
NEWS RELEASE

ACQUISITION OF SECURITIES OF CERRO GRANDE MINING CORPORATION

Toronto, Ontario, Canada, November 13, 2015 – David Thomson, c/o Compania Minera Auromin Ltda., Avenida Santa Maria 2224, Providencia, Santiago, Chile, announces that pursuant to a debt settlement transaction (the “**Transaction**”), he has acquired beneficial ownership and control of 47,774,100 common shares (each, a “**Common Share**”) in the capital of Cerro Grande Mining Corporation (the “**Company**”), through Compania Minera Auromin Ltda. (the “**Offeror**”), a company controlled by Mr. Thomson.

Pursuant to the Transaction, the Company issued 47,774,100 Common Shares to the Offeror in full and final settlement of outstanding indebtedness in the aggregate amount of US\$1,782,616 (CDN\$2,388,705) owed by the Company to the Offeror (the “**Debt**”), such indebtedness being made up of cash advances made to the Company by Offeror. All amounts have been converted at an exchange ratio of US\$1.00 to CDN\$1.34.

Prior to the issuance of the Common Shares to the Offeror in connection with the Transaction, Mr. Thomson beneficially owned and/or exercised control or direction over 52,718,929 Common Shares, representing approximately 30.13% of the issued and outstanding Common Shares on an undiluted basis. Mr. Thomson also beneficially owns and/or exercises control or direction over 4,498,000 warrants (each, a “**Warrant**”) expiring October 24, 2019, each Warrant entitling the holder to purchase one Common Share at an exercise price of \$0.07, and a convertible debenture in the principal amount of \$80,105 (the “**Debenture**”) convertible into Common Shares at a price of \$0.10 per Common Share, representing approximately 2.94% of the issued and outstanding Common Shares on a partially diluted basis giving effect to the exercise of the Warrants and the conversion of the principal amount of the Debenture.

After the issuance of the Common Shares under the Transaction, Mr. Thomson beneficially owned and/or exercised control or direction over 100,493,029 issued and outstanding Common Shares, representing approximately 37.52% of the issued and outstanding Common Shares on a non-diluted basis. Assuming conversion of the principal amount of the Debenture and exercise of the Warrants, Mr. Thomson would beneficially own and/or exercise control or direction over 38.73% of the Common Shares on a partially diluted basis giving effect to the exercise of the Warrants and the conversion of the Debenture.

The Common Shares were issued to the Offeror pursuant to the Transaction, which was a private debt settlement transaction that occurred outside of any market or other facility, in settlement of the Debt, representing an issue price of CDN\$0.05 per share.

The Offeror acquired the Common Shares pursuant to the Transaction in settlement of the Debt, to provide an immediate source of cash to the Company and to provide financial relief to the Company in a time of financial hardship. The Offeror intends to hold such Common Shares for investment purposes and may, in the future, increase or decrease its ownership of securities of the Company, directly or indirectly, from time to time depending upon the business and prospects of the Company and future market conditions.

The Offeror is relying on section 2.24 of National Instrument 45-106 — *Prospectus Exemptions*.

An early warning report (the “**EWR**”) will be filed on SEDAR and will be available for review at www.sedar.com under the Company’s profile. A copy of the EWR can be obtained from the contact below.

For more information, please contact:

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