



# Acquisition of the Santander Mine from Trevali Mining Corporation

NOVEMBER 2021

# FORWARD LOOKING INFORMATION



Certain information contained in this presentation may constitute “forward-looking information” under Canadian securities legislation. Generally, forward-looking information can be identified using 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.

Considering Trevali’s Santander Project, forward-looking statements, including the expectations of CDPR’s management regarding the completion of any transaction as well as the business and the expansion and growth of CDPR’s operations through acquisition of Trevali’s Santander Project, are based on resource estimates undertaken and issued by Trevali and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including the potential finalization and structuring of the proposed transaction and the potential terms and conditions in relation to the proposed transaction; the potential execution of a definitive agreement in relation to the proposed transaction and the terms and conditions of such definitive agreement; the required approvals for the proposed transaction; the concurrent financing in relation to the proposed transaction and the anticipated closing date of the financing.

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](http://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.

## TRANSACTION TERMS

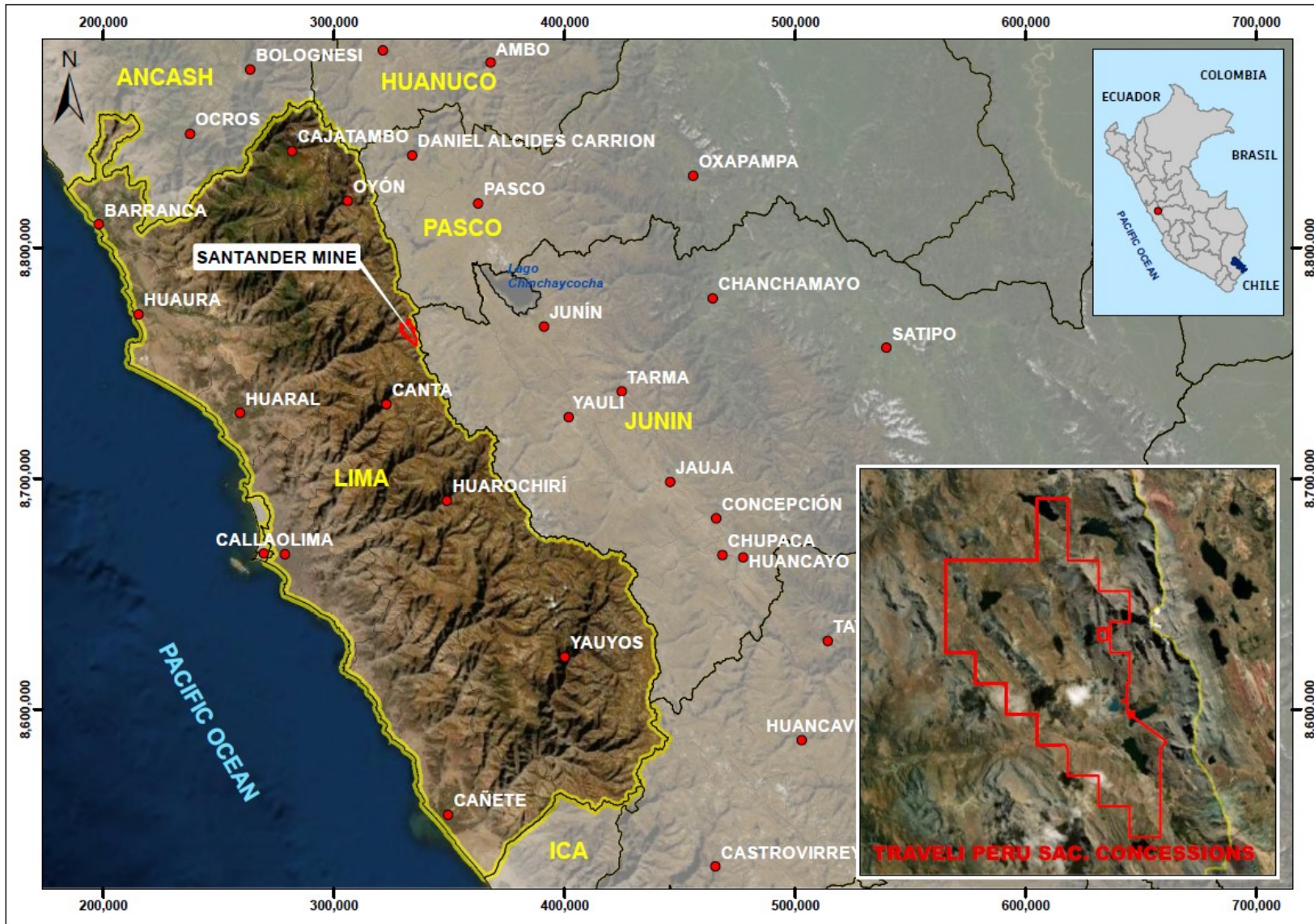
- ▶ CDPR acquires 100% of **Trevali Mining's Peruvian subsidiary** (Trevali Peru S.A.C.) comprising the **Santander Mine operation (Magistral and Pipe) and 44km<sup>2</sup> of exploration concessions**
- ▶ Consideration:
  - > **CAD1 Million** in cash
  - > **10 Million CDPR Shares**
  - > A **1% Net Smelter Return** (NSR) royalty payable quarterly to Trevali for any payable metal produced from parts of the concession area not already explored/drilled
- ▶ **Closing Date Working Capital** (Current Assets minus Current Liabilities) **USD7.5million**, USD2.5M to be repaid 12 months after closing if the average zinc price remains above USD1.30/lb during this period
- ▶ Concentrate Offtake Agreements will remain with Glencore but will be limited to concentrates produced from the Magistral section of Santander Mine alone, rather than the entire land package

# TRANSACTION RATIONALE



- Acquire a profitable mine with potential to grow operating cash flow and significant exploration upside
- Currently producing 52 Mlbs/yr of payable zinc, 4Mlbs/yr payable lead & 290koz/yr payable silver at an AISC of USD1.08-1.14/lb (Guidance 2021)
- Steady-state, fully permitted operation with, stable workforce and good community relations
- Modern processing plant with a replacement value of over USD50M, which could eventually be moved to Cerro de Pasco or be used to treat / toll-mill third party ores
- Substantial remaining Mineral Resources on a 44km<sup>2</sup> land package, largely unexplored and surrounded by mines and properties owned by major producers such as Pan American Silver, Volcan and Newmont
- Significant tailings resource which can be retreated at the end of the life of mine
- CDPR plans to develop the Santander Pipe orebody by linking the existing underground mine, increasing payable zinc equivalent metal and reducing AISC after 2 years.
- Offtake agreement (Glencore) applicable only to the existing Magistral Mine production

# LOCATION OF PROJECT



- ▶ The Santander property is located in western central Perú, about 215 km east-northeast of the capital city of Lima. The location of the property is within the district of Santa Cruz de Andamarca, province of Huaral, Department of Lima.
- ▶ Well-established mine which is producing and processing approximately 2,000 tonnes of ore per day, and ships zinc, lead and silver metals in concentrates.
- ▶ Property is located close to other producing mines with Zn and Pb concentrates sent to Lima by truck weekly.

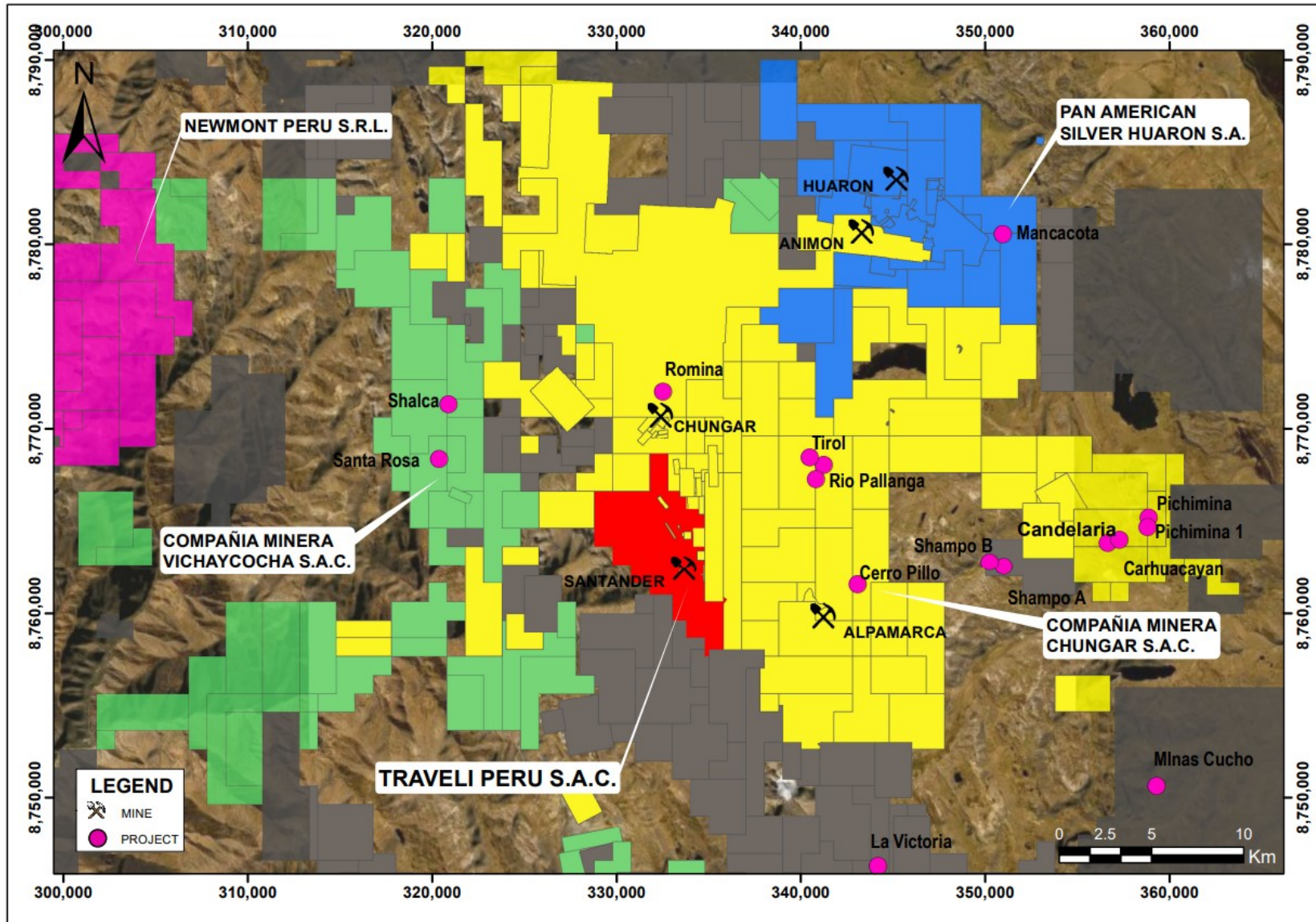
# HISTORY



Santander Mine – Cerca 1963

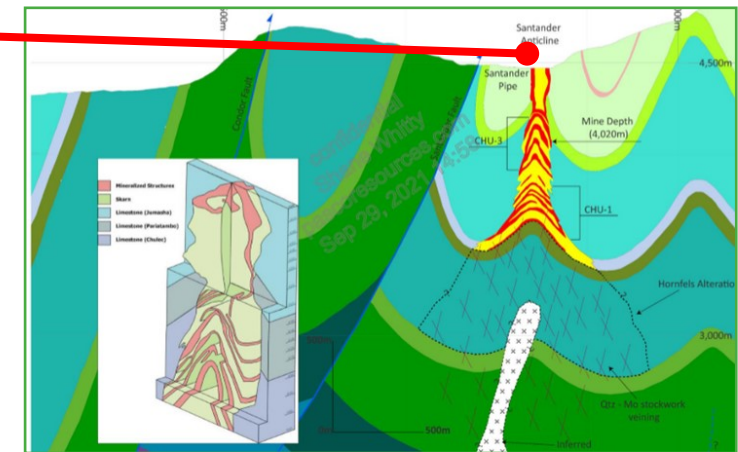
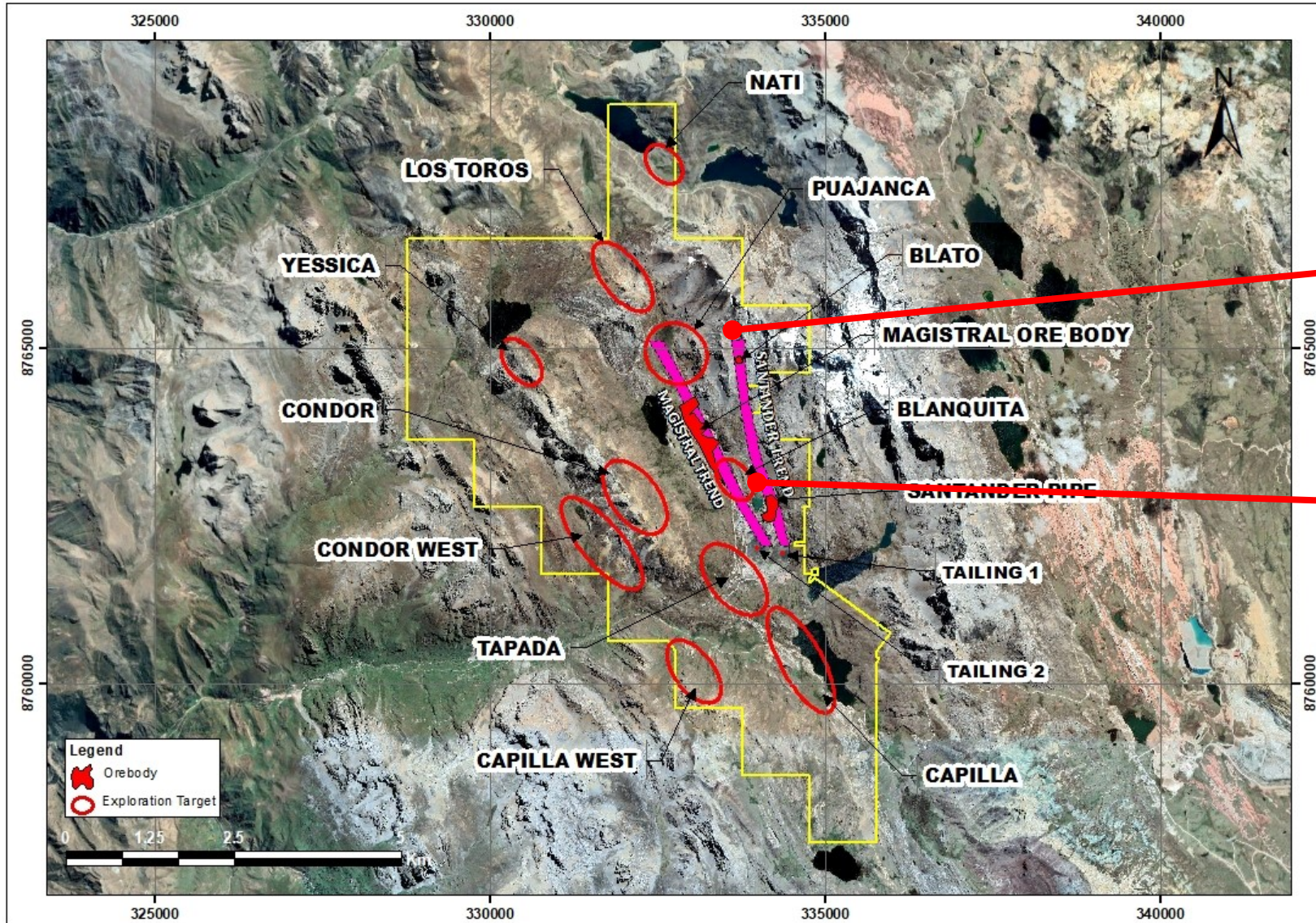
- ▶ In 1928, the **United Verde Copper Company** optioned the property and drilled the Santander pipe area. This work was followed up in 1940s with the National Lead Company exploring the area and drill testing the Santander Pipe confirming the existence of significant Ag-Pb-Zn mineralization.
- ▶ In 1957, **St. Joe Minerals** of New York, USA (St. Joe) completed a detailed evaluation of the Santander pipe and estimated a open pit resource of approximately 2.5 million tonnes (Mt).
- ▶ **Santander, Sucursal de Perú**, was formed on 9 April 1957 as a Peruvian subsidiary of St. Joe to exploit the identified resources, primarily Pb-Ag. Santander was subsequently acquired by a private Peruvian mining Company, Minera Santander S.A.C., which continued production from the Santander pipe until August 1992.
- ▶ **Trevali** bought Minera Santander S.A.C. in 2007 and after a period of exploration began construction on the Santander mine complex in 2011, with underground mining operations commencing in 2013 and full production reached in 2015. The mine is presently producing approximately 2,000 t/d of ore from underground.

# SANTANDER CONCESSION



- ▶ The entire property covers an area of 4,454.7 ha. The Santander Mine is located within this property.
- ▶ The property is surrounded by existing and historic mines of significant importance.
- ▶ Companies that border the property are Compania Minera Vichaycocha S.A.C. and Compania Minera Chungar S.A.C., both of which are Volcan Compania Minera (Volcan) subsidiaries. Volcan is a leading global producer of Zn, Pb and Ag.

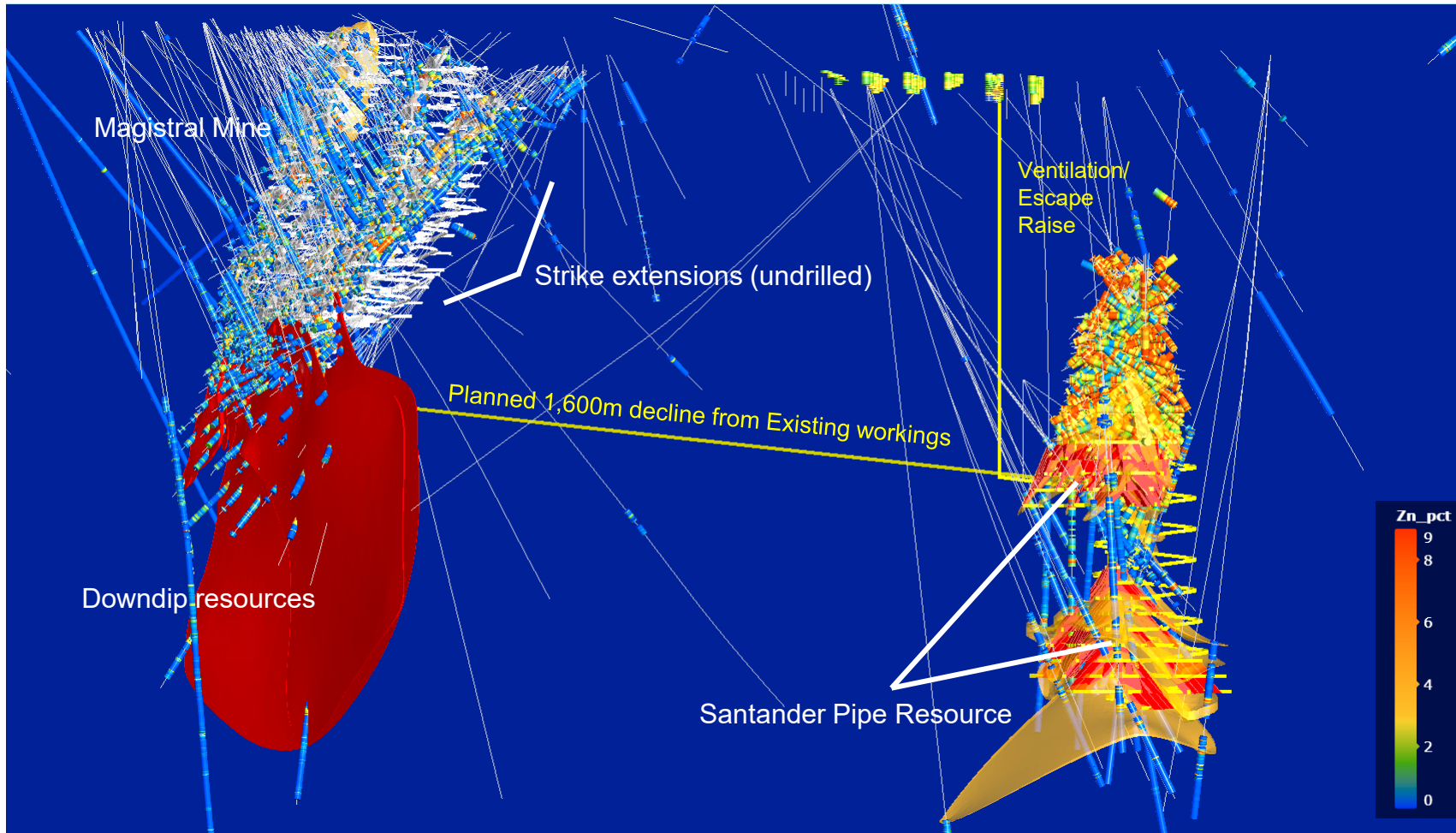
# RESOURCES & EXPLORATION POTENTIAL – SANTANDER MINE





# EXTENDING THE LIFE OF MINE – SANTANDER PIPE PROJECT

CDPR intends to extend the life of mine by continuing to mine the Magistral Mine & develop the Pipe



- Includes the Magistral (Mine) ore bodies which is still open at depth and on strike.
- Santander Pipe represents an immediate opportunity to extend the life of mine.
- Only 1,600m of development is required to access and mine this significant resource from existing workings at Magistral, no permitting required
- Would provide significantly higher-grade material for the process plant than the current Magistral mill feed and would not be subject to the same stringent Offtake terms.

# MINERAL RESOURCES – SANTANDER MINE

Santander Mine Mineral Resource as at December 31, 2020 <sup>(1,2,3,4)</sup>

Santander Mine <sup>(3)</sup>	Quantity Mt	Grade			Metal		
		Zn %	Pb %	Ag g/t	Zn M lbs	Pb M lbs	Ag K oz
		Measured	1.41	4.47	0.67	33.26	139
Indicated	1.29	4.87	0.29	18.94	139	8	786
Measured & Indicated	2.71	4.66	0.49	26.42	278	29	2,302
Inferred	1.16	4.01	0.21	21.69	103	5	809

Santander Pipe Project <sup>(4)</sup>

Santander Pipe project <sup>(4)</sup>	Quantity Mt	Grade			Metal		
		Zn %	Pb %	Ag g/t	Zn M lbs	Pb M lbs	Ag K oz
		Measured	0.53	7.78	0.03	16.76	91
Indicated	2.95	6.38	0.01	11.62	415	1	1,102
Measured & Indicated	3.48	6.59	0.02	12.41	506	2	1,388
Inferred	0.93	5.15	0.01	7.54	106	0	225

- 1) All Mineral Resources have been estimated in accordance with the CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Numbers may not add up due to rounding.
- 2) The technical report entitled “Mineral Reserve Estimation Technical Report for the Santander Zinc Mine, Province de Huaral, Perú” dated March 31, 2017, is the current technical report for the Santander property.
- 3) The Santander Magistral Underground Mine Mineral Resource estimate is reported based on net smelter return cut-off grade of US\$40/tonne with metal prices of: US\$1.15/lb zinc, US\$0.90/lb lead, US\$25.15/oz silver. The Santander Magistral Underground Mine Mineral Resource estimate has been prepared by the mine geology department and non-independent Resource geology consultants to Trevali Mining Corporation with an effective date of December 31, 2020 under the supervision of and approved by Yan Bourassa (P.Geol.), a Qualified Person as defined in NI 43-101 and Vice President, Exploration & Mineral Resources of Trevali.
- 4) The Santander Pipe Underground Deposit Mineral Resource estimate is reported based on net smelter return cut-off grade of US\$40/tonne with metal prices of: US\$1.15/lb zinc, US\$0.90/lb lead, US\$25.15/oz silver. The Santander Pipe Underground Deposit Mineral Resource estimate has been prepared by the exploration geology department and non-independent Resource geology consultants to Trevali with an effective date of December 31, 2020, under the supervision of and approved by Yan Bourassa (P.Geol.), a Qualified Person as defined in NI 43-101 and Vice President Technical Services of the Company and accordingly, is not independent to Trevali.



**CERRO DE  
PASCO**  
RESOURCES

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