

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

November 13, 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 November 13, 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**

November 26, 2015.

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – November 13, 2015

Cerro Grande Mining Corporation Completes Debt Settlement

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) (OTCQB:CEGMF) reported that it has agreed in principle to extinguish certain outstanding indebtedness owed to David Thomson and Mario Hernandez (the “**Related Parties**”), both directors of the Company, by issuing common shares of the Company (each, a “**Common Share**”) in settlement of such debt (the “**Debt Settlement**”). The Debt Settlement was completed in order to immediately improve the financial position of the Company given the serious financial difficulties it is currently facing.

Pursuant to the Debt Settlement, the Company extinguished outstanding indebtedness in the aggregate amount of US\$3,465,501 owed to the Related Parties, such indebtedness being made up of cash advances made to the Company by the Related Parties, by issuing an aggregate of 92,875,400 Common Shares (representing an issue price of CDN\$0.05 per share) in full and final settlement thereof. All dollar amounts have been converted at an exchange rate of CND\$1.34 per US\$1.00.

The participation of each Related Party in the Debt Settlement constitutes a “related party transaction” under Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“**MI61-101**”). The Company intends to rely on the “financial hardship” exemptions from both the formal valuation and minority shareholder approval requirements of MI61-101 in connection with the Debt Settlement. In reliance thereon, the Board of Directors of the Company (other than the Related Parties who abstained from voting), including all of its

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independent members, has unanimously concluded that the Company is in serious financial difficulty and the contemplated transactions, the terms of which are reasonable in the circumstances, will improve the financial position of the Company. There is no requirement, corporate or otherwise (including pursuant to the rules of the Canadian Securities Exchange), to hold a meeting to obtain any approval of the holders of Common Shares in connection with the Debt Settlement.

With the completion of the Debt Settlement, the Related Parties hold 200,516,530 Common Shares representing approximately 74.86% of the issued and outstanding Common Shares. On a fully-diluted basis, the Related Parties now hold approximately 81.33% of the Common Shares.

The Company 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 certain “forward-looking information” as such term is defined under applicable Canadian securities laws. All disclosure herein, other than information regarding historical fact, regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions or courses of action, including any future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection, is forward looking information. Forward-looking information contained in this news release includes, but may not be limited to, the anticipated closing of the Debt Settlement and the timing thereof, and the expected use of proceeds from the Debt Settlement. The forward- looking information contained in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. With respect to the forward-looking information contained in this news release, the Company has made assumptions regarding, among other things, the Company’s working capital requirements and its ability to complete the Debt Settlement in a timely manner. The forward-looking information contained in this news release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including the inability of the Company to use the proceeds of the Debt Settlement as intended and the inability of the Company to improve its financial position beyond the near term. Any forward-looking information speaks only as of the date on which It is made and, except as may be required by applicable law, the Company disclaims any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason.