

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cerro Grande Mining Corporation (the "**Company**")
1 King Street West, Suite 4009
Toronto, Ontario, M5H 1A1

2. **Date of Material Change**

February 1, 2021.

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein were released through GlobeNewswire on February 2, 2021.

4. **Summary of Material Change**

The Company announced on February 2, 2021 that its wholly-owned Chilean subsidiary Minera Til Til SpA ("**Til Til**") had received formal notice of termination dated February 1, 2021 from FQM Exploration (Chile) S.A. ("**FQM**"), a Chilean subsidiary of First Quantum Minerals Ltd., of the Exploration and Option to Joint Venture Agreement (the "**FQM Agreement**") originally entered into on or about April 27, 2020 between Minera Tamidak Limitada ("**Tamidak**") and FQM. The FQM Agreement had been assigned to Til Til under the Asset Purchase and Contracts Assignment Agreement dated December 1, 2020 entered into between Til Til and Tamidak pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project. The material change is further described in the Company's news release attached hereto as Schedule "A" which is incorporated in this report.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

See Item 4.

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 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
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ceg@cegmining.com

9. **Date of Report**

February 3, 2021.

SCHEDULE "A"

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – February 2, 2021

Cerro Grande Mining Corporation Announces Termination of FQM Agreement

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) (OTCQB:CEGMF) announces that its wholly-owned Chilean subsidiary Minera Til Til SpA (“**Til Til**”) has received formal notice of termination dated February 1, 2021 from FQM Exploration (Chile) S.A. (“**FQM**”), a Chilean subsidiary of First Quantum Minerals Ltd. of the Exploration and Option to Joint Venture Agreement (the “**FQM Agreement**”) originally entered into on or about April 27, 2020 between Minera Tamidak Limitada (“**Tamidak**”) and FQM. The FQM Agreement had been assigned to Til Til under the Asset Purchase and Contracts Assignment Agreement dated December 1, 2020 (the “**APA**”) entered into between Til Til and Tamidak pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project. In accordance with the FQM Agreement, Til Til will receive the results of the 3D deep penetrating geophysical survey undertaken by FQM on the property and other data and recommendations but FQM will not continue with any further development work on the property and will cease to have the right to earn any equity interest in any joint venture company that may have been formed to further develop the property, all as further set out in the FQM Agreement. The parties will now proceed to formally terminate the FQM Agreement in accordance with Chilean law.

The Company intends to review and analyze the data and recommendations to be provided by FQM in order to determine the best course of action for the Company with respect to the Pimentón Copper Gold Mining Project.

Cerro Grande Mining Corporation is a minerals 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 includes, but is not limited to, statements with respect to the Company's future plans for the Pimentón Copper Gold Mining Project. 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, including the Company's inability to further develop the Pimentón Copper Gold Mining Project, if at all. Forward-looking statements contained herein, including, 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.