
NEWS RELEASE

HERNANDEZ 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 Mario Hernandez, c/o Compañía Minera Chanar Blanco S.A. ("**Chanar Blanco**"), 380 Los Carreras, Of, 425, La Serena, Chile, had acquired, personally and through Chanar Blanco, a company controlled by Mr. Mario Hernandez ("**Hernandez**"), two non-interest bearing, unsecured convertible debentures (each, a "**Debenture**" and collectively, the "**Debentures**"), convertible into an aggregate of up to 16,562,891 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. Mr. Hernandez announces that, for purposes of applicable securities laws, he has now acquired beneficial ownership of the Common Shares that may be issuable upon the conversion of the Debentures on or after August 19, 2020. Mr. Hernandez 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, Hernandez, through Minera Chanar Blanco and personally acquired two Debentures convertible into Common Shares in the aggregate principal amount of US\$637,622.88 (CDN\$824,144.58) in exchange for cash advances made to the Company by Chanar Blanco and Hernandez in the same aggregate amount. The outstanding amount of principal under each 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, each of Hernandez and Chanar Blanco, can acquire up to 882,290 and 15,680,601 Common Shares, respectively, upon conversion of the full amount of principal under the Debentures. All amounts have been converted based on an exchange rate of US\$1.00 = CDN\$1.2988.

Immediately prior to June 20, 2020 Hernandez (directly and indirectly) had beneficial ownership of, or exercised control or direction over, 132,429,709 Common Shares, representing 39.02% of the 339,390,784 Common Shares issued and outstanding, calculated on a partially diluted basis and on a non-diluted basis (as Hernandez did not own, directly or indirectly, any stock options, warrants or other securities of the Company convertible into Common Shares).

Effective June 20, 2020, Hernandez (directly and indirectly) has beneficial ownership of, or exercises control or direction over, 132,429,709 Common Shares and Debentures to acquire up to 16,562,891 Common Shares, representing approximately 41.86% 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 Debentures, in full (which Debentures may not be converted prior to August 19, 2020).

Mr. Hernandez and Chanar Blanco acquired the Debentures to provide financial relief to the Company in a time of financial hardship. Mr. Hernandez intends to hold the Debentures until maturity, or if converted earlier into Common Shares, Mr. Hernandez 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 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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