

CERRO MINING CORP.
Suite 1507 – 1039 West Georgia Street
Vancouver, BC V6E 2Y3

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For Immediate Release

**CERRO MINING CORP. ANNOUNCES CLOSING OF
INITIAL TRANCHE OF SUBSCRIPTION RECEIPTS PRIVATE PLACEMENT
AND
EXERCISE OF WARRANTS**

Vancouver, B.C., May 18, 2021 – Cerro Mining Corp. (NEX: CRX.H) ("**Cerro**" or the "**Company**") is pleased to announce that the initial tranche of its private placement of subscription receipts ("**Subscription Receipts**") closed effective May 14, 2021 for total gross proceeds of \$7,109,000 by the issuance of 14,218,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt (the "**Concurrent Financing**"). The gross proceeds of the Concurrent Financing have been deposited into escrow with Computershare Trust Company of Canada (the "**Escrow Agent**") and will be held in escrow pending satisfaction or waiver of escrow release conditions (the "**Escrow Release Conditions**"), including, among others, receipt of approval by the TSX Venture Exchange (the "**Exchange**") and approval by Cerro's disinterested shareholders of the acquisition by Cerro of all of the issued and outstanding common shares of CAIR by David Cosmetics Inc. by way of a three-cornered amalgamation (the "**Transaction**"). Upon satisfaction or waiver of the Escrow Release Conditions, each Subscription Receipt will be automatically exchanged for one common shares of Cerro and the escrowed funds will be released from escrow to Cerro. See the Company's news release of May 11, 2021 for more information related to the Concurrent Financing and the Transaction.

In connection with the closing of the initial tranche of the Concurrent Financing, Haywood Securities Inc., PI Financial Corp., and Leede Jones Gable Inc. are entitled to receive cash finder's fees totalling in aggregate \$89,670 which is equal to 6% of the amount of proceeds raised in the Concurrent Financing from purchasers introduced to Cerro by the finders. The finder's fees will be paid when the Escrow Release Conditions have been met and the escrowed funds have been released to Cerro.

On May 14, 2021, the Exchange granted conditional acceptance for the Concurrent Financing of a minimum of 18,200,000 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 \$9,100,000 and maximum gross proceeds of \$11,000,000. Announcements of the closing of any further tranches of the Concurrent Financing will be made as they occur.

Exercise of Warrants

All holders of warrants from the Company's previously completed private placement in May, 2020 have exercised their warrants to purchase an aggregate of 10,000,000 common shares of the Company (the "**Warrants**") at an exercise price of \$0.065 per share, resulting in aggregate proceeds to the Company of \$650,000 and the issuance of 10,000,000 common shares of the Company. The Warrants were issued on May 19, 2020 as part of a non-

brokered unit private placement comprising of a total of 10,000,000 units at a price of \$0.05 per unit for aggregate proceeds to Cerro of \$500,000. Each unit was comprised of one common share of Cerro and one Warrant exercisable for one year from the date of issue of the units.

On Behalf of the Board of Cerro Mining Corp.

"Anthony Paterson "

Anthony Paterson, Director

For further information, please contact:

Cerro Mining Corp. Tel: +1-604-428-6128

Email: anthony@tkoconsulting.ca

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 that may be issued in connection with the Transaction, the ownership ratio of the Company 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 common shares of the resulting issuer 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.*