

# News Release

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**FOR IMMEDIATE RELEASE** – May 18, 2011

### **Cerro Grande Mining Corporation Provides Update on its Porphyry Copper/Gold Exploration at Pimenton**

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company”) (TSX-CEG) (formerly South American Gold and Copper Company Limited) Reported an Update on Exploration Activities at its Pimenton porphyry copper/gold Deposits.

Drill hole N° PP-1 at the Pimenton porphyry copper/gold deposits has been completed at a depth of 430 meters after having experienced several technical delays due to the drill rig being brand new and training of Company personnel. The drill hole has an azimuth of 90 degrees and inclination of 65 degrees and is located at UTM-1984 coordinates – 385667 E – 6406755 N. This drill hole is located 200 meters to the south of Rio Tinto’s drill hole N° 4, drilled in 2006, which encountered 279 meters grading 0.40% copper and 0.43 grams of gold per ton. Assay results will be reported on drill hole N° PP-1 on receipt from the assay laboratory.

The Company has just completed an additional Mobile Metal Ion (MMI) study over the known porphyry mineralization at Pimenton and also conducted a Controlled Source Audio-Magnetotelluric survey (CSAMT) with Quantec Geophysical Services. Diamond drill holes totalling approximately 6,000 meters have been sited to test geochemical and coincident CSAMT anomalies related to porphyry mineralization. Drilling will proceed during the coming winter season from underground as well as from secure surface locations.

Cerro Grande Mining Corporation is a minerals producing, exploration and development company with properties and activities currently focused in Chile.

**FORWARD-LOOKING STATEMENTS:** This news release contains certain "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange

Act of 1934, as amended. Except for statements of historical fact relating to the company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.