

News Release

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Cerro Grande Mining Corporation Announces Results of Drill Hole CDM 003 at Santa Cecilia

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (TSX-CEG; OTCQX-CEGMF) announced the completion of diamond drill hole CDM 003 at Santa Cecilia, located at UTM 1984 coordinates 6937542N 466750E. Azimuth 180 and inclination minus sixty was drilled to 1,597.7 meters. CEG holds an option on the Santa Cecilia property to acquire not less than a 65.6% from Cerro del Medio (“CDM”).

Assaying started at 450 meters below the siliceous cap and extended to 1,597.7 meters.

Preliminary assay results from hole CDM 003 are averaged below over consecutive intervals.

540 to 750 mts	210 mts. Length	0.14 g/t Au	0.155% Cu	59 ppm Mo	Eq. Cu% 0.27	Eq. Au g/t 0.39
750 " 1050 "	300 "	0.19 "	0.257 "	41 "	" 0.40	" 0.58
1050 " 1130 "	80 "	0.23 "	0.273 "	49 "	" 0.45	" 0.65
1130 " 1250 "	120 "	0.28 "	0.342 "	70 "	" 0.56	" 0.81
1250 " 1380 "	130 "	0.25 "	0.275 "	174 "	" 0.51	" 0.74
1380 " 1597.7"	207.7 "	0.20 "	0.252 "	113 "	" 0.43	" 0.62

Averaging the assay results between 550 and 1597.7 meters over 1047.7 meters give the following:

0.20 g/t gold, 0.249% copper, 80 ppm molybdenum. The copper equivalent is 0.41% per ton and the gold equivalent 0.60 g/t.

Mineralization consisted of disseminated pyrite, chalcopyrite, with lesser enargite, bornite and molybdenum together with disseminated magnetite within sericitic-siliceous stockworks including argillaceous alteration. From a hole depth of 450 meters the mineralization was within mixed volcanic and sediments passing below 875 meters into diorite and micro diorite intrusive.

The strength and extent of the mineralization cut by CDM 003 is impressive. Exploratory drilling at Santa Cecilia will continue after the end of the Chilean winter season.

Mapping and sampling of the hole was carried out by Watts, Griffiths and McOuat Limited of Toronto, Canada and assaying was done by the ACME lab in Santiago, Chile using fire assay for the gold and ICP for copper and molybdenum. Results of check assays by ALS Laboratories have yet to be received.

To calculate copper and gold equivalents, copper has been taken at US \$3.43 per pound, gold at US \$1,625.5 per ounce and molybdenum at US \$13.11 per pound. These were the market prices for June 15, 2012.

This report was reviewed and approved by Dr. David R.S. Thomson, EVP of Exploration and a Director of CEG and a qualified person under NI 43-101.

Cerro Grande Mining Corporation is a minerals producing, 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.

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