. Individual colors identify various products. The Blu & Friends logo is playful and communicates a wholesome "family" appeal. The font is unique: playful with the paw print in the letter "o"; and powerful in its reinforcement of the David Babaii brand as his name underwrites the logo.

CAIR by David is focusing its marketing strategy and sales efforts on direct-to-consumer channels, representing high-margin revenue. Primary sales are expected to be driven through the corporate websites, www.CAIRbydavid.com, bluandfloyd.com, bluandfriends.com, davidbabaii.cn, and bluandfloyd.cn, and televised home shopping channels (i.e., QVC). The in-house sales force will leverage long standing relationships for targeted social media and influencer marketing. CAIR by David management will leverage prior business relationships with contract manufacturers who will develop product formulations and manufacture the pet wash and care products for the initial 6 SKUs, and the 1 SKU for calming treats in the Blu & Friends portfolio.

CAIR by David has entered into a Private Label and Manufacturing Supply Agreement with Synergy. Synergy is in the business of manufacturing specialty consumer products and associated packaging materials and will be the contract manufacturer for the pet wash and care products formulation and packaging. Synergy follows a rigorous series of rules and procedures to meet its standards for quality control. The company's laboratory, manufacturing practices and systems in place are compliant with good manufacturing practices (GMP), EPA and FDA, HAZMAT, NASC, as well as OSHA regulations.

Benny Bullys® Sales is a Canadian pet food company, specializing in fortified limited ingredient pet treats that will be manufacturing the Blu & Friends liver treats under private label. Benny Bullys® was the first to pioneer freeze dried beef livers back in the early 1990's, recognizing the superior qualities this drying process offers – shelf stable pure meats, retaining the texture and nutrition. The treats are packaged in Flexpack resealable bags provided by Superior.

Both contract manufacturers have expansive, state of the art facilities. Should sales volume require an increase in production, it is expected it could be accommodated.

Selected Annual Financial Information

A summary of selected financial information of CAIR by David for the year ended March 31, 2020 is set out below:

	Year Ended March 31, 2020 (Unaudited) (USD)
Total Revenue	Nil
Income from continuing operations	Nil
Net Income (Loss)	\$(1,031,296)
Total Comprehensive (Loss) per Share	\$(981,634)
Total Assets	\$1,007,391
Total Current Liabilities	\$877,364
Long Term Financial Liabilities	Nil

Selected Interim Financial Information

A summary of selected financial information of CAIR by David during the nine months ended December 31, 2020 and December 31, 2019 is set out below:

	Nine months ended December 31, 2020 (Unaudited) (USD)	Nine months ended December 31, 2019 (Unaudited) (USD)
Total Revenue	Nil	Nil
Net Income (loss)	\$(843,712)	\$(697,333)
Total Assets	\$1,413,054	\$1,007,391
Loss Per Share	\$(0.04)	\$(0.06)

CAIR by David Debenture Offering

On April 23, 2021, CAIR by David completed a financing by the issuance of unsecured convertible debentures (the "**CbD Debentures**") for total gross proceeds of \$6,300,000 (the "**CbD Debenture Offering**"). The principal amount of the CbD Debentures bears interest at a rate of 8% per annum, matures two years after the date of issuance, and is convertible into CbD Shares at a conversion price per CbD Share of \$0.35. Immediately before completion of the Transaction, the principal amount of the CbD Debentures will be converted automatically into 18,200,000 CbD Shares and the total number of issued and outstanding CbD Shares will be approximately 43 million. The interest accrued on the CbD Debentures will either be paid in cash or converted into CbD Shares, at the election of CAIR by David. On March 26, 2021, CAIR by David completed a consolidation of the issued and outstanding CbD Shares on the basis of one (1) new CbD Share for every two (2) old CbD Shares held by CAIR by David's shareholders. After conversion of all outstanding CbD Debentures, there will be 42,996,499 issued and outstanding CbD Shares.

Resale Restrictions on Resulting Issuer Shares

Escrow Requirements

Under the policies of TSXV, all shares of the Resulting Issuer ("**Resulting Issuer Shares**") held on closing of the Transaction by principals of the Resulting Issuer, including David Babaii, Andrew Bowering, Anthony Paterson, David Velisek, Ravinder Kang, Brian Ast, and Ariel Foxman (together, the "**Escrowed Shares**") will be deposited into escrow with Computershare Trust Company of Canada and will be released over a period of three

years with the exact release schedule to be determined by the TSXV.

Assuming that a minimum of \$9.1 million is raised in the Concurrent Financing, 18,200,000 Resulting Issuer Shares would be issued in exchange for the Subscription Receipts, which would represent over 20% of the total issued and outstanding Resulting Issuer Shares on closing of the Transaction.

Seed Share Resale Restrictions

Upon completion of the Transaction, certain of the Resulting Issuer Shares issued to former CAIR by David shareholders and former holders of CbD Debentures will be subject to seed share resale restrictions pursuant to the policies of the TSXV and disclosed in the information circular to be delivered in connection the Cerro Meeting (as defined below).

Pooling Resale Restrictions

In addition to the escrow requirements and seed share resale restrictions imposed by the TSXV, upon completion of the Transaction all Resulting Issuer Shares issued to all former CAIR by David shareholders will be subject to pooling resale restrictions. Former holders of CbD Debentures will be subject to pooling over one year, with 25% of their Resulting Issuer Shares being released on the date of TSXV approval and 25% of the Resulting Issuer Shares being released every four months after that date. Former CAIR by David shareholders who owned CbD Shares before conversion of the CbD Debentures will be subject to pooling over two years, with 15% of their Resulting Issuer Shares being released on the date of TSXV approval and 15% of the Resulting Issuer Shares being released every four months after that date.

Conditions of Closing the Transaction

The completion of the Transaction is subject to a number of closing conditions, including the following:

- entry into a definitive amalgamation agreement by Cerro and CAIR by David;
- approval of the Transaction by the TSXV;
- approval of the shareholders of both Cerro and CAIR by David;
- release from escrow of the funds raised in the Concurrent Financing;
- conversion of the CbD Debentures into CbD Shares before closing;
- no material adverse change in CAIR by David or its business or assets having occurred;
- no dissent rights having been exercised by CAIR by David shareholders in excess of 10% of the issued CbD Shares;
- Cerro and CAIR by David being satisfied that all Resulting Issuer Shares issued to the CbD Shareholders will be bound by the pooling resale restrictions; and
- at closing Cerro shall have liabilities for management consulting fees of no more than \$200,000 outstanding.

Non-Arm's Length Transaction

Andrew Bowering is the President, CEO and a director of Cerro and is also a director and shareholder of CAIR by David. Mr. Bowering owns directly 1,450,000 CbD Shares which represents 5.80% of the current total outstanding CbD Shares and will represent 3.37% of the total outstanding CbD Shares after conversion of the CbD Debentures. Anthony Paterson is a director of Cerro and is also a shareholder of CAIR by David. Mr. Paterson owns directly and indirectly a total of 575,000 CbD Shares which represents 2.30% of the current total

outstanding CbD Shares. Mr. Paterson has purchased CbD Debentures through his holding company. Upon conversion of all CbD Debentures into CbD Shares (including Mr. Paterson's), he will own a total of 3,051,662 CbD Shares, which will represent 7.1% of the total outstanding CbD Shares after conversion of the CbD Debentures. Bowering and Paterson accordingly have a conflict of interest in the Transaction. The Transaction has been approved by the disinterested and independent director of Cerro, Michael Kobler.

Due to their relationships to both Cerro and CAIR by David, Messrs. Bowering and Paterson are considered to be Non-Arm's Length Parties to the Transaction and accordingly, TSXV policies require that the Transaction be approved by the disinterested shareholders of Cerro. The Cerro Shares held beneficially by Messrs. Bowering and Paterson and their respective Associates (within the meaning of TSXV policies) will therefore be excluded from voting on the resolution to approve the Transaction to be presented to the Cerro shareholders at a special meeting.

The directors of Cerro analyzed the application of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") to the Transaction and have concluded that, while the Transaction may constitute a Related Party Transaction (within the meaning of MI 61-101), Cerro will not be required to obtain a formal valuation in connection with the Transaction nor will the Transaction require approval by a majority of the minority of Cerro's shareholders. The Company will rely on the exemptions from these requirements provided under MI 61-101 in sections 5.5(a) and 5.7(1)(a), which are available because the fair market value of the Resulting Issuer Shares to be issued to these directors and officers pursuant to the Transaction does not exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

Cerro Shareholder Approval

The Company will hold a special meeting of its shareholders (the "**Cerro Meeting**") to seek approval of the Transaction by an ordinary resolution passed by its disinterested shareholders. At the Cerro Meeting, the Company will also seek shareholder approval of an increase in the number of directors from three to four, and the election of an additional fourth director to Cerro's current board of directors. Management intends to nominate Ehsan Agahi for election to the board of directors at the Cerro Meeting. Mr. Agahi is an executive with seven years of comprehensive achievements as a consultant. From 2015-2017, Ehsan consulted with biotech labs and gained exposure to various scientific research fields. Mr. Agahi has been involved in the capital markets for the past four years as an advisor and as a director for various private companies. Ehsan is experienced in a range of corporate transactions including acquisitions, mergers, takeovers and financings, his speciality being the effective delivery of the due diligence process. During this time, he helped create \$1.5+ billion in increased value for Canadian public companies by posing them as investment opportunities for a group of high net-worth individuals and entities.

The Company and CAIR by David will prepare and deliver a joint management information circular to their respective shareholders, which will contain details regarding the Transaction, the Concurrent Financing, CAIR by David and its business and financial affairs, and the management and share capitalization of the Resulting Issuer, among other things. The Company will also file the joint information circular under the Company's issuer profile on SEDAR at www.sedar.com.

In light of the ongoing public health concern related to COVID-19 and in order to comply with measures imposed by the federal and provincial governments, the Cerro Meeting will be held in a virtual format only via live teleconference that Cerro Shareholders will be able to telephone into. Cerro shareholders will not be able to attend the Cerro Meeting in person. All registered Cerro Shareholders are encouraged to vote in advance of the Cerro Meeting via proxy whether or not they are able to attend the virtual Cerro Meeting.

Andrew Bowering, director and CEO of the Company, and Anthony Paterson, director of the Company, are

considered Non-Arm's Length Parties to the Transaction (within the meaning of TSXV policies) and votes tabulated on the resolution will exclude the Cerro Shares held by them and their Associates.

CAIR by David Shareholder Approval

At a special meeting of the shareholders of CAIR by David (the "**CbD Meeting**") to be held on the same day as the Cerro Meeting, CAIR by David will seek approval of the amalgamation by special resolution passed by the holders of at least 66 2/3% of the issued and outstanding CbD Shares voting at the CbD Meeting.

Resulting Issuer Board of Directors and Officers

On completion of the Transaction, Andrew Bowering will resign as the Chief Executive Officer and Simon Anderson will resign as Chief Financial Officer, to be replaced by CAIR by David's nominees. Andrew Bowering and Anthony Paterson will remain on the board of directors and the other two directors of Cerro will resign. The board of the Resulting Issuer will be increased from four to five directors and three nominees of CAIR by David will be added to the board. It is anticipated that the directors and officers of the Resulting Issuer will be the following persons:

David Babaii, *Chief Executive Officer and Director*

David Babaii, the founder, CEO and a director of CAIR by David, is a globally recognized celebrity hair stylist who trained at the Vidal Sassoon Academy in both London and Los Angeles. His client roster has included names such as Jessica Alba, Tom Cruise, Sandra Bullock, Kate Hudson, Angelina Jolie, Scarlet Johansson, Nicole Kidman, Meghan Markle, Gwyneth Paltrow, Sarah Jessica Parker, and Kate Winslet.

David is also an entrepreneur, who earned his MBA from Yale. He has developed and launched several eco-friendly, cruelty free (not tested on animals) hair focused brands either alone or in partnership with some of his Hollywood celebrity clients, growing cumulative sales of over US \$1 billion.

Mr. Babaii has a deep and passionate commitment to children's and animals' rights and sits on the boards of Wild Aid and the Children's Hospital Los Angeles (Donate Life). He is also a longtime member of Amnesty International and is one of the organization's special envoys to the United Nations, working toward their mission to prevent and stop grave violations of human rights such as, freedom of conscience and expression, and freedom from discrimination.

Brian Ast, *Chief Financial Officer*

Brian Ast has over 20 years' experience in the financial sector including financing and managing early-stage companies. Brian's background includes investment banking, extensive infrastructure financing, project development, equity and debt underwriting. He has worked with several early-stage companies developing and implementing business plans and financial models. Brian has held the CFO position of several private sector firms. Previously, Mr. Ast has served as Director of Business Development - North American P3 business unit with Honeywell International Inc., where he has successfully closed 16 infrastructure projects with a total value exceeding \$3 billion. He has also worked internationally at Babcock & Brown, an Australian investment bank specializing in infrastructure development, financing, and operations.

Mr. Ast holds an MBA from Simon Fraser University in British Columbia and a Bachelor of Applied Science, Engineering Physics from the University of British Columbia. Brian is also a holder of the right to use the

Chartered Financial Analyst designation. He currently serves on the Board of Directors of BioPower Systems Pty Ltd., a private company, and District Mines Ltd. a listed company.

Andrew Bowering, Director

Andrew Bowering is currently the Chief Executive Officer and a director of Cerro and a director of CAIR by David. He is a venture capitalist with 30 years of operational experience and leadership in mineral exploration and development. He has been involved in several companies engaged in the pursuit of precious, base, and industrial metals from early exploration through to production. He is an owner and founder of Sunrise Drilling Ltd. and has owned and operated drilling companies for the past 20 years.

Mr. Bowering has served as an officer or director of public companies on the TSX Venture Exchange, the TSX main board and the American Stock Exchange including the Company, Millennial Lithium Corp, and Prime Mining Corp. He earned his Bachelor of Arts from the University of British Columbia. Mr. Bowering has held senior management positions in a variety of capacities. He has been responsible for the acquisition and sale of several assets and raising of upwards of \$250 million in investment capital.

Anthony Paterson, Director

Mr. Paterson has significant experience in the venture capital and private equity markets as a strategic investor, builder and operator. Anthony has participated in financing and is instrumental in seed financings for numerous public companies in the mining and resource sector. Mr. Paterson has directly participated in raising over \$50-million of growth capital in the private sector. His recent successes include being a significant partner in the bridge loan and go-public financing for Prime Mining Corp. (PRYM). In addition to Mr. Paterson's current director position with Cerro. Mr. Paterson has significant experience in the plant based pet care & food industry including his involvement with CAIR by David, Co-founder of Healthy Hippo – a line of plant based, low sugar confectionary that is launching in late spring; and advisor at Big Mountain Foods – a line of common allergen free meat alternatives, that is in a rapid state of growth.

David Velisek, Director

Mr. Velisek, a director of CAIR by David, has been involved in the capital markets for over 25 years. He has been a licensed trader of equities, options and futures, as well as an Investment Adviser. He has also held roles in investor relations, as well as providing consulting services to public companies. He is currently a director of Trillium Gold Mines Inc., Datinvest International Ltd., Evolving Gold Corp. and Cognetivity Neurosciences Ltd. He has previously acted as director of Lifestyle Delivery Systems Inc., Amador Gold Corp., Novo Resources Corp., Finore Mining Inc. and Delon Resources Corp. Mr Velisek is currently employed with Baron Global Financial Canada Ltd.

Ravinder Kang, Director

Ravinder Kang, a director of CAIR by David, is an executive with comprehensive Canadian securities market and business background. Mr. Kang has a combined 27 years of public practice and company management advising corporations and their executives on financing, mergers and acquisitions, going public transactions, continuous disclosure obligations, and corporate governance. Ravinder Kang brings over 20 years of experience as the former Director of TSX Venture Exchange, Listed Issuer Services.

Kelly Willet, Chief Operating Officer

Mr. Willett has over 30 years in televised production experience in both the entertainment and product marketing worlds. Kelly was the co-founder and director of International Sales for ICTV Brands (QVC, HSN, Evine and HSE) for 18 years and was the company's director of Televised Home Shopping for 17 years. His expertise in managing all aspects of live televised shopping, including introducing products to the channel buyers, hiring and training hosts and presenters, writing live scripts, and coordinating the relationship between the marketing company and shopping channel management. Kelly has extensive experience in international marketing, having successfully penetrated and managed retail relationships in over 65 countries around the world as well as worldwide logistics and fulfillment management. At present, Kelly is the President and CEO of Strategic Media Marketing 2016 Corp (SM2), which specializes in televised home shopping, International sales of direct response products, and product development.

Ariel Foxman, Chief Branding Officer

Ariel Foxman is a consultant working with luxury retail and direct-to-consumer brands, directing strategy, content, and consumer experience. Over the course of his career, Mr. Foxman has received accolades for his work in media, fashion, beauty, culture, and advertising. He has worked in various capacities with Crown Publishers, Details and The New Yorker. Subsequently he held various positions at fashion media brand InStyle and StyleWatch where was responsible for all print and digital content, consumer and client strategy, and new revenue streams beyond advertising and circulation. Mr. Foxman was included in Out's annual Power List three times and was named one of Forbes magazine's most powerful U.S. fashion editors. In addition to his role as a contributing editor at Vanity Fair, Mr. Foxman writes about culture, style, beauty and travel for Architectural Digest, Fortune, L'Officiel, New York, Time, and The New York Times, among others.

Sponsorship

The Company has applied to the TSXV for a waiver of the sponsorship requirement of the Transaction in accordance with the policies of the TSXV.

Finders Fees

In connection with the Transaction, as compensation for the introduction of CAIR by David to Cerro by Tyler Ross (the "**Finder**"), the Resulting Issuer will issue to the Finder 1,250,000 Resulting Issuer Shares at closing of the Transaction. The Finder is not a Non-Arm's Length Party (as such term is defined in the policies of the TSXV) of the Company. The finder's fee is subject to approval of the TSXV.

Trading Halt

In accordance with the policies of the TSXV, Cerro's shares are currently halted from trading and will remain halted until further notice.

All information contained in this news release with respect to CAIR by David was supplied by CAIR by David, and Cerro and its directors and officers have relied on CAIR by David for such information.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Filing Statement or Management Information Circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Cerro should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

On Behalf of the Board of Cerro Mining Corp.

"Michael Kobler"

Michael Kobler, Director

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The securities of Cerro have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: *This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the expected timing and terms of the Transaction, the Concurrent Financing, the number of securities of Cerro or the Resulting Issuer Shares that may be issued in connection with the Transaction, the ownership ratio of the Resulting Issuer post-closing, the required shareholder approvals or the ability to obtain such approvals, the Company's strategic plans and the parties' ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to the Transaction, completion of the Concurrent Financing, and the listing of the Resulting Issuer Shares on the TSXV, risk related to the failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; risk related to the protection of intellectual property, general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals. political and regulatory risks associated with the cosmetics and pet care industry; and risks related to the maintenance of stock exchange listings. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances, except in accordance with applicable securities laws. Actual events or results could differ materially from the Company's expectations or projections.*