News Release

CERRO GRANDE MINING CORPORATION

Registered Office: ROYAL BANK PLAZA SOUTH TOWER 200 BAY STREET, SUITE 3800 TORONTO, ONTARIO M5J 2Z4 CANADA

Toronto Office: 1 KING STREET WEST, SUITE 4009 TORONTO, ONTARIO M5H 1A1 CANADA Santiago Office: AVENIDA SANTA MARIA 2224 PROVIDENCIA, SANTIAGO, CHILE

Telephone: 56-2-2569 6200

For further information, contact: Stephen W. Houghton, CEO David R. S. Thomson, EVP E-Mail: ceg@cegmining.com

Telephone: 56-2-2569 6224 Website: www.cegmining.com

FOR IMMEDIATE RELEASE – October 25, 2016

Cerro Grande Mining Corporation Announced Today the Partial Restart of the Pimenton Mine

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the "Company" or "CEG") (CSE:CEG) (OTCQB:CEGMF) announced today that its 100% owned Pimenton Mine has restarted operations at a reduced level of operations. Operations will be gradually increased during the Chilean summer months as CEG increases its working capital through its sale of its gold dore to Argor-Heraeus in Mendrisio, Switzerland and the sale of its copper concentrate to Enami, Ventanas, Chile.

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.