

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**

May 12, 2017.

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 May 12, 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
56-22-569-6244

9. **Date of Report**

May 12, 2017.

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – May 12, 2017

Cerro Grande Mining Corporation Announces the Closure of its Pimenton Mine

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “Company” or “CEG”) (CSE:CEG) (OTCQB:CEGMF) reported the closure of its 100% owned Pimenton mine due to a combination of a lack of adequate working capital and a series of snow storms that have and will affect operations at the mine. All personnel have been taken out of the mine. The Company could not give a date in the future when mining operations could restart. It is currently investigating all alternatives for raising additional working capital.

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.