

CERRO RESOURCE NL – NAMIQUIPA PROJECT UPDATE AND INVESTOR PRESENTATION

May 24, 2011 Cerro Resources NL (ASX/TSX-V: CJO) (“Cerro” or “the Company”) is pleased to provide the following Project and Investor update.

Namiquipa Silver Project, Mexico

The Company is pleased to advise that drilling has commenced at the Namiquipa Silver Project, Mexico.

The Namiquipa project consists of three concessions totalling 4,400ha. It includes the La Venturosa silver mine, which was the site of underground mining operations for silver, lead and zinc from 1929 – 1936, 1948 – 1955 and 1990 - 2002. The Company controls the mineralized trend to the north and south of the La Venturosa Mine, where there has previously been only reconnaissance exploration undertaken.

Several high priority targets were flagged during due diligence undertaken for the Namiquipa project acquisition and will form part of a 10,000m drill core program which commenced last week. The Company will keep the market apprised of drilling progress.

In addition the company is conducting an extensive geophysical program that includes ground magnetic and Induced Polarization (IP) surveys. Anomalies detected during this program are being assessed as the program advances.

Investor Presentation

We attach an investor presentation to be presented by the Company’s Managing Director at the ASX Small to Mid Caps conferences in Hong Kong and Singapore on the 24th and 26th of May respectively.

For further information, please contact:

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John Skeet, Chief Operating Officer; or
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About Cerro Resources

Cerro Resources is a precious and base metals exploration and development company. The Company is currently focused on Mexico where it is developing the Cerro del Gallo gold/silver project in the central state of Guanajuato, Mexico and commencing exploration on the Namiquipa silver project. It also maintains an active working focus on the Mt Isa, Queensland, region where it is exploring the Mt Philp haematite project and it holds an interest in the Kalman molybdenum, rhenium, copper project.

Additional information about the Company is available on the Company's website at www.cerroresources.com and on SEDAR.

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CERRO
RESOURCES



Precious Metals Development & Exploration Company

Sierra Madre Occidental

2011

- Cerro del Gallo gold/silver mine development (Mex.)
- Mt Philp haematite iron resource drilling (Aust.)
- Namiquipa silver exploration (Mex.)

CJO – ASX/TSX.V

May 2011
Asia 23-26

Cerro Resources NL – Forward Looking Statements

All information contained in this presentation is of a general nature. Potential investors are cautioned against using the content of this presentation, in isolation, for making investment decisions.

Best efforts have been made to ensure the accuracy of information contained (at the time of preparation). Where forward targets and/or assumptions have been included – all such instances are indicative only and subject to alteration and/or cancellation as and when the management of Cerro Resources NL determines.

Research and advice of a qualified financial advisor or accountant are strongly recommended to anyone considering investing in listed company securities, including those of Cerro Resources NL.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr John Skeet (as it relates to process related material), who is a Member of the Australasian Institute of Mining and Metallurgy; Mr Bill Fleshman (as it relates to the San Anton Project), who is a Fellow of the Australasian Institute of Mining and Metallurgy; and Mr Trevor Leahey (as it relates to the Mt Isa Project), who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Skeet is the Chief Operating Officer of Cerro Resources NL. Mr Fleshman and Mr Trevor Leahey are consultants to Cerro Resources NL. They have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and "qualified persons" as this term is defined in Canadian National Instrument 43-101. Mr Skeet, Mr Fleshman and Mr Leahey consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This presentation contains certain forward-looking information within the meaning of applicable Canadian securities legislation (collectively referred to as "forward looking statements"). Generally, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in this presentation include, but are not limited to, statements with respect to Cerro Resources' plan and strategy, its plan to complete technical studies and mine development, and its capacity to raise additional funds to pursue its objectives. By their very nature, forward-looking statements require Cerro Resources to make assumptions that may not materialize or that may not be accurate. Although Cerro Resources believes that the expectations reflected in the forward-looking statements in this presentation are reasonable, no assurance can be given that these expectations will prove to have been correct, as actual results and future events could differ materially from those anticipated in the forward looking statements. Accordingly, viewers are cautioned not to place undue reliance on forward-looking statements. Cerro Resources does not undertake to update publicly or to revise any of the included forward-looking statements, except as may be required under applicable securities laws.

Cautionary Note to U.S. Investors

This presentation uses the term "measured", "indicated" and "inferred" resources. We advise U.S. investors that while these terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. In addition, "inferred" resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of inferred mineral resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility or other economic study. U.S. investors are cautioned not to assume that any part or all of an inferred mineral resource exists or is economically or legally mineable.

Cerro Resources NL – Mexico & Australia

Gold-silver production planning + quality growth options



Cashflow pathway development project

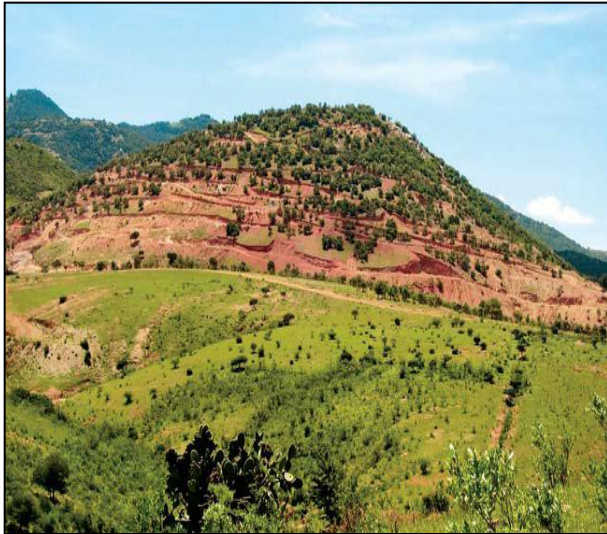
- **Cerro del Gallo, San Anton, Mexico (66%, increasing via expenditure)**
 - Gold/Silver 2-stage, 14 year Heap Leach & CIL project
 - \$US214M Net Cash Flow 1st stage Heap Leach feasibility¹
 - \$US302M Net Cash Flow 2nd stage CIL estimate¹
- **NEXT STEP – permits, acquisitions, optimising, financing**

Value add exploration portfolio

- **Mt Philp, Qld (100%)**
 - 3.7km strike haematite iron prospect
- **NEXT STEP – Initial drilling results 2Q/3Q this year**
- **Namiquipa, Mexico (100%)**
 - 4,400ha tenement package
 - Former La Venturosa silver mine site within lease
- **NEXT STEP – drilling beginning this May**
- **Kalman, Qld - Syndicated Metals(ASX: SMD) JV Stage1 (40:60)**
 - 60.8Mt Mo/Re/Cu/Au resource + tenements
- **\$2M in SMD shares + \$4M project spend ‘SMD earn in’**



Cerro del Gallo, San Anton, Mexico



Location:

- Guanajuato, central Mexico, 270km NW of Mexico City
- 253 sq km tenement package across central-southern segment of the world-class Mexican Gold-Silver Belt.
- 12 granted, contiguous mining concessions
- Includes the old mines formerly worked for high grade vein-hosted gold-silver mineralization
- Historic production of 1.14B oz Ag and 6.5M oz of Au (1700 – 2004) in district

Cerro del Gallo, San Anton, Mexico

Cerro del Gallo project – 66% CJO/ 34% Goldcorp

- 620Mt+ Copper-Gold-Silver total resource. 114,000m of drilling – 433 drill holes
- 133Mt higher grade gold/silver sub-domain current focus
- **32.2Mt proven & probable** reserves at 0.69 g/t Gold and 14.8 g/t Silver, for stage 1 heap leach
- **45.0Mt in-pit additional** resource at 0.66 g/t Gold and 13.8 g/t Silver in combined heap leach and CIL
- 8-yr 1st stage heap leach feasibility completed for Au/Ag production from a higher grade gold domain within the Cerro del Gallo resource
- Pre-finance permitting + milling optimisation 2H 2011



Cerro del Gallo - Total Resource

Resource Category	Tonnes millions	Au g/t	Ag g/t	Cu %	Au Moz	Ag Moz	Cu Mlbs
Measured	225	0.35	13	0.11	2.5	91	541
Indicated	236	0.19	10	0.11	1.4	72	546
M & I	461	0.27	11	0.11	3.9	163	1,087
Inferred	166	0.11	7	0.10	0.6	39	356

0.2g/t Au cut-off (gold domain) and 0.07% Cu cut-off (copper and intrusive domain)

The resource calculation is based on ~95,000m of drilling in 350 holes.

(Reference: 43-101 Tech Report dated July 1st, 2008 prepared by Rob Stewart, M. AusIMM for SNN. Updated further April 16, 2010 by Tim Carew, P.Geo, Reserva International, Reno, Nevada.)

Cerro del Gallo Reserves & In-Pit Resources

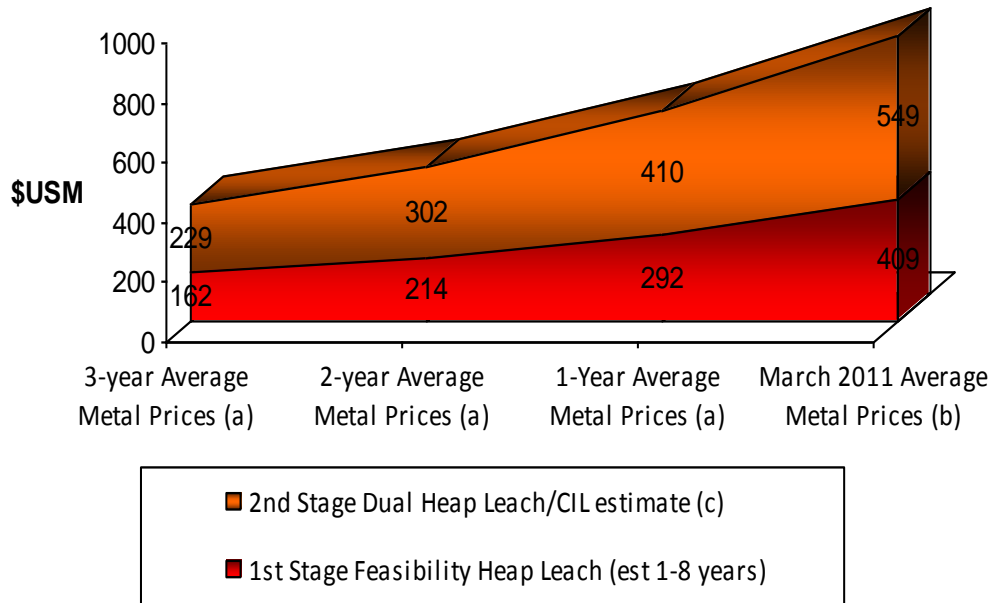
Cerro del Gallo in-pit resource	Total				
Category	M Tonnes	Au g/t	Au (Moz)	Ag g/t	Ag (Moz)
Feasibility Proven	28.25	0.71	0.64	15.05	13.66
Feasibility Probable	3.97	0.54	0.07	13.20	1.68
Feasibility Proven and Probable	32.22	0.69	0.71	14.82	15.34
PA Measured	39.89	0.66	0.85	14.32	18.36
PA Indicated	5.12	0.61	0.10	10.07	1.66
PA M&I	45.01	0.66	0.95	13.83	20.02
Total Resource and Reserve	77.23	0.67	1.66	14.24	35.36

Proven & Probable reserves and PA measured and indicated resources are reported using gold equivalent cutoff grades of 0.21 and 0.29 g/t for weathered and partially oxidized material respectively. The gold equivalent cut-off grade for the measured and indicated resources fresh rock material is 0.35 g/t. Metal prices used are US\$1,020/oz gold and US\$16.40/oz silver.

The total In-Pit Resources were prepared by Mr Tim Carew of Reserva International LLC using a Whittle optimization
The Proven & Probable reserves and the PA Measured & Indicated resources were estimated by Mr Thomas Dyer of MDA

Cerro del Gallo Feasibility Study & PA Highlights

**Cerro del Gallo Gold Silver project Net Free Cashflow(*)
sensitivity analysis**



(*) Net Cash flow estimate on 100% project basis, post capital payback, pre tax, undiscounted

(a) Historic average prices up to 31st March, 2011 – USD Au:Ag 3 year \$1,060: \$17.77; 2 year \$1,157: \$19.81; 1 year \$1,293: \$21.87;

(b) Average spot prices for March, 2011 - US\$1,424Au, US\$35.81Ag;

(c) Mineral resources that are not mineral reserves do not have demonstrated economic viability

April 2011 – Feasibility Study

1st Stage Heap Leach

- 4.5Mtpa, 8 year heap leach w/ 3-stage crushing
- 0.45 Moz Gold and 5.32 Moz Silver produced
- \$US87.6M Capex (100% project basis)
- \$US491 per ounce Au Eq Opex
- 32.2Mt Proven & Probable reserves

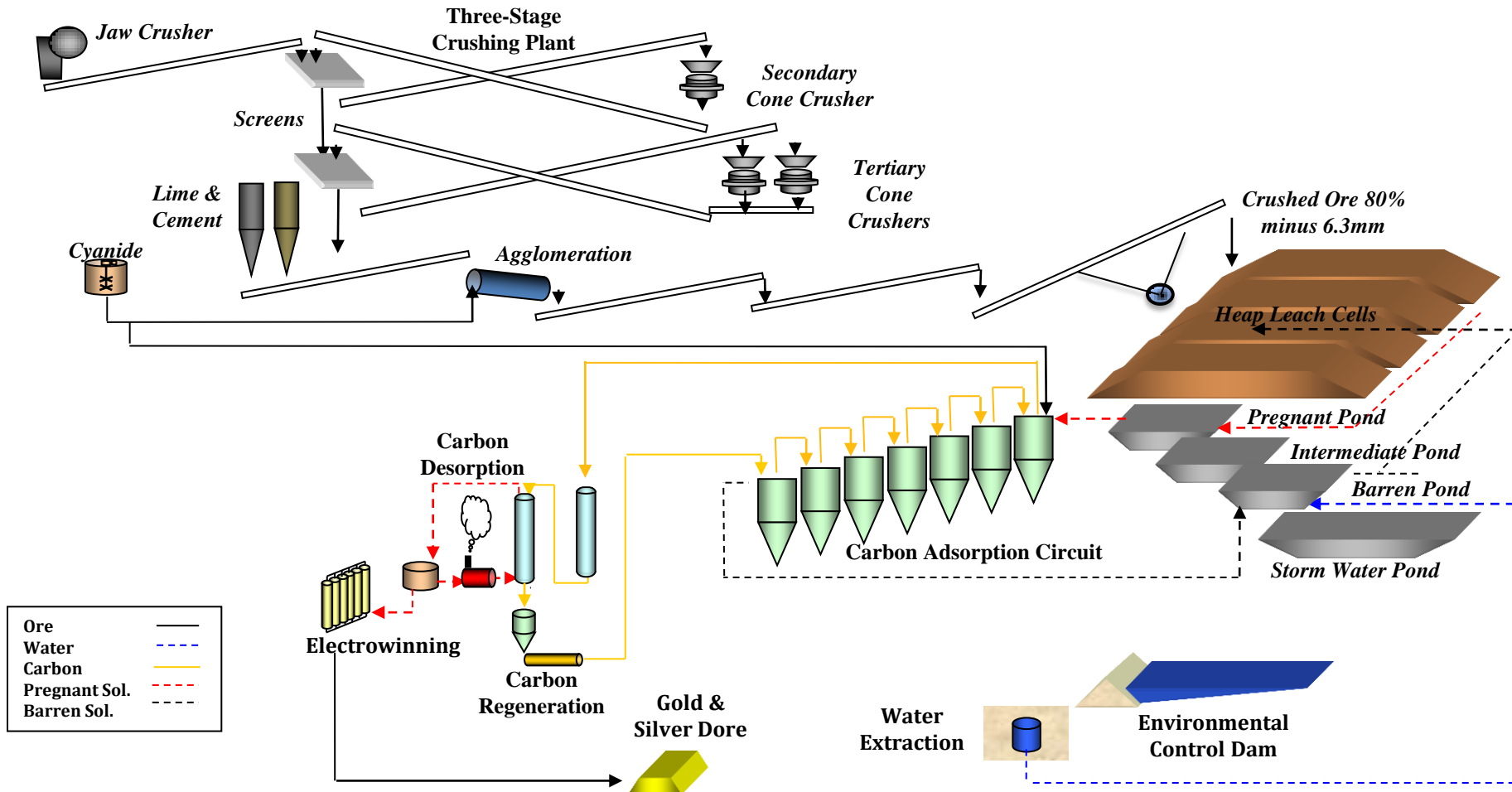
2nd Stage Estimate - Heap Leach / CIL

- 7.5Mtpa, 10 year heap leach expansion + CIL addition – commencing Yr 4
- 0.68 Moz gold and 4.73 Moz silver (based on pit optimised @ \$US1,020/oz Gold & \$US16.40/oz Silver)
- 45.0Mt additional in-pit M&I resource
- \$US83M capex expansion (100% project basis)
- \$US541 per oz Au Eq Opex for expansion

Cerro del Gallo Flow Sheet

Stage 1 Heap Leach

Cerro del Gallo Stage 1 Development - Heap Leach



Cerro del Gallo - Comparable Operations

	Cerro Resources (CJO)	Argonaut Gold* (AR)	Capital Gold** (CGC)	Goldcorp*** (G)
	Cerro del Gallo	El Castillo	El Chanate	Camino Rojo
Details	Mexico	Mexico	Mexico	Mexico
Tonnes (million)	32.2 + 45.0	105	71	75
Category	P&P + In-pit	P&P	P&P	In-pit
Au grade (g/t)	0.67 (P&P+In-pit)	0.36	0.66	0.71
Ag grade (g/t)	14.2 (P&P+In-pit)	-	-	14.2
Throughput (tpd)	12,300 – 19,000tpd	27,000tpd	14,400tpd	20,000tpd
Mine life (years)	14 years (P&P+In-pit)	10 years	13 years	10.4 years
Capex (US\$M)	\$88M (stage 1) + \$83M (stage 2)	\$31M (for expansion only)	\$38M (sustaining capital)	\$133.8M
Strip ratio	0.74 (P&P+In-pit)	0.88	2.77	0.7
Operating costs (US\$/oz)	\$541/oz AuEq (P&P+In-pit)	\$545	\$528	\$380/oz AuEq
Recoveries (Au/Ag)	55-78%/20-40%	64%/-	58%/-	75%/23%
Data Source		NI43-101 Tech. Rep. Feb 24, 2011	NI43-101 Tech. Rep. Nov 27, 2009	NI43-101 Tech. Rep. PA Nov 30, 2009

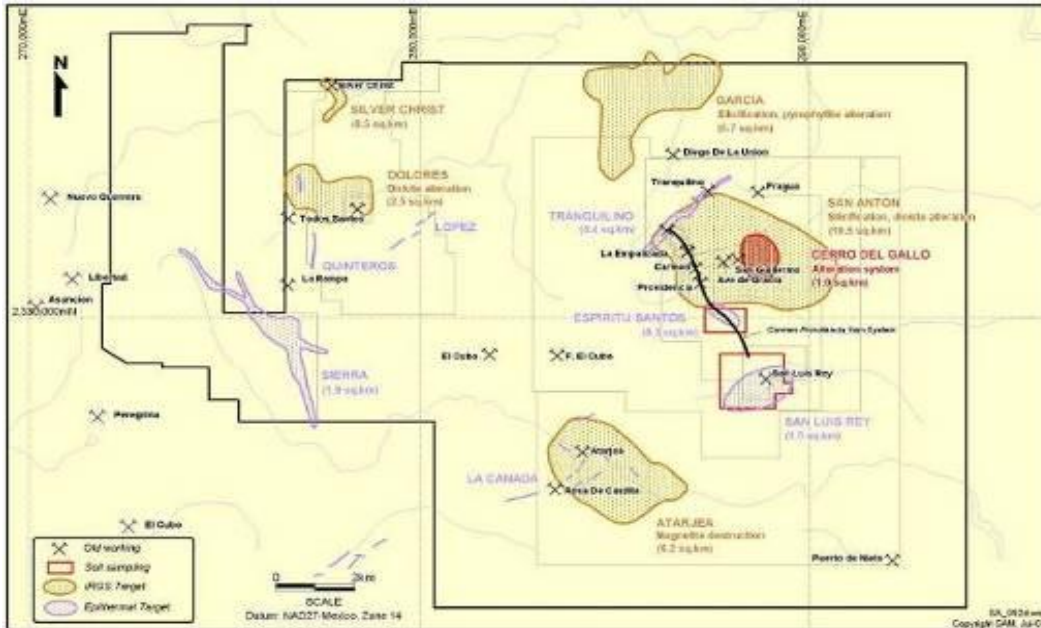
Cerro figures used above are based on the 2011 feasibility study and PA. Capex excludes start-up mining fleet capital of US\$17.9M.

* Argonaut Gold acquired all outstanding shares of Castle Gold for \$1.29/share (December 30, 2009). Acquired all o/s Pediment shares Jan 27, 2011.

** Capital Gold acquired Nayarit Gold August 2010. CGC & Gammon: Proposed merger agreement Oct 2010 for \$US 288M (\$4.57/sh CGC)

*** Goldcorp acquired all the outstanding shares of Canplats for approx. CDN\$238 million or \$3.60/ share (November 13, 2009)

Cerro del Gallo - Regional Targets



Significant Intersections

- 1.5m @ 590g/t Ag and 3.40g/t Au
- 4.6m @ 428g/t Ag and 3.52g/t Au
- 3.6m @ 359g/t Ag and 1.57g/t Au
- 4.6m @ 239g/t Ag and 1.91g/t Au
- 6.0m @ 243g/t Ag and 1.70g/t Au
- 3.1m @ 200g/t Ag and 1.05g/t Au
- 7.6m @ 168g/t Ag and 1.51g/t Au

Plus...

- Niton® soil analysis program identified 9 geochemical anomalies
- Conventional soil sampling further defined 1 geochemical anomaly
- Stream sediment BLEG sampling identified 12 new gold anomalies

Exploration Portfolio – Mt Philp, Australia

Mt Isa project – Mt Philp

- **3.7km** strike haematite iron outcrop above surface identified (15 Nov 2010)
- **68%** average iron content post simple beneficiation (crushing/ screening) (22 Dec 2010)
- **< 25km** of from Mt Isa/ Townsville rail/ road/ electricity
- **2-4Q 2011** Inferred resource drilling
- Specialised iron product potential



Exploration Portfolio – Mt Philp, Australia



Mt Philp drilling commenced

- 1.5km northern section drilling commenced (April)
- 2nd rig to be introduced (June)
- Initial assay results (2Q/3Q 2011)
- Initial partial resource (4Q 2011)



Exploration Portfolio- Namiquipa, Mexico

- 4,400 ha Namiquipa Project - Chihuahua State, Mexico, approx 145 kilometres west-north-west of the city of Chihuahua
- One of a series of deposits hosted in the rocks of Northern Mexico's Upper Volcanic Series and lies within the Ag-Pb-Zn epithermal belt
- Prospective for Fresnillo-style silver-lead-zinc vein systems
- Tenement package controls north/south extensions of known vein systems
- Includes the prospective La Venturosa Silver Mine



Exploration Portfolio – Namiquipa, Mexico

- La Venturosa was the site of underground mining operations for silver, lead and zinc from 1929–1936, 1948–1955 and 1990-2002
- Historic production:
 - 14.37moz silver +
 - 32,550t lead (produced from 1.16mt mined oxide/sulphide material) +
 - 43,530t zinc (from just sulphide material)
- Low to intermediate sulfidation type
- Mining has taken place over a strike length of just 1,250m and to a depth of only 250m
- Significant upside exploration potential
- **drilling commencing** May

La Venturosa mine's Princessa Shaft head frame and ore bin



Exploration Portfolio – Kalman JV, Australia

Newly announced JV restructure:

Stage 1: SMD 'earn in' to 60%

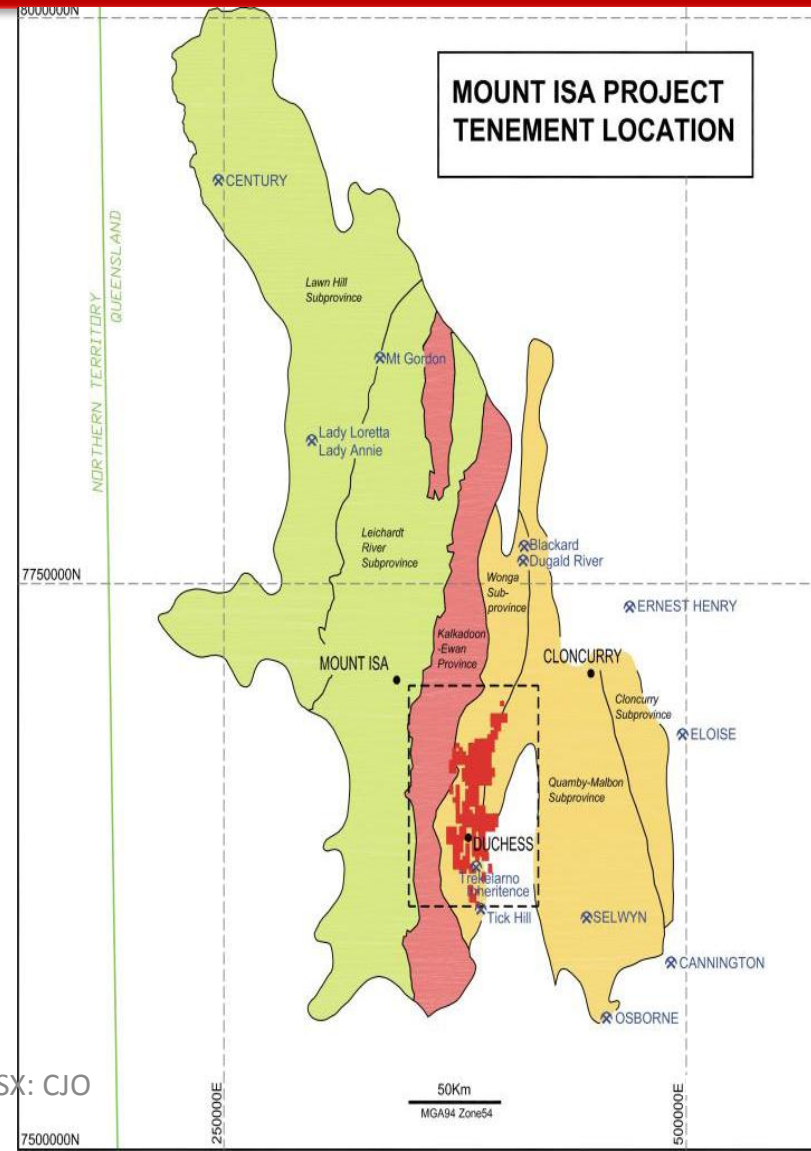
- **994 sq km Mt Isa** tenement portfolio under 'earn-in' by Syndicated Metals (ASX: SMD)
- **\$4m project spend, \$2M SMD** share 1st stage 'earn-in' (represents 12% of SMD issued capital)

Stage 2: SMD election to 'earn in' to 80%

- **\$7m project spend, \$1M SMD** share 2nd stage 'earn-in'
- **CJO carried interest to 'decision to mine'**

JV projects

- **Kalman** 60.8Mt Mo/Re/Cu/Au resource open along strike and at depth.
- **Andy's Hill** IOCG greenfields prospect
- Mt Philp – remains 100% CJO



Cerro Resources NL – Share Structure



Issued Shares:	747,893,606
Options:	48,550,000 (\$0.12-\$0.60)
Market Capitalization:	\$202M @27c/share
Cash:	\$A20M

Cerro Resources NL Team

Norman A Seckold, Non-Executive Chairman (Since July 2001)

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent over 25 years in the full time management of natural resource companies, both in Australia and overseas. Mr Seckold has been the Chairman and Director of 9 previously publicly listed companies, including Bolnisi Gold NL. Mr Seckold is also currently Chairman and Director of Cockatoo Coal Limited, Augur Resources Ltd and Planet Gas Ltd.

James A Crombie, Executive Vice Chairman (Since October 2010)

Mr Crombie graduated from the Royal School of Mines, London, in 1980 with a B.Sc. (Hons) in Mining Engineering. Post a 20 year career within multinational mining companies and as a mining analyst and investment banker, Mr Crombie held the position of President and CEO of Ariane Gold Corp and Palmarejo Silver and Gold Corporation. He is currently President, CEO and a director of Reunion Gold Corporation, Avala Resources, Sutter Gold and Odyssey Resources Limited, CEO, Executive Vice Chairman, and Director of Queensland Minerals Limited, and a director of Arian Silver Company.

Anthony J McDonald, CEO and Managing Director (Since October 2010)

Tony McDonald graduated from the Queensland University of Technology, Brisbane, in 1981 with a Bachelor of Laws degree and was admitted as a solicitor in 1982. Mr McDonald has been involved in the natural resources sector in Australia and internationally for many years and in the past 10 years has been actively involved in management in the resources sector. He was an executive director of Kings Minerals NL (now Cerro Resources NL) from 1996 until March 2007. Currently, Mr McDonald is a non-executive director of Industrea Limited and Planet Gas Limited.

Cerro Resources NL Team

Craig J McPherson, **Alternate Director, Corporate Secretary and CFO** (Corporate Secretary since March 2007)

Craig McPherson graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia. Prior to joining Cerro Resources, Mr McPherson spent 10 years in senior management positions as a chartered accountant. Over this time he developed extensive experience in areas of business, financial and strategic management. Mr McPherson was a Director of San Anton Resource Corporation Inc which completed a Business Combination with Kings Minerals NL (now Cerro Resources NL) in September 2010.

John S Skeet, **Chief Operating Officer** (Since May 2009)

Mr Skeet is a Metallurgist with more than 20 years experience in the mining and resources sector. Formerly Project Manager for Bolnisi Gold NL and managing the Palmarejo Silver and Gold Project prior to the successful merger with Coeur D'Alene, Mr Skeet has also been responsible for the successful development of Bolnisi's gold heap leach operation in the Republic of Georgia and was the General Manager for Valdora Minerals NL's projects and operations where he was responsible for the first gold production in the famous gold producing city of Ballarat, Victoria, in over 80 years. He has significant and relevant experience with the types of projects Cerro Resources NL is developing.

Non-executive directors

Richard E Keevers

Robert M Bell

John F Cook

Nicholas Tintor

Cerro Resources NL – Summary/Conclusion

- ➔ Seasoned Team with Heap Leach ‘build & operate’ expertise
- ➔ Significant upside leverage of cashflow and NPV in Cerro del Gallo during strong commodity price cycle – typical of lower opex, lower grade projects
- ➔ Opportunity to participate while stock is still trading at major post GFC discount despite commodity prices recovery (Gold/Silver significantly higher)
- ➔ Valuation more than covered by Cerro del Gallo alone
- ➔ Significant prospect for value to be added via exploration portfolio

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