

CERRO GRANDE MINING CORPORATION

67 Yonge Street, Suite 1201
Toronto, Ontario, M5E 1J8

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Cerro Grande Mining Corporation (the “**Company**”) will be held at the offices of Norton Rose Canada LLP, TD Waterhouse Tower, Toronto-Dominion Centre, 79 Wellington Street West, 23rd Floor, Toronto, Ontario, on Tuesday, March 27, 2012 at 4:00 p.m. (Toronto time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended September 30, 2011, together with the report of the auditors thereon;
2. to consider and, if deemed advisable, to pass an ordinary resolution electing, as directors for the ensuing year, the nominees proposed by management of the Company in the accompanying management information circular dated February 24, 2012 (the “**Circular**”) to hold office until the close of the next annual meeting of shareholders of the Company;
3. to consider and, if deemed advisable, to pass an ordinary resolution reappointing PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Company and to authorize the directors of the Company to fix the auditors’ remuneration and terms of engagement;
4. to consider and, if deemed advisable, to pass an ordinary resolution of disinterested shareholders approving certain amendments to the Company’s share option plan, as described in further detail in the accompanying Circular;
5. to transact such other business as may properly come before the Meeting, or any adjournment or postponement thereof.

The specific details of the matters to be put before the Meeting as identified above are set forth in the Circular accompanying this Notice. This Notice and the accompanying Circular have been sent to each director of the Company, each shareholder of the Company entitled to notice of the Meeting and the auditors of the Company.

Shareholders who are unable to attend the Meeting in person are requested to sign and return the enclosed form of proxy to Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 so as to arrive no later than 4:00 p.m. (Toronto time) on the second business day preceding the date of the Meeting or the date of any adjournment(s) or postponement(s) thereof.

DATED the 24th day of February, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

“Stephen W. Houghton” (signed) _____

Stephen W. Houghton
Chief Executive Officer

NOTE: The directors have fixed the hour of 4:00 p.m. (Toronto time) on the 23rd of March, 2012 before which time the instrument of proxy to be used at the Meeting must be deposited with Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting.