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For Immediate Release

**CERRO MINING CORP. ENTERS INTO AMALGAMATION AGREEMENT
WITH CAIR BY DAVID COSMETICS INC.**

Vancouver, B.C., July 6, 2021 – Further to its press releases dated February 8 and May 11, 2021, Cerro Mining Corp. (NEX: CRX.H) ("**Cerro**" or the "**Company**") is pleased to announce that in connection with the previously announced proposed reverse take-over (the "**Transaction**") of the Company by CAIR by David Cosmetics Inc. ("**CAIR by David**"), the Company, CAIR by David and a wholly-owned subsidiary of Cerro, 1308821 B.C. Ltd. ("**Subco**") have executed a definitive amalgamation agreement dated July 2, 2021 (the "**Amalgamation Agreement**"), which sets forth the terms and conditions upon which the transaction with CAIR by David will be completed (the "**Transaction**").

Pursuant to the Amalgamation Agreement, Cerro, CAIR by David and Subco will complete a three-cornered amalgamation and CAIR by David will amalgamate with Subco to form one corporation ("**Amalco**"). Each shareholder of CAIR by David will receive one common share of Cerro for each common share of CAIR by David ("**CbD Share**") held. On closing of the Transaction, Cerro as the resulting issuer (the "**Resulting Issuer**") will change its name to "CAIR by David Holdings Inc." and Amalco will carry on the business of CAIR by David under the name "CAIR by David Enterprises Inc." as a wholly-owned operating subsidiary of the Resulting Issuer. In accordance with policies of the TSX Venture Exchange (the "**TSXV**"), common shares of the Resulting Issuer ("**Resulting Issuer Shares**") issued to certain Principals of the Resulting Issuer and their respective Associates (within the meaning of TSXV policies) will be escrowed and released in stages over a three-year period and some of the Resulting Issuer Shares issued to former non-Principal shareholders of CAIR by David will be subject to the TSXV's seed share resale restrictions. In addition, all Resulting Issuer Shares issued to former shareholders of CAIR by David will be subject to one year or two year pooling requirements, as applicable.

Pursuant to the Amalgamation Agreement, the completion of the Transaction is subject to the satisfaction or waiver of various conditions, including but not limited to the following: (i) approval of the Transaction by the TSXV; (ii) approval of the Transaction by Cerro's disinterested shareholders in accordance with TSXV policies; (iii) approval of the Transaction by the disinterested shareholders of CAIR by David; (iv) no dissent rights having been exercised by shareholders of CAIR by David in excess of 10% of the issued CbD Shares; (v) the convertible debentures of CAIR by David will have been converted into CbD Shares; (vi) Cerro's subscription receipts issued in the private placement that raised \$10,109,000 will have been exchanged for Cerro Shares and the subscription funds currently held in escrow will have been released to Cerro; and (vii) the Transaction will have completed not later than September 30, 2021, unless the completion deadline is extended by the parties. The Amalgamation Agreement may be terminated in accordance with its provisions, if, among other things, any of the closing conditions is not satisfied or waived by the parties, or there is a material breach of the Amalgamation Agreement by a party and the breach is not cured with 15 business days, or if either party accepts a "Superior Proposal" (as defined in the Amalgamation Agreement) from a third party provided that the accepting party has complied with the requirements related to Superior Proposals in the Amalgamation Agreement.

Cerro and CAIR by David intend to call a special meeting of their respective shareholders to seek approval of the

Transaction by their respective disinterested shareholders. Cerro's meeting will also be an annual general meeting. A joint management information circular in connection with the meetings of Cerro and CAIR by David will be filed under Cerro's issuer profile on SEDAR at www.sedar.com. Each registered shareholder of CAIR by David has the right to dissent with respect to the Transaction and be paid fair value for their CbD Shares in accordance with sections 237 to 247 of the *Business Corporations Act* (British Columbia).

Andrew Bowering, director and CEO of Cerro and also director and shareholder of CAIR by David; and Anthony Paterson, director of Cerro and shareholder of CAIR by David are considered to be Non-Arm's Length Parties to the Transaction (within the meaning of TSXV policies). Accordingly, the Transaction must be approved by disinterested Cerro shareholders and the Cerro Shares held by Messrs. Bowering and Paterson and their Associates will be excluded from voting on the Transaction. The Transaction is also considered a "related party transaction" for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Cerro is relying on exemptions in MI 61-101 from formal valuation and minority shareholder approval requirements because the fair market value of the Resulting Issuer Shares to be issued to Messrs. Bowering and Paterson pursuant to the Transaction does not exceed 25% of Cerro's market capitalization, as determined in accordance with MI 61-101.

Further updates of the Transaction will be provided as the Transaction progresses and upon Cerro receiving shareholder and TSXV approval.

Investors are cautioned that, except as disclosed in the 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. There can be no assurance that the Transaction will be completed as proposed or at all.

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 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.