

News Release



CERRO GRANDE MINING CORPORATION

FOR IMMEDIATE RELEASE – June 1, 2022

Cerro Grande Mining Corporation Announces Payment of Second Instalment under APA

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) announces that it has made the second instalment payment to Minera Tamidak Limitada (“**Tamidak**”) under the Asset Purchase and Contracts Assignment Agreement (the “**APA**”) dated December 1, 2020 entered into between Tamidak and the Company’s wholly-owned subsidiary Minera Til Til SpA (“**Til Til**”) pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project as originally reported in the Company’s news release dated December 1, 2020.

Pursuant to the APA, CEG has paid, on behalf of Til Til, the second installment in the amount of \$1,300,000,000 Chilean Pesos (CDN\$1,991,696.16 based on the nominal exchange rate of the Chilean peso to the Canadian dollar determined on May 31, 2022 as published by the Central Bank of Chile) of the total purchase price (the “**Purchase Price**”) payable thereunder (\$3,900,000,000 Chilean Pesos) by issuing 39,833,923 common shares of the Company to Tamidak at a deemed issuance price of CDN\$0.05 per share. Such shares are subject to a hold period expiring on October 2, 2022.

Pursuant to the APA, the third and final installment of the purchase price, in the amount of \$1,300,000,000 Chilean Pesos, is due no later than December 1, 2023 and is payable in cash or its equivalent in common shares of the Company, as Tamidak may elect in its sole and absolute discretion, at a price per share equal to the greater of (A) the simple average of the closing price per CEG common share on the CSE for the 10 consecutive trading days ending on the date immediately prior to such payment being made; and (B) CDN\$0.05 per share (or such other minimum price per share as may be in effect pursuant to the policies and rules of the CSE at the relevant time). In case of payments to be made in common shares of the Company as aforementioned, the number of CEG common shares issuable shall be determined based on the nominal exchange rate of the Chilean peso to the Canadian dollar determined on the day before the applicable payment as published by the Central Bank of Chile.

If the remaining Purchase Price installment indicated above is not timely and fully paid to Tamidak, the APA will be automatically terminated and CEG shall be required to return all the acquired assets to Tamidak. Further details relating to the APA is set out in the news release of the Company dated December 1, 2020 available at www.sedar.com under the Company’s profile.

This news release was prepared by management of CEG which takes full responsibility for its contents.

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 press release contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, information relating to the payment of the future purchase price installments) constitute forward-looking information.

This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, the ability of the Company to make the last installment payment in a timely manner. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations, include, but are not limited to, the inability of the Company to make the required instalment payment or the failure to achieve the expected benefits from the APA and the Pimentón Copper Gold Mining Project.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

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