

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – June 2, 2017

Cerro Grande Mining Corporation Announced that its Wholly Owned Subsidiary, Compañía Minera Pimenton, has Filed for Voluntary Bankruptcy Under the Laws of Chile.

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE:CEG) (OTCQB:CEGMF) reported that further to its News Release dated May 12, 2017 announcing the closure of its Pimenton Mine and on the advice of its Chilean lawyers, the Directors and Management of Compañía Minera Pimenton in consultation with the Board of Directors of Cerro Grande Mining Corporation have taken the decision to place

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Compañía Minera Pimenton, effective as of the evening of June 1, 2017, into voluntary bankruptcy versus waiting for its creditors to place Pimenton into involuntary bankruptcy.

Under Chilean law, a court appointed bankruptcy Liquidator will take possession of Compañía Minera Pimenton and its assets and is responsible for all ongoing costs of Pimenton until they are successful in obtaining the sale or liquidation of Compañía Minera Pimenton in both voluntary and involuntary filings.

There are no bonds in place to cover the reclamation procedures at Pimenton and none were requested by Sernageomin, the Chilean government mining agency. The Liquidator will be responsible for all mine closure costs, if any, until the Liquidator is successful in selling the mine, claims and/or liquidating the assets of Compañía Minera Pimenton. All men on the payroll of Compañía Minera Pimenton have been terminated and their salaries and severance costs will be paid for by the Liquidator from the sale or liquidation of Compañía Minera Pimenton.

Under Chilean law, salary and some severance costs must be paid first and once paid, the creditors of the mine are second to be paid.

The Liquidator is paid his fees from the proceeds of the sale of Compañía Minera Pimenton or liquidation of its assets.

The other subsidiaries of CEG, including Compañía Minera Til Til, Compañía Minera Catedral, Compañía Minera Tordillo, Compañía Minera Bandurrias and Compañía Minera Cal Norte are not affected by the bankruptcy of Compañía Minera Pimenton.

No Officers or Directors of Cerro Grande Mining Corporation have resigned. The transfer Agent is still in place. Stephen W. Houghton, Chief Executive Officer of Cerro Grande Mining Corporation has signed off on the contents of this Press Release.

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.