

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – July 5, 2017

Cerro Grande Mining Corporation Announced the Conversion of its Convertible Debentures which were issued on December 7, 2016

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE:CEG) (OTCQB:CEGMF) reported that further to its News Release dated November 8, 2016 announcing the Conditional Approval for the issuance of Convertible Debentures to complete Debt Settlement that these Convertible Debentures have been converted in full in the amount of US \$2,771,237.

These Convertible Debentures were issued on December 7, 2016 and are convertible at CDN \$0.05 per share for a term of 3 years from the date of issuance and pay interest semi-annually at the rate of 8%. Mr. Thomson has been issued a Convertible Debenture in the amount of US \$1,517,636 and Mr. Hernandez has been issued a Convertible Debenture in the amount of US \$1,253,601. On June 30, 2017 Mr. Thomson and Mr. Hernandez elected

to convert their Convertible Debentures in full.

Cerro Grande Mining Corporation currently has 267,852,410 shares outstanding (297,088,477 shares on a fully-diluted basis). Following the conversion of the Convertible Debentures, the Company will have 339,390,784 shares outstanding (368,626,851 shares on a fully-diluted basis).

Mr. David Thomson currently holds 100,493,029 common shares of the Company (144,969,252 shares on a fully-diluted basis), representing approximately 37.52% of the outstanding shares. Following the conversion of the Convertible Debentures, he will hold 139,670,195 common shares of the Company, representing approximately 44.15% of the outstanding shares (approximately 39.33% on a fully-diluted basis).

Mario Hernandez currently holds 100,023,501 common shares of the Company (144,430,766 shares on a fully-diluted basis), representing approximately 37.43% of the outstanding shares (approximately 39.18% on a fully-diluted basis). Following the conversion of the Convertible Debentures, he will hold 132,384,709 common shares of the Company, representing approximately 39.01% of the outstanding shares (approximately 39.18% on a fully-diluted basis).

Following issuance of the Convertible Debentures, on a fully diluted basis, Mr. Thomson and Mr. Hernandez will hold an aggregate of 289,400,018 common shares of the Company, representing approximately 78.51% of the shares of the Company on a fully-diluted basis.

The Convertible Debentures are denominated in US Dollars and the conversion ratio is stated in Canadian Dollars. The exchange rate used in determining the above fully-diluted shareholdings following issuance of the Convertible Debentures is CDN \$1.29073 for each US Dollar.

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.