

CERRO RESOURCES NL - CERRO DEL GALLO GOLD/SILVER PROJECT

POSITIVE FEASIBILITY ON FIRST STAGE - HEAP LEACH YEARS 1-8 POSITIVE PRELIMINARY ASSESSMENT ON POTENTIAL SECOND STAGE – CIL AND HEAP LEACH YEARS 5-15

April 11, 2011 – Cerro Resources NL (ASX/TSX-V:CJO) has undertaken:

- a Feasibility Study on the first stage (years 1 - 8) development of the Cerro del Gallo Gold / Silver heap leach project; and
- a Preliminary Assessment study on the second stage of the Cerro del Gallo heap leach & carbon-in-leach (CIL) processing facility (years 5 – 15)

HIGHLIGHTS:

FIRST STAGE FEASIBILITY ON PROVEN AND PROBABLE RESERVES – HEAP LEACH

- Total proven & probable reserves: 32.2Mt⁺
(initial 8 years of heap leaching producing 0.446 Moz gold and 5.32 Moz silver)
- Operation consisting of 4.5Mtpa heap leach with 3-stage crushing

SECOND STAGE PRELIMINARY ASSESSMENT ON MEASURED AND INDICATED RESOURCES - HEAP LEACH / CIL PROCESSING

- Additional in-pit measured & indicated resources: 45.0Mt⁺
(inside the optimised pit producing 0.682 Moz gold and 4.73 Moz silver from heap leaching and carbon-in-leach processing - pit optimised using US\$1,020/oz gold and US\$16.40/oz silver)
- Expanded facilities for additional 3.0 Mtpa CIL processing, increasing annual processing rate to up to 7.5Mtpa

OTHER

- Projected mine life of 14.3 years[^] and average annual production over mine life 90,800 AuEq (at Gold price of US\$1,157/oz and silver price of US\$19.81/oz with gold:silver price ratio of 58.4 and on assumption mineral resources will convert to mineral reserves)
- Project 66% owned by Cerro Resources (Goldcorp 34%)
- Potential cash flow model outputs are shown in the following table:

Potential Net Cash Flow undiscounted and before tax	3 Year Average Metal Prices ¹	2 Year Average Metal Prices ¹	1 Year Average Metal Prices ¹	March 2011 Average Metal Prices ²
First Phase Feasibility on Proven and Probable – Heap Leach (US\$M) (Est Years 1-8)	162	214	292	409
Second Stage ³ Dual Heap Leach/CIL Processing on Measured and Indicated resources (US\$M) (Est Years 5-15)	229	302	410	549
Gold Selling Price (US\$/oz)	1,060	1,157	1,293	1,424
Silver Selling Price (US\$/oz)	17.77	19.81	23.87	35.81

¹ Historic average prices up to 31st March, 2011

² Average spot prices for March, 2011

³ Mineral resources that are not mineral reserves do not have demonstrated economic viability

* The strip ratio for the reserves is 0.91 and included 9Mt of fresh rock material for later CIL processing.

+ The strip ratio for the additional in-pit resources is 1.23.

^ The mine life beyond the feasibility study does not have demonstrated economic viability.

General Project, Description of Work and Responsibilities

The component parts of the works were undertaken in order to conclude the Feasibility Study and the PA. The works were undertaken generally at the same time and run in tandem so as to avoid inconsistencies. The results of the Feasibility Study and of the PA are reported separately in this announcement given the differences in the standards prescribed by the Canadian National Instrument NI 43-101. The Second Stage addition of a carbon-in-leach (CIL) process facility will not require commitment to capital expenditure for that Second Stage until year 4 or later by which time the financial parameters will most likely have changed and so this report satisfies only PA standard.

Background and Discussion

Both the Feasibility Study and the PA commenced mid-year 2010. This followed completion of a scoping study in first half 2010 (Technical Report Preliminary Assessment Cerro del Gallo Project, Guanajuato, Mexico dated 16th April 2010 and available on the Company website and on SEDAR – in this press release referred to as ‘the 2010 Scoping Study’) undertaken by San Anton Resource Corporation before the merger which formed Cerro Resources.

The Feasibility Study is over the heap leach (first stage years 1-8) relatively higher-grade gold/silver part of the much larger gold/ silver/ copper resource at Cerro del Gallo.

The PA study relates to the addition of a carbon-in-leach (CIL) processing facility to run in parallel with heap leach processing (second stage years 5–15) on the additional resource of the higher grade gold/silver rich part of the Cerro del Gallo project constrained within the US\$1020/oz gold optimized pit shell.

The objective is to mine the higher-grade gold/ silver rich part of the deposit which is amenable to open pit mining and heap leach processing.

Feasibility Study

The Feasibility Study assessed the viability of commercial exploitation of the oxidized portions of the mineral resource and consisted of all matters considered relevant to taking a decision to mine the resource including: geological assessments and modelling, mine method, geotechnical, design and scheduling, metallurgy, engineering and operational issues, economic modelling, social and environmental considerations so as to serve as a reasonable basis for a decision as to the progress to development and to secure a basis upon which a decision to finance could be made.

Preliminary Assessment Study (PA)

The PA into the second stage heap leach & carbon-in-leach (CIL) processing facility has looked into the potential economic viability of that part of the project. The results have significantly improved the levels of confidence but given the addition of the CIL will not be until after year 4 (and up to year 7) the metrics will be revisited closer to the decision to add the plant.

The Feasibility Study and Preliminary Assessment have adopted a reasonably conservative approach to the size of the reserves/resource, the metal recoveries and the costs (both capital and operating) and appropriate contingencies have been included.

Project Tenure

The mining Concessions cover an area of approximately 25,269 hectares and consist of a total of twelve granted, contiguous mining concessions, all of which are owned by San Anton de las Minas S.A. de C.V. ("SAM").

SAM is owned by Cerro Resources and Goldcorp Inc 66% and 34% respectively.

The project which is the subject of the Feasibility Study and the PA is located within the boundaries of the mining Concessions.

The mining Concessions, which are in good standing and valid until 2047, allow a right to mine subject to compliance with the regulatory requirements.

Relevant permits required (and yet to be obtained) for the development and mining will be: change of permitted land use, environmental permit and permit for construction. There will also be a number of compliance notifications and filings with municipal, state and federal governments.

Management

The Company's chief operating officer, Mr John Skeet, has been primarily responsible for all study work and has, where necessary or appropriate, engaged independent consultants to carry out the various identified exercises. The Cerro del Gallo Project Manager, Mr Bill Fleshman has managed all geological and site-specific aspects of the study work.

Mr Thomas Dyer, P.E. of Mine Development Associates (MDA) of Reno, USA has estimated the proven and probable reserves. Measured and indicated resources were estimated by Mr. Tim Carew, P. Geo. of Reserva International LLC in Reno, USA. Mr Stewart Watkins of Sedgman Metals Engineering Services ("Sedgman"), Perth, Australia completed a capital cost estimate for the heap leach facility and has reviewed the operating costs and metallurgical data. Messieurs Thomas Dyer, Tim Carew and Stewart Watkins have consented to act as independent qualified persons for their respective parts of the Feasibility Study and the PA work.

Mr John Skeet and Mr Bill Fleshman are non-independent qualified persons managing the Feasibility Study and the PA.

Mining Study

Mine Development Associates (MDA) of Reno, USA has completed a mining study and has estimated proven and probable reserves for the first stage heap leach project. MDA has also produced a mine schedule for the measured and indicated resources constrained inside a US\$1,020 gold and US\$16.40 silver optimized pit shell for the second stage of the heap leachable material and for the fresh rock material to be processed by Carbon-in-Leach (CIL).

The Feasibility Study production schedule includes the processing of Proven and Probable reserves consists primarily of weathered and oxidized material for heap leaching and can be mined without mining significant quantities of fresh rock (for CIL processing) during the first 4 years of production.

The Measured and Indicated resources (that are constrained by a US\$1020 Au and US\$16.40 Ag optimized pit shell) form the basis of assessment of the second stage CIL plant to be scheduled for construction after the first stage capital has been paid back and from potential surplus cash generated from first stage gold and silver sales. The second stage processing facility will potentially enable the remaining heap leach material to be mined and processed while fresh rock processing occurs simultaneously via CIL processing.

MDA completed the pit optimisation and design incorporating geotechnical recommendations from The Mines Group of Reno in regard to pit slope geometry and measured and indicated resources estimated by Reserva International LLC. The optimisation inputs for the mining study work were based on known test work parameters and metal price historic/futures prices at the time (October 2010). The optimisation input parameters are summarised below in Table 2. Parameters in Table 2 were used to estimate the proven and probable reserves and measured and indicated resources used in the Feasibility Study and the PA, respectively. The larger measured and indicated resources were reported by Mr. Carew using the parameters in Table 2 along with a gold price of US\$1,300/oz. The measured and indicated resources in the PA were estimated by MDA as a subset of the US\$1300 pit and were constrained using gold and silver prices of US\$1,020 and US\$16.60 respectively. Cut-off grades of 0.21, 0.29, and 0/35 g/t for weathered, partially oxidized, and fresh material respectively.

Pit optimization and design for the Feasibility Study case was based on US\$1,020 per ounce gold and US\$16.40 per ounce of silver and oxidized material to be heap leached only. Pit optimization for the PA used the same parameters as the Feasibility Study, but included the processing of CIL material. Mine production schedules for both the Feasibility Study and the PA were based on cut-off grades using the same metal prices. Metal selling price sensitivity in the financial simulations was based on the mine production schedules. MDA estimated the in-pit resources in Table 3 as a subset of those estimated by Reserva International LLC and shown in Table 1.

Table 1
Resources (excluding Proven & Probable Reserves)
from Reserva International LLC Based on US\$1,300 gold price
Used for the Second Stage PA

Resource Category	Tonnes	Au	Ag	Au	Ag
	(Millions)	(g/t)	(g/t)	(Moz)	(Moz)
Measured	39.9	0.61	13.8	0.78	17.7
Indicated	8.0	0.55	11	0.14	2.8
Total	47.9	0.6	13.3	0.92	20.5

Measured and Indicated resources included in the second stage mining are a subset of the resources in this table and have been constrained using a US\$1020 gold and US\$16.40 silver optimized pit and used gold equivalent cutoff grades of 0.21, 0.29, and 0.35 g/t for weathered, partially oxidized, and fresh material respectively. This subset was estimated by Reserva.

Table 2
Pit Optimisation Inputs for Mining Study Work

	Weathered	Partially Oxidised	Fresh (sulphide)
Mining Cost (US\$/t mined)	1.47	1.62	1.62
Processing costs (US\$/t)	4.48	4.48	8.20
G&A Costs (US\$/t processed)	0.64	0.64	0.64
Refining costs	Gold \$1.50/oz, Silver \$0.25oz		
Gold Recovery (%)	75	55	78
Silver Recovery (%)	40	30	20
Gold Selling Price (US\$/oz)*	1,020		
Silver Selling Price (US\$/oz)*	16.40		
NSR	4%		

*The gold and silver prices used for the pit optimisation were determined from the average of the 3 year historic average and the 60:40 weighted average of the 3 year historic average: 2 year futures (COMEX) prices, as at October 2010.

Table 3 shows the proven and probable reserves for the first stage (8 years of heap leaching) plus the PA additional in-pit measured and indicated resources (constrained using a US\$1,020 gold and US\$16.40 silver price pit optimization).

**Table 3
Summary of Proven & Probable Reserves
and In-pit Measured & Indicated Resources**

Category	Total				
	K Tonnes	g Au/t	K Ozs Au	g Ag/t	K Ozs Ag
Feasibility Proven	28,246	0.71	643	15.05	13,664
Feasibility Probable	3,971	0.54	69	13.20	1,685
Feasibility Proven and Probable	32,217	0.69	712	14.82	15,349
PA Measured	39,888	0.66	850	14.32	18,358
PA Indicated	5,125	0.61	100	10.07	1,659
PA M&I	45,013	0.66	951	13.83	20,017
Total Resource and Reserve	77,231	0.67	1,663	14.24	35,366

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.

Table 4 shows the annual mine production and recovered gold and silver schedule for the proven & probable reserves (only).

The first year of gold and silver production allows for time lags of 2 months for gold production to commence and 4 months for silver production to commence, once stacking of material commences.

**Table 4
Feasibility Study Annual Production Schedule
for first stage Heap Leaching Proven & Probable Reserves**

Year	Material Processed K Tonnes	Strip Ratio*	Metal Sold		
			Gold (koz)	Silver (koz)	Gold Eq. (koz) ¹
1	4,512	0.07	55	535	64
2	4,500	0.37	75	780	88
3	4,500	0.68	66	767	79
4	4,500	0.93	53	776	66
5	4,473	1.88	54	707	66
6	4,500	1.45	59	793	73
7	4,500	1.12	61	743	73
8	732	0.28	20	200	24
Totals	32,217	0.91	443	5,300	533

¹ The gold equivalent ounces is calculated using the 2 year historic gold and silver prices US\$1,157/oz gold and US\$19.81/oz silver for a price ratio of 58.4. That is, 58.4 oz of silver is equal in value to 1 ounce of gold.

* The strip ratio includes 9Mt of fresh rock material that will be stockpiled for later CIL treatment. In the feasibility study for Stage 1 heap leach, this fresh material has been treated as waste rock.

Table 5 provides the PA ore processing schedule for the second stage combined heap leach-CIL (understanding that mineral resources are not mineral reserves and do not have demonstrated economic viability) for the operations using the reserves and resources given in Table 3. The current mining schedule, largely determined by the geometry of the pits, shows decreasing availability of the heap leach material as the pit development continues plus fluctuations in total annual processing rate.

Table 5
Annual Production Schedule for Heap Leaching With Additional
In-Pit M&I Resources and CIL Processing assumed to Commence in Year 5

Year	Material Processed K Tonnes	Strip Ratio	Metal Sold		
			Gold (koz)	Silver (koz)	Gold Eq. (koz) ¹
1	4,512	0.05	55	534	64
2	4,442	0.22	76	790	89
3	4,466	0.33	67	750	80
4	4,500	0.44	54	749	67
5	7,188	1.02	100	913	116
6	6,878	1.76	103	1,001	120
7	6,325	1.64	96	1,156	116
8	6,273	1.38	94	992	111
9	5,181	0.99	77	652	89
10	4,902	0.75	68	479	77
11	4,712	0.74	69	415	76
12	5,312	0.45	79	504	88
13	5,294	0.36	76	451	84
14	6,138	0.17	87	533	96
15	1,107	0.04	24	128	26
Totals	77,231	0.74	1,127	10,048	1,299

¹ The gold equivalent ounces is calculated using the 2 year historic gold and silver prices US\$1,157/oz gold and US\$19.81/oz silver for a price ratio of 58.4. That is, 58.4 oz of silver is equal in value to 1 ounce of gold.

Metallurgy

Metallurgical test work has concentrated on optimising the heap leach recoveries. Column Leach test work has been carried out on seven representative composites, which were reduced by crushing in a manner to better replicate full scale heap leach operations. Each composite underwent two separate reductions to form two separate composite samples. One was laboratory jaw crush (p80 6.7mm) and one with high pressure grinding roll (HPGR) crush (p80 4.9mm).

The results of the Column Leach recoveries are shown in Table 6 and are the averages of the coarser laboratory jaw crushed sample and the finer high-pressure grinding roll crushed sample for each composite. The test work produced higher than expected silver recoveries although the study has conservatively adopted the lower grades.

In addition to the recent and current heap leach column test work, two column leach tests were performed on weathered material at two different crush sizes (80 percent passing 6.3mm and 12.5mm) at SGS in 2009. These are also listed in Table 6 as composite sample CDG1.

**Table 6
Column Leach Tests Results**

Composite Sample.	Material Type	Coarse ¹ Crush		Fine Crush ¹		Average of Coarse & fine	
		Au %	Ag %	Au %	Ag %	Au %	Ag %
CDG1 ²	Weathered	75.0	32.4	78.4	42.1	76.7	37.3
1	Weathered	62.3	27.6	-	-	62.3	27.6
2	Weathered	55.9	55.9	67.8	75.5	61.9	65.7
3	Part Oxidised	42.4	52.5	67.5	79.6	55.0	66.1
4	Part Oxidised	51.4	49.9	59.3	76.8	55.4	63.4
5	Part Oxidised	55.2	50.2	74.6	52.4	64.9	51.3
6	Part Oxidised	50.4	46.2	60.0	63.6	55.2	54.9
7	Part Oxidised	39.4	32.1	64.8	74.4	52.1	53.3
Average	Weathered	64.4	38.6	73.1	58.8	68.8	48.7
Average	Part Oxidised	47.8	46.2	65.2	69.4	56.5	57.8

¹Coarse' crush is laboratory jaw crushed material with p80 = 6.7mm and p50 = 4.5mm and 'fine' crush is HPGR crushed material with p80 = 4.9mm and p50= 1.4mm

²CDG1 is a weathered composite column leach tested in 2009.

The recoveries used for the Second Stage carbon-in-leach (CIL) processing of fresh rock material are the same as those used in the 2010 Scoping Study. These recoveries for gold and silver were determined from previous extensive agitated leach tests. The gold recovery levels used in this PA for the CIL component of the Second Stage is 78 percent and the silver recovery 20 percent. The leaching residence time used is 12 hours

Engineering & Development

Sedgman has provided the capital cost estimate for the first stage heap leach processing facilities and is continuing with engineering design work. The Mines Group in Reno, USA has completed pad and pond design, hydrological assessment and pit slope analyses for the first stage.

Table 7 summarizes the capital costs for the first stage heap leach project development. These costs have been estimated from actual quotes for new equipment, estimates based on other similar operations and general unit costs plus contingencies appropriate for this level of study. The significant changes compared with the 2010 Scoping Study capital estimate are the exclusion of the overland conveyor due to the heap leach pad location now being closer to the pit, inclusion of a third crushing stage at start-up, additional water supply cost estimate and increased initial throughput from 4.0 to 4.5mtpa. The cost estimates for the water supply dam, infrastructure (laboratory, workshops and buildings) and mobile equipment were prepared internally under supervision of John Skeet.

**Table 7
Estimated Capital Costs for 4.5mtpa Heap Leach**

		Cost (000's US\$)
Direct Cost		
	Crushing	18,832
	Agglomeration	7,500
	Heap Leach	8,967
	Gold/Silver Plant	9,081
	Reagents	130
	Services	1,903
	Infrastructure	1,538
	Water Supply Dam	1,904
	Subtotal	49,855
Indirect Costs		
	EPCM	9,478
	Insurance	801
	Mobile Equipment	628
	First fill	920
	Subtotal	11,827
Direct + Indirect Costs		61,682
Contingency		9,252
Project Cost 4.5mtpa Heap Leach		70,935

Table 8 is the summary of the owner's costs associated with the first stage heap leach development. This cost will be funded as part of development with some of the 'Other Owners Costs' being required prior to construction for environmental permitting and land acquisition. A significant portion of these additional costs (US\$7.65M) are in the start-up non-cash flow period and covers full estimated operating costs for three months.

**Table 8
Estimated Owners Costs for 4.5mtpa Heap Leach**

		Cost (000's USD)
Owners Costs		
	Working Capital (3 Months)	7,650
	Spares	1,020
	Capital Spares	1,000
	Other Owners Costs	4,915
	Contingency (15%)	2,188
	Total Owners Costs	16,722

Table 9 gives the mining capital estimate from MDA for an owner operated fleet at the commencement of operations for the 4.5mtpa heap leach. Additional mining sustaining capital of US\$11.9M will be required to complete stage one mining. Potential cash flow modelling presented in this document has assumed the use of an owner operated fleet. No decision has been made on whether to utilise an owner operated fleet or to contract mine. Contract mining will be investigated and if used, will reduce capital requirements by but will likely increase operating costs.

Table 9
Estimated Start-up Mining Capital for 4.5mta Heap Leach

Start-up Mining Capital	Cost (000's USD)
Primary Mining Equipment	9,428
Support Equipment	4,508
Blasting	226
Mine Maintenance	517
Other Mine Capital	3,226
Total Start-up Mining Capital	17,905

A capital cost estimate (to PA standard and tolerances) has been prepared for the inclusion of second stage carbon-in-leach (CIL) processing facility (to commence processing in year 5). The addition of the CIL treatment process and cost estimates will be revisited and refined as the time for the CIL addition approaches. The capital cost estimate is based on a semi-autogenous milling circuit and 12 hour cyanide leach circuit. Test work on the fresh rock material has shown it to be suitable for semi-autogenous milling and that high recovery of gold can be achieved with only 8-12 hour leaching time. The CIL and the heap leach would share the gold room, water supply, workshop and other common infrastructure. Table 10 summarises the CIL facility capital cost estimate. It is anticipated these costs will be incurred towards year 4 and funded out of potential cash flow.

Table 10
Estimated Capital Costs 3.0mtpa CIL
For Processing of the In-Pit Measured & Indicated Resources

	Cost (000's USD)
Direct Cost	
Process	45,260
Tailings Storage Facility	5,000
Infrastructure	6,940
Subtotal	57,190
Indirect Costs	
EPCM	8,580
Construction	2,860
Subtotal	11,440
Direct + Indirect Costs	68,630
Owners Costs	3,440
Contingency	10,810
CIL Addition Cost	82,880

Cash Flow Model Analysis

The inputs used for the financial analysis are the same as those used for the mining study given in Table 3, except the gold and silver prices used are the historic 2 year averages at the end of March 2011.

Table 11 shows the potential financial model outputs for the heap leaching of the proven and probable reserves plus model outputs for other metal selling prices.

Table 11
Feasibility Study Potential Cash Flow Model Outputs
For Proven & Probable Reserves (only) for Different Metal Selling Prices

	3 Year Average Metal Prices¹	2 Year Average Metal Prices²	1 Year Average Metal Prices³	March 2011 Average Metal Prices⁴
Net Cash Flow undiscounted and before tax (US\$M)	162	214	292	409
Net Present Value (6% discount rate) (US\$M)	103	142	200	287
Internal Rate of Return (%)	34.8	44.1	57.5	75.8
First Stage Capital Payback (years)	2.2	1.9	1.7	1.4
Gold Selling Price (US\$/oz)	1,060	1,157	1,293	1,424
Silver Selling Price (US\$/oz)	17.77	19.81	23.87	35.81
Gold Sold (koz)	444.6			
Silver sold (koz)	5,317			

¹ 3 year historic average prices as at 31st March, 2011

² 2 year historic average prices as at 25th March, 2011

³ 1 year historic average prices as at 25th March, 2011

⁴ Average spot prices for March, 2011

The following Table 12 shows the potential financial analysis results for different gold and silver selling prices for the PA case. Note that mineral resources included in this study that are not mineral reserves do not have demonstrated economic viability.

Table 12
PA Potential Cash Flow Model Outputs for Different Metal Selling Prices
For Measured and Indicated In-Pit Resources (only)

	3 Year Average Metal Prices¹	2 Year Average Metal Prices²	1 Year Average Metal Prices³	March 2011 Average Metal Prices⁴
Net Cash Flow undiscounted and before tax (US\$M)	229	302	410	549
Net Present Value (6% discount rate) (US\$M)	104	142	199	321
Gold Selling Price (US\$/oz)	1,060	1,157	1,293	1,424
Silver Selling Price (US\$/oz)	17.77	19.81	23.87	35.81
Gold Sold (koz)	1,126			
Silver sold (koz)	10,048			

¹ 3 year historic average prices as at 31st March, 2011

² 2 year historic average prices as at 25th March, 2011

³ 1 year historic average prices as at 25th March, 2011

⁴ Average spot prices for March, 2011

Environmental

Environmental baseline studies have been undertaken since 2005. Heuritica Ambiental of Hermosillo, Sonora in Mexico, has completed site surveys and is in the process of completing the environmental authority application for exploitation at Cerro del Gallo.

Next Steps

The Feasibility Study relates only to the proven and probable reserves. The study and assessment are the basis upon which a decision to mine will be considered by the Board of Cerro Resources in conjunction with Goldcorp as joint owner of SAM. Any such decision will be taken after careful consideration during the next stage of review, assessment and funding progresses. No timelines have been prescribed. There can be no assurance that the Company will decide to bring the project into production. Whilst some matters are outside of the Company's control, the board will move diligently in progressing Cerro del Gallo and the exploration and development of other projects.

Within the next 45 days, Cerro Resources will release an updated National Instrument 43-101 compliant technical report, which will include all of the details of the Feasibility Study and the PA. The updated report will be filed on SEDAR.

Competent / Qualified Person

The information in this release that relates to Exploration Results, Mineral Resources, Ore Reserves or Metallurgy is based on information compiled by Mr John Skeet who is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bill Fleshman, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Skeet is the Chief Operations Officer of Cerro Resources NL and Mr Bill Fleshman is a consultant to Cerro Resources NL. They have sufficient experience, which is relevant to the style of mineralisation 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". Mr Skeet and Mr Fleshman have consented to the inclusion in the release of the matters based on their information in the form and context in which it appears. Mr Skeet and Mr Fleshman are qualified person as defined under Canadian NI 43-101.

Mr. Tim Carew of Reserva International LLC, Mr Thomas Dyer P.E. of Mine Development Associates Inc., both in Reno, USA, and Jon Errey of Sedgman Metals Engineering Services in Perth, Australia, Qualified Persons under National Instrument 43-101, have reviewed and approved the technical information in this release for which they are responsible and which is detailed above in the section entitled "Management of the Study".

Yours sincerely,

CERRO RESOURCES NL



Tony McDonald
Managing Director & CEO



John Skeet
Chief Operating Officer

For further information, please contact:

Tony McDonald, Managing Director
John Skeet, Chief Operating Officer or
Craig McPherson, Chief Financial Officer on +61 7 3252 0122
admin@cerroresources.com

For North America, please contact:

Ms. Gerri Paxton, Manager Investor Relations on +1 514 544 2696
gpaxton@cerroresources.com

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.

The Technical Report entitled "Preliminary Assessment Cerro del Gallo Project, Guanajuato, Mexico" dated 16th April 2010 is available on the Company website and on SEDAR (www.sedar.com) under the profile of San Anton Resource Corporation.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information

This news release contains "forward-looking information" under Canadian securities law. Any information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "anticipate", "believe", "plans", "estimate", "scheduling", "projected" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking information. Forward-looking information relates to, among other things: the price of silver and gold; the accuracy of mineral resource and mineral reserve estimates; the ability of the Company to finance its operations and capital expenditures; future financial and operating performance including estimates of the Company's revenues and capital expenditures and estimated production.

Forward-looking information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, risks relating to: fluctuating commodity prices; calculation of resources, reserves and mineralization and precious and base metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; feasibility and engineering reports; permits and licences; title to properties; recent market events and conditions; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; operations and political conditions; environmental risks; and risks and hazards of mining operations. This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. Forward-looking information about the future are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company's forward-looking information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this press release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking information.