

**COMPANIA MINERA AUROMIN LTDA. REPORT
ON HOLDINGS OF COMMON SHARES OF
CERRO GRANDE MINING CORPORATION**

Toronto, ON, October 27, 2014 — Compania Minera Auromin Ltda. (“**Auromin**”) announces that on October 24, 2014, Auromin, a company controlled by David Thomson, a director and officer of Cerro Grande Mining Corporation (the “**Company**”), purchased 4,498,000 units of securities of the Company (each, a “**Unit**”) at a price of CDN\$0.05 per Unit for aggregate cash proceeds to the Company of US\$200,000 (CDN\$224,900) (the “**Placement**”). Each Unit comprises one common share of the Company (each a “**Common Share**”) and one Common Share purchase warrant (each, a “**Warrant**”) with each Warrant exercisable to acquire one Common Share until October 24, 2019 at a price of CDN\$0.07 per share. In addition, Auromin acquired 26,484,780 Common Shares (representing an issue price of CDN\$0.05 per share) in full and final settlement of outstanding indebtedness of the Company owed to Auromin in the amount of US\$1,177,625 (CDN\$1,324,239) consisting of accrued but unpaid royalty payments, unpaid past services provided to the Company in addition to cash advances (including interest thereon) made to the Company (the “**Debt Settlement**”). All amounts have been converted at an exchange ratio of US\$1.00 to CDN\$1.1245

Taking into account all of the Common Shares issued in the Placement and the Debt Settlement, the Company now has 174,977,010 Common Shares issued and outstanding. The Common Shares issued to Mr. Thomson in the Placement and the Debt Settlement represent 17.70% of such outstanding Common Shares. Beneficial ownership and control of the Common Shares and the Warrants was acquired by Mr. Thomson.

Mr. Thomson now owns 52,718,929 Common Shares representing 30.33% of the issued and outstanding Common Shares. Mr. Thomson also holds stock options, convertible debentures and warrants to acquire, in the aggregate, up to 5,299,057 Common Shares.

Auromin’s purpose in effecting the Placement and the Debt Settlement was to provide an immediate source of cash to the Company and to provide financial relief to the Company in a time of financial hardship for the Company. Auromin may in the future increase or decrease its ownership of securities of the Company from time to time depending upon the business and prospects of the Company and future market conditions.

Auromin’s address and other contact information is set forth below. For further information, including to obtain a copy, once filed, of the report required to be filed by Mr. Thomson and Auromin in accordance with applicable Canadian securities laws, contact Auromin at the address specified below.

The issuance of this news release is not an admission that an entity named in this news release owns or controls any described securities or is a joint actor with another named entity.

Compania Minera Auromin Ltda.
Avenida Santa Maria 2224
Providencia
Santiago, Chile
7500014

Attn: David Thomson
Tel: +56 22 569 6224