

## FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cerro Grande Mining Corporation (the "Company")  
Royal Bank Plaza, South Tower  
200 Bay Street  
Suite 3800  
Toronto, Ontario M5J 2Z4

2. **Date of Material Change**

January 27, 2016

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein were released through Canada News Wire Group at Toronto, Ontario on January 27, 2016.

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 1, 2016.

# News Release

## CERRO GRANDE MINING CORPORATION

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**FOR IMMEDIATE RELEASE** – January 27, 2016

### **Cerro Grande Mining Corporation Announces Expected Delay in Filing Annual Financial Statements, Annual MD&A and Annual Certifications**

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) (OTCQB:CEGMF) announced that it will not be able to file its annual Financial Statements, annual MD&A and related CEO and CFO certifications for the fiscal year ended September 30, 2015 (collectively, the **2015 Disclosure Documents**), within the period prescribed for the filing of such documents under Part 6 of National Instrument 51-102 *Continuous Disclosure Obligations* and under Part 4 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, namely within 120 days of year-end being January 28, 2016.

Despite its efforts, the Corporation is currently not in a position to timely file the 2015 Disclosure Documents, primarily as a result of unanticipated time delays in completing the financial reconciliations necessary to complete the audit.

The Corporation has made an application to the Ontario Securities Commission (the **OSC**) for a management cease trade order (the **MCTO**), which would restrict all trading in securities of the Corporation, whether direct or indirect, by management of the Corporation. The MCTO would not affect the ability of shareholders who are not insiders of the Corporation to trade their securities. There is no certainty that the MCTO will be granted. If the MCTO is not issued by the OSC, the applicable Canadian securities regulatory authorities could issue a general cease trade order against the Corporation for failure to file the 2015 Disclosure Documents within the prescribed time period.

# News Release

The Corporation's board and management are working expeditiously to meet its obligations relating to the filing of the 2015 Disclosure Documents. The Corporation expects to file the 2015 Disclosure Documents on or before February 15, 2016.

The Corporation confirms that it intends to satisfy the provisions of the alternative information guidelines set out in sections 4.3 and 4.4 of Policy Statement 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* for so long as it remains in default as a result of the late filing of the 2015 Disclosure Documents. During such period, Cerro Grande will issue bi-weekly default status reports in the form of further press releases, which will also be filed on SEDAR. The Corporation confirms that there are no insolvency proceedings against it as of the date of this press release. The Corporation also confirms that there is no other material information concerning the affairs of the Corporation that has not been generally disclosed as of the date of this press release.

**For further information, please contact:**

Stephen W. Houghton

Chief Executive Officer

The Company 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 certain "forward-looking information" as such term is defined under applicable Canadian securities laws. All disclosure herein, other than information regarding historical fact, regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions or courses of action, including any future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection, is forward looking information. The forward-looking information contained in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. With respect to the forward-looking information contained in this news release, the Company has made assumptions regarding its ability to complete the Financial Statements and MD&A in a timely manner. The forward-looking information contained in this news release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable law, the Company disclaims any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason.*