

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cerro Grande Mining Corporation (the "Company")
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

2. **Date of Material Change**

January 25, 2017.

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 January 25, 2017.

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**

January 25, 2017.

News Release

CERRO GRANDE MINING CORPORATION

Registered Office:
ROYAL BANK PLAZA
SOUTH TOWER
200 BAY STREET, SUITE 3800
TORONTO, ONTARIO M5J 2Z4
CANADA

Toronto Office:
1 KING STREET, OF. 4009
TORONTO, ONTARIO M5H 1A1
CANADA

Santiago Office:
AVDA. SANTA MARIA 2224
PROVIDENCIA, SANTIAGO
CHILE
Telephone: 56-2-2569 6224

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 – January 25, 2017

Cerro Grande Mining Corporation Announces Approval by Sernageomin, the Chilean Government Geology and Mining Agency, of its Pillar Recovery and Replacement Plan for the Pimenton Mine.

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE:CEG) (OTCQB:CEGMF) announced approval by Sernageomin of the Company’s Pillar Recovery and Replacement Plan for the Pimenton Mine. The Pimenton Mine remnant pillars contain 28,000 tons of high grade mineralized material with a grade of 15.8 grams per ton gold and 1.4% copper as reported in the latest Technical Report on the Pimenton Mine (July 21, 2016)

This new release has been reviewed and approved by David R. S. Thomson, EVP of Exploration of Cerro Grande Mining Corporation and a 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.