

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**

April 16, 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 April 16, 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**

April 16, 2012.

News Release

Schedule “A” CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – April 16, 2012

Cerro Grande Mining Corporation Announces Credit Facility from Macquarie Bank Limited

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (TSX-CEG; OTCQX-CEGMF) announced that it has signed a Letter of Offer for up to a US \$10,000,000 Credit Facility from Macquarie Bank Limited (“Macquarie”).

The Credit Facility amount is for up to US \$10,000,000 in 2 tranches. Tranche 1 is for up to US \$5,000,000 for a period of up to 30 months with prepayment rights. Tranche 2 is for up to US \$5,000,000 and will be available at Macquarie’s sole discretion one year from the initial draw down on terms to be determined.

The purpose of the Credit Facility will be to fund additional capital improvements at the Company’s Pimenton mine and for exploration activities on the Company’s Santa Cecilia project on which the Company holds an option. The Company may also use a part to the Credit Facility proceeds to increase drilling activities on its Pimenton copper/gold/molybdenum deposit and to fund exploration activities at its Tordillo and La Bella prospects.

Stephen W. Houghton, CEO, stated that the Credit Facility from Macquarie coupled the Company’s own cash flow will significantly improve the time line to enhance production at its Pimenton mine, to increase drilling activities on the Pimenton porphyry deposit and provide the Company with additional funding to increase drilling activities on its Santa Cecilia project

during the next drilling season which begins in October, 2012. He continued by stating that the Board of Directors and management are very pleased by the confidence Macquarie has placed in our mining projects.

Macquarie is a leading mining finance bank based in Sydney, Australia and has financed companies located in Latin America such as Beadell Resources' Tucano Gold project in Brazil; SilverCrest Mines' Santa Elena Gold-Silver project in Mexico; B2 Gold with projects in Nicaragua, Colombia, Costa Rica and Uruguay; Minera Andes' San Jose Gold project in Argentina; Bema Gold's Refugio Gold project in Chile and Minera IRL with projects in Peru and Argentina.

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.