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**

August 19, 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 August 19, 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**

August 20, 2015.

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – August 19th, 2015

Cerro Grande Mining Corporation Reports Disruption of Operations at its Pimenton Mine

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the "Company" or "CEG") (CSE:CEG)(OTCQB:CEGMF) reported that operations at its Pimenton mine have been interrupted.

A partial road closure (from the railroad crossing outside of Los Andes to Codelco's Andina mine) caused by Codelco's striking subcontract workers at Andina who also temporarily hijacked a Pimenton truck waiting at the rail crossing to go to the mine stealing a load of timber for feeding their fires on the road, during the period of August 3 to the 7. These actions by the striking Andina workers interrupted both the shipments of copper concentrate and gold dore as well as the shipment of fuel oil into the Pimenton mine. This was followed by a snow storm which began on Saturday, August 8 to August 13th during which time approximately 2.60 meters of heavy wet snow fell at Pimenton, which caused the mine operations to be shut down for 3 days and the plant operations to be shut down, because of lack of fuel, until August 18th when the road was partially reopened.

The primary reason for the road closure is that Pimenton had a D5 level (15 meters in height and 235 meters along the road center line) avalanche mid way along the 80 kilometer road leading

into Pimenton. A D5 avalanche on the US Destructive Scale, as described in the Standards for Weather and Avalanche Recording Guidelines for the U.S. as the most destructive of avalanches recorded in the U.S.

This series of events has adversely impacted operations at Cerro Grande Mining Corporation's 100% owned Pimenton mine and will have a negative impact on the Company's earnings in its fourth fiscal quarter ended September 30th, 2015.

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.