

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**

February 13, 2013.

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 February 13, 2013.

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
56-22-569-6244

9. **Date of Report**

February 13, 2013.

News Release

Schedule “A”

CERRO GRANDE MINING CORPORATION

Registered Office:
79 WELLINGTON STREET WEST, SUITE 2300
TORONTO, ONTARIO M5K 1H1
CANADA

Santiago Office:
AVENIDA SANTA MARIA 2224
PROVIDENCIA, SANTIAGO, CHILE
Telephone: 56-2-2569-6200

Toronto Office:
67 YONGE STREET, OF. 1201
TORONTO, ONTARIO M5J 1J8
CANADA

For further information, contact:
Stephen W. Houghton, CEO
David R. S. Thomson, EVP
E-Mail: ceg@cegmining.com
Telephone: 56-2-2569-6200
Website: www.cegmining.com

FOR IMMEDIATE RELEASE – February 13, 2013

Cerro Grande Mining Corporation Announces its First Fiscal Quarter Ended December 31, 2012 Results Compared to the Comparable Period in 2011 and its Near Term Exploration Plans

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (TSX-CEG; OTCQX-CEGMF) reported its unaudited results for its first fiscal quarter ended December 31, 2012 compared to same period in 2011. The Company’s financial statements and MD&A for its fiscal first quarter ended December 31, 2012 compared to the comparable quarter in 2011 have been filed on SEDAR. The Company refers the reader to those materials for additional information.

Revenues totalled US \$6,532,000 for the Company’s first fiscal quarter ended December 31, 2012 which includes gold sales of US \$5,714,000 (3,380 ozs of gold) and copper and silver sales of US \$743,000 compared to revenues in its first quarter ended December 31, 2011 of US \$5,289,000 which includes gold sales of US \$4,790,000 (2,855 ozs of gold) and copper and silver sales of US \$499,000. Services revenue of US \$75,000 in the first fiscal quarter ended December 31, 2012 compared to nil in the comparable quarter a year ago related to service charges on the Santa Cecilia project against actual expenses of US \$60,000.

Net income before income taxes for the first fiscal quarter ended December 31, 2012 was US \$129,000 compared to US \$42,000 in the comparable period a year ago. Net income after taxes was a loss of US \$112,000 due to income and deferred taxes which totalled US \$241,000

and after depreciation and amortization charges of US \$662,000 and exploration expense of US \$695,000. This compares to the same period a year ago when income taxes were nil, amortization and depreciation charges were US \$531,000 and exploration expenses were US \$402,000.

At December 31, 2012 the Company had a positive working capital ratio of 1.31 to 1.00.

On a stand alone basis, the Pimenton mine had net earnings for its first fiscal quarter ended December 31, 2012 of US \$993,000 after income and deferred taxes totalling US \$241,000 and depreciation and amortization expense of US \$660,000 compared to the same period in 2011 when net income was US \$709,000 after nil taxes and depreciation and amortization expense of US \$526,000.

Cash operating costs per ounce of gold produced at the Pimenton mine, net of by product credits, was US \$1,047 compared to US \$1,584 in the comparable period a year ago.

During the first fiscal quarter ended December 31, 2012 the Company made the decision not to renew its option on the La Bella project in view of inconclusive drill hole results thus saving option payments amounting to US \$400,000 which were due in December, 2012.

Stephen W. Houghton, CEO stated that the Company will focus its efforts on further exploration and development of the Pimenton gold/copper mine, drilling porphyry targets at Pimenton and initiating a drill program on the gold/copper veins at Tordillo, which lies 12 kilometres to the south of Pimenton. The Company continues to evaluate the Santa Cecilia prospect and will make further announcements on it in the near future.

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.