

Form 62-103F1

Required Disclosure under the Early Warning Requirements

This report is being filed by the acquirors to update the information contained in a report filed on or about June 22, 2020.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the issuance (the “**Issuance**”) of common shares (“**Common Shares**”) of Cerro Grande Mining Corporation (the “**Issuer**” or the “**Company**”) to Minera Tamidak Limitada (“**Tamidak**”), a company jointly owned by David, Ian and Matthew Thomson, in connection with the completion of the transaction described in the Company’s news release dated December 1, 2020.

The name and address of the Company is: Cerro Grande Mining Corporation, Avenida Santa Maria 2224, Providencia, Santiago, Chile.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See item 2.2.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The names of the acquirors and their respective addresses are: David, Ian and Matthew Thomson c/o Minera Tamidak Limitada, Via Roja 8924, Vitacura, Santiago RM Chile 7660010.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 1, 2020, Tamidak acquired 44,055,102 Common Shares, at a price of CDN\$0.05 per share, when it received the first installment in the amount of \$1,300,000,000 Chilean Pesos (approximately CDN\$2,202,755.14) paid in Common Shares of the total purchase price payable (\$3,900,000,000 Chilean Pesos) (approximately CDN\$6,608,265) under the Asset Purchase and Contracts Assignment Agreement entered into between Tamidak and Minera Til Til SpA, a wholly-owned subsidiary of the Company (the “**APA**”). Pursuant to the APA, Til

Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project as well as Tamidak's rights and obligations under the Exploration and Option to Joint Venture Agreement entered into on or about April 27, 2020 between Tamidak and FQM Exploration (Chile) S.A., a Chilean subsidiary of First Quantum Minerals Ltd.

Each of David, Ian and Matthew, have acquired beneficial ownership, control and direction over an aggregate of 44,055,102 Common Shares that are registered in the name of Tamidak.

2.3 State the names of any joint actors.

Tamidak is a company jointly owned by David, Ian and Matthew Thomson. Accordingly, each such individuals may be considered to be acting jointly or in concert.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

Tamidak acquired 44,055,102 Common Shares on December 1, 2020. It did not own any Common Shares prior to December 1, 2020.

Immediately prior to the completion of the Issuance, David, Ian and Matthew Thomson had beneficial ownership of, or exercised control or direction over, 44,063,005, 47,803,595 and 47,803,595 Common Shares, respectively, representing 12.98%, 14.09% and 14.09%, respectively, of the 339,390,784 Common Shares then issued and outstanding, calculated on a non-diluted basis.

In addition, David, Ian and Matthew Thomson jointly had beneficial ownership of, or exercised control or direction over, an additional 81,807,694 Common Shares, representing 19.42%, in the aggregate, of the 339,390,784 Common Shares then issued and outstanding, assuming the conversion in full of the principal amount of a Debenture made as of February 20, 2020 (the "**Debenture**").

Immediately after giving effect to the Issuance, David, Ian and Matthew Thomson, through Tamidak, beneficially own or exercise control or direction over an additional 44,055,102 Common Shares, representing approximately 11.5%, in the aggregate, of the 383,445,886 Common Shares currently issued and outstanding.

This represents an increase of approximately 6.7%, in the aggregate in the number of Common Shares over which David, Ian and Matthew have beneficial

ownership, or control or direction, as compared to their early warning report of June 22, 2020, calculated on a non-diluted basis and approximately 4.6% calculated on a partially diluted basis, assuming exercise in full of the principal amount of the Debenture.

Accordingly, as a result of the Issuance, David, Ian and Matthew Thomson, directly and indirectly, beneficially own or exercise control or direction over 183,725,297 Common Shares, representing approximately 47.9%, in the aggregate, of the 383,445,886 Common Shares currently issued and outstanding, calculated on a non-diluted basis or approximately 57.1%, in the aggregate, of the 383,445,886 Common Shares currently issued and outstanding, calculated on a partially diluted basis, assuming exercise in full of the principal amount of the Debenture.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

David, Ian and Matthew, via Tamidak, acquired beneficial ownership and control and direction of the Common Shares. See item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.4.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

See Item 2.2.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the

securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 2.2.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 2.2.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

(e) a material change in the present capitalization or dividend policy of the reporting issuer;

(f) a material change in the reporting issuer's business or corporate structure;

(g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;

(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

(i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

(j) a solicitation of proxies from securityholders; and/or

(k) an action similar to any of those enumerated above.

Tamidak acquired the Common Shares in connection with the transactions contemplated by the APA. Tamidak intends to hold the Common Shares for investment purposes and may, in the future, increase or decrease its ownership of securities of the Company, directly or indirectly, from time to time depending upon the business and prospects of the Company and future market conditions. Each of David, Matthew and Ian currently have no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above. Depending on market conditions, general economic and industry conditions, the Company's business and financial condition and/or other relevant factors, David, Matthew and/or Ian may develop such plans or intentions in the future.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Common Shares were issued to Tamidak pursuant to the terms of the APA. The issuance of the Common Shares was approved at a duly held Board of Directors meeting (with an interested director abstaining from voting thereon) and minority approval of the transaction was obtained at a duly called special meeting of shareholders held on November 10, 2020.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 1, 2020

(signed) "David Thomson"

David Thomson

(signed) "Ian Thomson"

Ian Thomson

(signed) "Matthew Thomson"

Matthew Thomson