

## FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cerro Grande Mining Corporation (the "Company")  
79 Wellington Street West  
Suite 2300  
Toronto, Ontario M5K 1H1

2. **Date of Material Change**

March 22, 2012.

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was released through Canada News Wire Group at Toronto, Ontario on March 22, 2012.

4. **Summary of Material Change**

The material change is described in the Company's news release attached hereto as Schedule "A", which news release is incorporated herein.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

No information other than that provided in Item 4 above is presently available.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Stephen W. Houghton  
Chief Executive Officer  
(212) 751-0083

9. **Date of Report**

March 26, 2012.

# News Release

## SCHEDULE "A"

### CERRO GRANDE MINING CORPORATION

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**FOR IMMEDIATE RELEASE** – March 22, 2012

#### **Cerro Grande Mining Corporation Announces Preliminary Drill Hole Results at its Santa Cecilia Prospect**

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (TSX-CEG; OTCQX-CEGMF) announced today preliminary results from its first diamond drill hole at the Santa Cecilia prospect on which it holds a 65.6% option. Santa Cecilia is located directly adjacent to Exeter Resources Caspiche prospect, 16 km south of Kinross’s Maricunga Mine (ex Refugio) and 12 km north of the Barrick/Kinross’s Cerro Casale project, all located at the southern end of the Maricunga District of Chile.

Diamond drill hole CDM 002 at Santa Cecilia was drilled to a depth of 1,738.8m. The WGS 84 UTM coordinates for the drill hole are 466500E, 693795N. The bearing of the hole is 180 degrees with an inclination of -60 degrees.

A Summary of the preliminary assay results are given below:

From 870m to 960m (90m)	0.06g/t Au	0.13% Cu	0.006% Mo
From 960m to 1432m (432m)	0.12g/t Au	0.24% Cu	0.013% Mo
From 1432m to 1592m (160m)	0.05g/t Au	0.20% Cu	0.022% Mo
From 1592 to 1738.8	Assay results pending		

Drill hole CDM 002 was drilled to test matching gold and copper Mobile Metal Ion anomalies within a strong CSAMT geophysical anomaly. The drill hole from a depth of 870 meters to 1,738.8 meters, over a length of 868.8 meters (of which we have assay results from 870 meters to 1,592 meters or 722 meters), showed remarkably persistent and strong copper, gold and molybdenum mineralization which confirm the value of the geochemical and geophysical anomalies.

A second hole CDM 003, is presently drilling at WGS 84 UTM coordinates 466750E 6937545N bearing 170 degrees with an inclination of -60 degrees. CDM 003 is being drilled parallel and 250 meters to the east of and 380 meters to the south of CDM 002 and is expected to enter mineralization at a lesser depth than CDM 002. Results from this hole, in light of the existing geochemical, geophysical and now assay values from CDM002, should establish the continuity of the mineralization and may indicate higher values.

Assaying is being done by ACME Analytical Laboratories Ltd. (Chile). Check assays have been sent to ALS Minerals Laboratories in Chile and the results are pending. Assays by both laboratories are being conducted by fire assay and ICP-32.

This news release has been reviewed and approved by David R.S. Thomson, EVP of Exploration and a Director of Cerro Grande Mining Corporation and Qualified Person in accordance with NI-43-101.

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.*