

News Release

CERRO GRANDE MINING CORPORATION

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Cerro Grande Mining Corporation Reported Today that its Pimenton Mine Continues to be Shut Down due to 3.14 Meters of Snow

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE-CEG) reported that its Pimenton Mine continues to be shut down due to a severe snow storm which brought 3.14 meters (10.35 feet) of snow on the second, third and fourth of June. All personnel have now been evacuated from the mine by PistenBully snowcats. The snow storm is the worst storm to hit the mine operations since 2005. The mine shut down will cause severe financial difficulties for Compania Minera Pimenton and CEG. The Company is currently taking a very proactive position in reviewing its options.

Cerro Grande Mining Corporation is a minerals producing, exploration and development company with properties and activities currently focused in Chile.

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.