

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – May 31, 2017

Cerro Grande Mining Corporation Announces its Second Fiscal Quarter Ended March 31, 2017 Results Compared to the Same Period in 2016 and for the Six Months Fiscal Period Ended March 31, 2017 Compared to the Same Six Months Period in 2016

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE:CEG) reported its unaudited results for its second fiscal quarter ended March 31, 2017 compared to the same quarter in 2016 and results for the six months fiscal period ended March 31, 2017 compared to the same six months period in 2016. These financial statements and MD&A have been filed on SEDAR and the Company refers the reader to those materials for additional information.

Revenues totalled US \$1,367,000 for the Company’s second fiscal quarter ended March 31, 2017 which includes gold sales of US \$1,149,000 (922 ozs of gold) and copper and silver sales of US \$218,000 compared to revenues for the same quarter in 2016 of US \$1,707,000 which includes gold sales of US \$1,449,000 (1,191 ozs of gold) and copper and silver sales of US \$258,000.

Revenues totalled US \$2,505,000 for the Company’s six months fiscal period ended March 31, 2017 which included gold sales of US \$2,134,000 (1,780 ozs of gold) and copper and silver sales of US \$371,000 compared to revenues for the same six month period in 2016 of US

\$4,353,000 which includes gold sales of US \$3,774,000 (3,368 ozs of gold) and copper and silver sales of US \$537,000.

Net loss before income taxes for the second fiscal quarter ended March 31, 2017 was US \$1,485,000 compared to a loss of US \$2,671,000 in the comparable period a year ago. The Company reported a loss before income taxes of US\$2,671,000 compared to the same six month period a year ago of US\$2,351,000. Net loss after income taxes for the six month period just ended and the year ago period were the same as loss before taxes.

At March 31, 2017 the Company had a negative working capital position of US \$8,767,000 compared to US \$10,252,000 at September 30, 2016.

On a stand alone basis, the Pimenton mine had a net loss for its second fiscal quarter ended March 31, 2017 of US \$655,000 after deducting depreciation and amortization expense of US \$1,496,000 compared to the same period in 2016 when the net loss was US \$657,000 after deducting depreciation and amortization expense of US \$1,181,000.

Subsequent Events

- On May 12, 2017 Cerro Grande Mining Corporation reported the closure of the Pimenton mine which is held by its wholly owned subsidiary Compania Minera Pimenton due to a combination of a lack of adequate working capital and a series of snow storms that have and will affect operations at the mine. All personnel have been taken out of the mine. The Company could not give a date in the future when and if mining operations could restart. The Company is currently investigating all alternatives for Compania Minera Pimenton.

Cerro Grande Mining Corporation is an exploration and development company with properties and activities currently focused in Chile.

Cautionary Statement on Forward-looking Information:

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to the future financial or operating performance of CEG. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CEG to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this press release based on current expectations and beliefs and CEG disclaims, other than as required by law, any obligation to

update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.