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**

June 2, 2015

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 June 2, 2015.

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**

June 2, 2015.

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – June 2, 2015

Cerro Grande Mining Corporation Announces its Second Fiscal Quarter Ended March 31, 2015 Results Compared to the Comparable Period in 2014 and for the Six Months Fiscal Period Ended March 31, 2015 Compared to the Comparable Six Months Period in 2014

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the "Company" or "CEG") (CSE:CEG)(OTCQB:CEGMF) reported its unaudited results for its second fiscal quarter ended March 31, 2015 compared to the same quarter in 2014 and results for the six months fiscal period ended March 31, 2015 compared to the same 6 months period in 2014. These financial statements and MD&A have been filed on SEDAR and the Company refers the reader to those materials for additional information.

Revenues totalled US $2,381,000 for the Company's second fiscal quarter ended March 31, 2015 which includes gold sales of US$2,096,000(1,667ozs of gold) and copper and silver sales of US$285,000 compared to revenues for the same quarter in 2014 of US $4,233,000 which includes gold sales of US $3,601,000(2,643 ozs of gold) and copper and silver sales of US$638,000.

Revenues totalled US $4,845,000 for the Company's six months fiscal period ended March 31, 2015 which included gold sales of US $4,255,000 (3,499 ozs of gold) and copper and

silver sales of US $590,000 compared to revenues for the same 6 month period in 2014 of US $8,744,000 which includes gold sales of US $7,485,000 (5,201 ozs of gold) and copper and silver sales of US $1,259,000.

Net loss before income taxes for the second fiscal quarter ended March 31, 2015wasUS $1,372,000compared to a loss of US $1,248,000 in the comparable period a year ago and for the six month period ended March 31, 2015, the Company reported a loss before income taxes of US$2,847,000 compared to the same 6 month period a year ago of US$2,334,000. Net loss after income taxes for the six month period just ended and the year ago period were the same as income before taxes.

At March 31, 2015 the Company had a negative working capital position of US $2,686,000 compared to US $1,429,000 at March 31, 2014.

On a standalone basis, the Pimenton mine had a net loss for its second fiscal quarter ended March 31, 2015 of US $947,000after deducting depreciation and amortization expense of US $1,207,000 compared to the same period in 2014 when the net loss was US $290,000 after deducting depreciation and amortization expense of US $1,421,000.

SUMMARY FINANCIAL RESULTS

The table below sets out the consolidated profit and loss for the second quarter ended March 31, 2015 with comparatives for the same period in 2014 and the six months ended March 31, 2015 compared to the six months, ended March 31, 2014. (000's omitted only in the table below)

	Three months ended		Six months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Revenue	$	$	$	$
Sales	2,381	4,233	4,845	8,774
Services	-	-	-	-
	2,381	4,233	4,845	8,774
Expenses				
Operating costs	3,203	4,909	6,508	9,699
Operating costs for services	-	-	-	-
Reclamation and remediation	6	11	13	22
General, sales and administrative	557	577	1,172	1,347
Foreign exchange	(39)	(8)	(59)	(58)
Interest	52	(5)	105	90
Other gains and losses (net)	(26)	(3)	(48)	6
Exploration costs	-	-	-	2
	3,753	5,481	7,692	11,108

Loss and comprehensive loss before income taxes	(1,372)	(1,248)	(2,847)	(2,334)
Income tax (expense)/recovery	-	-	-	-
Deferred income tax	-	-	-	-
Loss and comprehensive loss for the period	(1,372)	(1,248)	(2,847)	(2,334)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.02)

1) Consolidated statements for the three month periods ended March 31, 2015 and 2014:

   a) Revenue for the three month period ended March 31, 2015 decreased over the same period in 2013 due to a decrease in gold sales to 1,677 oz compared to 2,643 oz in the three month period ended March 31, 2014. The decrease was also due to a lower grade and an average price of gold of $1,195 for the quarter ended March 31, 2015 (2014 - $1,296).

   b) Operating expenses for the three months ended March 31, 2015 were $3,203,000 compared to $4,909,000 for the same period in 2014. The decrease of $1,706,000 consists mainly of a reduction in labour costs and a revaluation of the Chilean pesos vs the US Dollar and lower fuel costs.

   c) General and administrative costs for the three months ended March 31, 2015 were $557,000compared to $577,000 for the same period in 2014.

2) Consolidated statements for the six month period ended March 31, 2015 and 2014:

   a) Revenue for the six month period ended March 31, 2015 decreased over the same period in 2013 due to a decrease in gold sales to 3,499 oz compared to 5,201 oz in the six month period ended March 31, 2015. The decrease was also due to a lower grade and an average price of gold of $1,183 for the quarter ended March 31, 2015 (2014 - $1,319).

   b) Operating expenses for the six months ended March 31, 2015 were $6,508,000 compared to $9,699,000 for the same period in 2014. The decrease of $3,191,000 consists mainly of a reduction in labour costs and a revaluation of the Chilean pesos vs the US Dollar and lower fuel, maintenance and other production costs.

   c) General and administrative costs for the six months ended March 31, 2015 were $1,172,000 compared to $1,347,000 for the same period in 2014, basically due to reduction in labour costs during the first quarter.

3) Consolidated Cash flow for the six month period ended March 31, 2015

   Cash generated by the Pimenton Mine decreased due to lower gold grades, sales and prices in the quarter compared to the comparative quarter. Capital expenditures at the Pimenton Mine were $86,000 for the six months ended March 31, 2015 (2014 - $63,000).

Overview

The Company is an exploration, development and mining corporation focused in Chile. The Company's primary asset is an operating gold and copper mine in Chile (the "Pimenton Mine"). The Pimenton mine is a narrow high-grade gold and copper mine located in the high mountain range of Chile and encompasses 3,121 hectares (7,708 acres).

The Company's other major projects are a porphyry copper deposit (the "Pimenton Porphyry") and other projects in various stages of exploration and development in Chile which include "Santa Cecilia", "Tordillo", and two limestone deposits "Catedral" and "Cal Norte".

Operational Highlights

- Gold produced by the Pimenton Mine for the six months ended March 31 2015 was 3,499 oz compared to 5,200 oz produced in the same period for 2014
- Pimenton's cash cost for the six months ended March 31, 2015 was $1,165 per ounce of gold produced net of by product credits, compared to $777per oz in the same period for 2014.
- Pimenton's production cost, which includes depreciation and amortization, for the six months ended March 31 2015, was $1,531,000 per ounce of gold produced net of by product credit, compared to $1,047,000per oz in the same period for 2014
- The average gold recovery for the six months ended March 31 2015 was 93.0% compared to 93.10% in the same period for 2014
- The Company expects the mine to maintain milling rates of 120 tons per day depending on the rate of conversion of its known resources to reserves.
- Currently the plant has been permitted to operate at an average of 166 tons per day. The Company has prepared but not yet submitted permits to take the mine up to 500 tons per day.

Financial Highlights

- Loss before income taxes for the six months period ended March 31 2015 was $2,847,000 compared to a loss of $2,334,000 in the same period in 2014.
- Average price per ounce of gold sold for the six months ended March 31 2015 was $1,195 (2014 - $1,279).
- Net loss after income taxes for the six months ended March 31 2015 was $2,847,000 compared to $2,334,000 in the same period in 2014.
- Basic loss per share for the six months ended March 31 2015 was a loss of 0.01 cents per share (2014 – loss of 0.02).
- At March 31 2015, the Company had cash and cash equivalents of $45,000 compared to $87,000 at September 30, 2014.
- Cash flow provided by operating activities for the period ended March 31 2015 was negative $634,000 (2014 – positive$769,000).

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.