

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**

December 7, 2023

3. **News Release**

The news release attached hereto as Schedule “A” announcing the material change described herein was released through GlobeNewswire at Toronto, Ontario on December 8, 2023.

4. **Summary of Material Change**

The material change is described herein and 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

On December 8, 2023, the Company announced that the Asset Purchase and Contracts Assignment Agreement (the “**APA**”) dated December 1, 2020 entered into between Minera Tamidak Limitada (“**Tamidak**”) and the Company’s wholly-owned subsidiary Minera Til Til SpA (“**Til Til**”) pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project as originally reported in the Company’s news release dated December 1, 2020 had been amended such that the date for the third and final installment payment of the purchase price under the APA due on December 1, 2023 had been extended to June 1, 2024.

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.

Peter Hogg
CFO and interim Chief
Executive Officer
+56 9 9837 4476

9. **Date of Report**

December 8, 2023.

News Release



CERRO GRANDE MINING CORPORATION

FOR IMMEDIATE RELEASE – December 8, 2023

Cerro Grande Mining Corporation Announces Extension to Date for Payment of Last Installment of Purchase Price under APA

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) announces that the Asset Purchase and Contracts Assignment Agreement (the “**APA**”) dated December 1, 2020 entered into between Minera Tamidak Limitada (“**Tamidak**”) and the Company’s wholly-owned subsidiary Minera Til Til SpA (“**Til Til**”) pursuant to which Til Til acquired from Tamidak the mining concessions and other assets covering the Pimentón Copper Gold Mining Project as originally reported in the Company’s news release dated December 1, 2020 has been amended such that the date for the third and final installment payment of the Purchase Price (as defined below) under the APA due on December 1, 2023 has been extended to June 1, 2024.

Pursuant to the APA, CEG has paid, on behalf of Til Til, the first and second installments in the aggregate amount of \$2,600,000,000 Chilean Pesos of the total purchase price payable thereunder in the amount of \$3,900,000,000 Chilean Pesos (approximately CDN\$6.08 million) (the “**Purchase Price**”) by issuing an aggregate of 83,889,025 common shares of the Company to Tamidak at a deemed issuance price of CDN\$0.05 per share.

Pursuant to the APA, as amended, the third and final installment of the Purchase Price, in the amount of \$1,300,000,000 Chilean Pesos, is due no later than June 1, 2024 and is payable in cash or its equivalent in common shares of the Company, as Tamidak may elect in its sole and absolute discretion, at a price per share equal to the greater of (A) the simple average of the closing price per CEG common share on the CSE for the 10 consecutive trading days ending on the date immediately prior to such payment being made; and (B) CDN\$0.05 per share (or such other minimum price per share as may be in effect pursuant to the policies and rules of the CSE at the relevant time). In case of payments to be made in common shares of the Company as aforementioned, the number of CEG common shares issuable shall be determined based on the nominal exchange rate of the Chilean peso to the Canadian dollar determined on the day before the applicable payment as published by the Central Bank of Chile.

If the remaining Purchase Price installment indicated above is not timely and fully paid to Tamidak, the APA will be automatically terminated and CEG shall be required to return all the acquired assets to Tamidak. Further details relating to the APA and the installment payments of the Purchase Price thereunder are set out in the news releases of the Company dated December 1, 2020 and June 1, 2022 which are available at www.sedarplus.ca under the Company’s profile.

In addition, Tamidak reports that a group of local environmental activists that had previously been denied an injunction against Tamidak to prevent it from continuing with its tailings pond reprocessing operation claiming that such operation would have a harmful impact on the environment and the inhabitants of the valley of the Rio Colorado in Chile have appealed such decision and the court has ordered the Superintendencia del Medio Ambiente (“**SMA**”) (the environmental regulator in charge of approving all environmental aspects of any mining project and which approved the tailings pond project) to make another site visit to determine whether

any allegations made by such group are warranted. Accordingly, the SMA is required to make such site visit and provide its report within 60 days. During this time, Tamidak may not conduct any work on the property. The SMA has previously approved the reprocessing operation and granted all required environmental permits. Tamidak expects that the SMA will complete their site visit in short order and that the injunction will be lifted.

This news release was prepared by management of CEG which takes full responsibility for its contents.

Cerro Grande Mining Corporation is an exploration and development company with properties and activities currently focused in Chile.

Cautionary Statement on Forward-looking Information:

This press release contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, information relating to the payment of the last purchase price installment) constitute forward-looking information.

This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, the ability of the Company to make the last installment payment in a timely manner. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations, include, but are not limited to, the inability of the Company to make the required instalment payment or the failure to achieve the expected benefits from the APA and the development of the Pimentón Copper Gold Mining Project.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

For further information, contact:
Peter Hogg, CFO and interim CEO
James Mac Auliffe
E-Mail: ceg@cegmining.com
Telephone: +56 9 9837 4476
Website: www.cegmining.com