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**For Immediate Release**

**CERRO MINING CORP. ANNOUNCES CLOSING OF  
\$10.1 MILLION PRIVATE PLACEMENT OF  
SUBSCRIPTION RECEIPTS**

**Vancouver, B.C., May 25, 2021** – Further to its press releases dated May 11, 2021 and May 18, 2021, Cerro Mining Corp. (NEX: CRX.H) ("**Cerro**" or the "**Company**") is pleased to announce the closing of a non-brokered private placement offering of subscription receipts ("**Subscription Receipts**") for aggregate gross proceeds of \$10,109,000 (the "**Concurrent Financing**"). The Concurrent Financing was completed in connection with the previously announced proposed reverse take-over (the "**Transaction**") of Cerro by CAIR by David Cosmetics Inc. ("**CAIR by David**"), a Los-Angeles-based company founded by experienced celebrity hairstylist David Babaii and focused on the markets of premium hair care and pet care products. In connection with the Transaction both CAIR by David and Cerro have combined to successfully raise combined aggregate gross proceeds of **\$16.4 Million**. More details on CAIR by David's financing and its science-driven, cruelty free and premium SKUs and production plans can be found below.

**Concurrent Financing**

Upon closing of the Concurrent Financing, Cerro issued 20,218,000 subscription receipts ("**Subscription Receipts**") at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$10,109,000. The Concurrent Financing was completed in two tranches closing May 14 and May 20, 2021 (the "**Closing Dates**"). The gross proceeds of the Offering are held in escrow by Computershare Trust Company of Canada (the "**Escrow Agent**"), pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated May 10, 2021 between the Company and the Escrow Agent, pending satisfaction or waiver of the escrow release conditions (the "**Escrow Release Conditions**"). Upon satisfaction or waiver of the Escrow Release Conditions by September 30, 2021 or such other date as determined in accordance with the terms of the Subscription Receipt Agreement (the "**Termination Date**"), each Subscription Receipt will be automatically exchanged for one common share of Cerro 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 the Termination Date, the escrowed funds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled in accordance with the terms of the Subscription Receipt Agreement. The Subscription Receipts, and the common shares of the Company issuable upon conversion, are subject to a statutory hold period of four months and one day following the Closing Dates in accordance with applicable securities law.

The Proceeds of the Concurrent Financing are intended to be used by the Company following closing of the Transaction 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, website development and marketing costs, transaction expenses, listing fees and general working capital expenses.

In connection with the Concurrent Financing, Cerro agreed to pay total aggregate finder's fees of \$263,670 equal to 6% of the gross proceeds raised in connection with the Concurrent Financing in cash, payable in respect of

purchasers introduced to Cerro by the following registered dealers, upon release from escrow of the proceeds of the Concurrent Financing in accordance with the terms of the Subscription Receipt Agreement: Haywood Securities Inc., Canaccord Genuity Corp., IA Private Wealth Inc., PI Financial Corp. and Leede Jones Gable Inc.

### **CAIR by David Convertible Debenture Offering**

In connection with the Transaction, CAIR by David completed an offering of unsecured convertible debentures (the "**Convertible Debenture Offering**") of CAIR by David for gross proceeds of \$6,300,000. The Debentures will mature two years following the closing date with an interest rate of 8% per annum and, subject to certain terms and conditions, will be convertible into up to an aggregate of 18,000,000 common shares of CAIR by David (the "**Conversion Shares**") at a conversion price of \$0.35 per Conversion Share.

Following closing of the Convertible Debenture Offering and Concurrent Financing, CAIR by David and Cerro have raised a combined total of approximately \$16,400,000 in connection with the Transaction.

Mr. Michael Kobler, Director of Cerro, comments: "Our management team and board are very pleased with the oversubscription of this financing. Upon completion of the listing process, this financing places the Resulting Issuer in a strong cash position to execute on the product development plan and set up CAIR by David for a strong launch into the billion dollar markets of premium pet and hair care products. With leadership from David Babaii and his history of successful exits from premium hair care brands, we're excited to bring with us shareholders from the ground floor up on this journey."

"Our team is delighted to have completed this next step in our going public transaction. The overwhelming interest we have received from institutional and retail investors are a testament to the strength of our team, our business model and our opportunities for growth" says Mr. Babaii, CEO of CAIR by David. "We are well positioned to keep moving forward with our business plan and to proceed with the launch of our highly-anticipated Blu & Friends product line. I am confident that our business and our shareholders are poised to benefit from the remarkable recent growth of the pet care industry, which has been growing at over 6% annually and is sitting at an estimated \$232 billion globally in 2021."

### **About 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](http://www.CAIRbydavid.com), [bluandfloyd.com](http://bluandfloyd.com), [bluandfriends.com](http://bluandfriends.com), [davidbabaii.cn](http://davidbabaii.cn), and [bluandfloyd.cn](http://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.

In connection with the Transaction, as compensation for the introduction of CAIR by David to Cerro by Tyler Ross (the "**Finder**"), the Company will issue to the Finder 1,750,000 common 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 TSX Venture Exchange) of the Company. The finder's fee is subject to approval of the TSX Venture Exchange (the "**TSXV**").

Further updates and more fulsome particulars of the Transaction will be provided as the Transaction progresses and upon the parties entering into a binding definitive agreement. A management information circular will be prepared and filed in accordance with the policies of the TSXV.

*Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and if applicable pursuant to TSX Venture Exchange 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 TSX Venture Exchange 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 number of securities of Cerro that may be issued in connection with the Transaction, the ownership ratio of Cerro 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 and the listing of the resulting issuer common 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.*