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NEWS RELEASE

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THOMSONS FILES EARLY WARNING REPORT

**Toronto, Ontario, Canada, June 22, 2020** – This news release is in furtherance of Cerro Grande Mining Corporation's (the "**Company**") news release dated February 20, 2020 that announced that Compañía Minera Auromin Ltda ("**Auromin**"), Avenida Santa Maria 2224, Providencia, Santiago, Chile, had acquired, a non-interest bearing, unsecured convertible debenture (the "**Debenture**"), convertible into an aggregate of up to 81,807,694 common shares (each, a "**Common Share**") of the Company on or after the date that is 180 days from the date of issuance of the Debentures. David, Ian and Matthew, who jointly own and control Auromin, announce that, for purposes of applicable securities laws, they have now acquired beneficial ownership of up to the aggregate number of Common Shares that may be issuable upon the conversion of the Debenture on or after August 19, 2020. Each of David, Ian and Matthew has acquired ownership and control of the Common Shares that may be acquired thereunder upon conversion on or after August 19, 2020.

The name and address of the Company is: Cerro Grande Mining Corporation, Avenida Santa Maria 2224, Providencia, Santiago, Chile.

On February 20, 2020, Auromin acquired the Debenture convertible into Common Shares in the aggregate principal amount of US\$3,149,356.87 (CDN\$4,090,384.70) in exchange for cash advances made to the Company by Auromin in the same amount. The outstanding amount of principal under the Debenture is convertible on or after August 19, 2020, at the option of the holder, until maturity, into Common Shares at a conversion price (the "**Conversion Price**") equal to the greater of (i) CDN\$0.05 per Common Share and (ii) the simple average of the closing price per Common Share on the Canadian Securities Exchange (or such other exchange on which the Common Shares may then be listed) for the 15 consecutive trading days period ending immediately prior to the date of the notice of conversion provided by the holder of the Debenture to the Company. On this basis, Auromin, can acquire up to 81,807,694 Common Shares upon conversion of the full amount of principal under the Debenture. All amounts have been converted based on an exchange rate of US\$1.00 = CDN\$1.2988.

Immediately prior to June 20, 2020:

David Thomson had beneficial ownership of, or exercised control or direction over, 44,063,005 Common Shares, representing 12.98% of the 339,390,784 Common Shares issued and outstanding, calculated on a partially diluted basis and on a non-diluted basis (as David Thomson did not own, directly or indirectly, any stock options, warrants or other securities of the Company convertible into Common Shares).

Ian Thomson had beneficial ownership of, or exercised control or direction over 47,803,595 Common Shares, representing 14.09% of the 339,390,784 Common Shares issued and outstanding, calculated on a partially diluted basis and on a non-diluted basis (as Ian Thomson did not own, directly or indirectly, any stock options, warrants or other securities of the Company convertible into Common Shares).

Matthew Thomson had beneficial ownership of, or exercised control or direction over 47,803,595 Common Shares, representing 14.09% of the 339,390,784 Common Shares issued and outstanding, calculated on a partially diluted basis and on a non-diluted basis (as Matthew Thomson did not own, directly or indirectly, any stock options, warrants or other securities of the Company convertible into Common Shares).

Effective June 20, 2020, David Thomson, Ian Thomson and Matthew Thomson (indirectly through Auromin) had beneficial ownership of, or exercised control or direction over, an additional 81,807,694 Common Shares, , representing an increase of approximately 19.42%, in the aggregate, of the current number of issued and outstanding Common Shares being 339,390,784 Common Shares, calculated on a

partially diluted basis, assuming the conversion of the Debenture, in full (which Debenture may not be converted prior to August 19, 2020).

The Thomsons, via Auomin, acquired the Debenture to provide financial relief to the Company in a time of financial hardship. The Thomsons intend to hold the Debenture until maturity, or if converted earlier into Common Shares, each of David, Ian and Matthew Thomson 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.

An early warning report (the “**EWR**”) is being filed on SEDAR and will be available for review at [www.sedar.com](http://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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